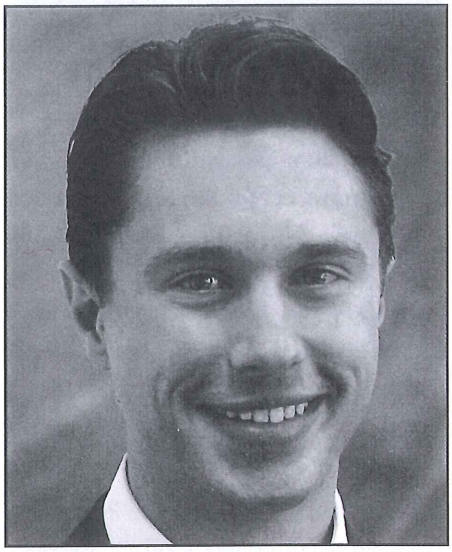
# "Actual Transfer" vs. "Making Available:" A Critical Analysis of the Exclusive Right to Distribute Copyrighted Works



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## INTRODUCTION

Peer-to-peer ("P2P") file sharing software of one type or another has been downloaded worldwide over 600,000,000 times.[1] These programs, such as Gnutella, KaZaA, and BitTorrent, allow users to copy and transfer copyrighted music from one user to another, free of charge.[2] While P2P programs represent a significant and beneficial technological achievement, they have also spawned an unprecedented era of rampant and pervasive copyright infringement of musical works.[3] The International Federation of the Phonographic Industry ("IFPI") has stated that the ratio of unauthorized to authorized music downloads is more than 40:1.[4] Although iTunes, the leading authorized online music distributor, has sold over six billion songs, it has been estimated that P2P file sharing accounts for over four billion songs a month—a ratio of approximately 150:1.[5]

As a result of this unauthorized mass distribution of songs, the music industry has suffered financially. From the year 2000 to the end of 2007, Compact Disc ("CD") album sales have dropped 46% and CD singles sales have all but disappeared, declining 92%.[6] From a monetary perspective, illegal filesharing causes the music industry $12.6 billion of economic loss every year.[7]

In 2003, seeking legal recourse, the Recording Industry Association of America ("RIAA")—the trade association representing the U.S. recording industry—began filing copyright infringement lawsuits against individual users of P2P programs.[8] To date, the RIAA has sued over 18,000 individual users of P2P programs for copyright infringement.[9] Although the RIAA recently stated that it plans to discontinue filing suits against individual infringers, it also stated that it will continue to pursue those cases already in progress, and it may still decide to sue particularly egregious infringers.[10]

The RIAA's claims are based on the Copyright Act of 1976.[11] The Copyright Act grants copyright holders six exclusive rights, which frequently are addressed as five separate rights because the two "rights to perform" usually are considered together. [12] One of these is the exclusive right "to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending."[13] This is commonly known as the "exclusive right of distribution."

There is an ongoing debate in the legal community as to what constitutes a direct violation of a copyright holder's exclusive right of distribution.[14] On one side, there are those who argue that merely offering to distribute a copy of a copyrighted work violates this exclusive right.[15] This is referred to as the "making available" theory. The "making available" theory is based on two main arguments. One argument is that because it is extremely difficult for copyright owners to prove that a P2P user actually distributed a song to another user, the act of making the song available for others to download should be sufficient to constitute a violation of the distribution right.[16] The other argument is that the United States' international treaty obligations require U.S. law to provide copyright owners with the exclusive right to make their works available to the public, and therefore the distribution right should be interpreted to encompass this right.[17]

On the other side of the debate, there are those who argue that an actual transfer of the copyrighted work must take place for a violation of the distribution right to occur.[18] This is known as the "actual transfer" theory. The main argument in support of the "actual transfer" theory is that the plain meaning of the term "distribute" requires an actual transfer of ownership from one person to another, and it is beyond the courts' constitutional authority to change the face and effect of the plain meaning of the statute to include a "making available" right.[19]

While the debate is far from being settled, the current trend in the law is in favor of the "actual transfer" theory.[20] This is mainly because the only two cases that have actually litigated this issue on the merits were recently decided, and in both cases the court adopted the "actual transfer" theory.[21]

This current trend poses a serious threat to the RIAA's ability to protect its members' creative works from copyright infringement.[22] Due to advances in P2P technology, it is very difficult for the RIAA to provide evidence that a P2P user actually transferred a song to another user.[23] Without such evidence, if a court adopts the "actual transfer" theory, the RIAA is effectively incapable of proving its case. This is a significant problem because if copyright owners are incapable of enforcing their copyright rights, then they will be unable to profit from their creative works; and if they cannot profit from their works, there will be no incentive to create those works in the first place.

Part I of this article provides a technological background of P2P file-sharing programs. It will explain how P2P programs operate, and also illustrate how these programs have evolved since their creation 11 years ago. Part II of this article will first lay the necessary legal foundation to understand the issue at hand. Part II will then apply this legal foundation to the issue of unauthorized P2P file sharing and describe the difficulties the RIAA faces in trying to prove its copyright infringement claims. Part III will provide a critical analysis of the arguments both for and against the "actual transfer" theory, and it will do the same for the "making available" theory. Finally, Part IV will argue that the courts should universally adopt the "making available" theory because the definition of "distribution" is ambiguous, and equitable concerns regarding problems of proof and the United States' international treaty obligations require such an interpretation.

## TECHNOLOGICAL BACKGROUND: THE EVOLUTION OF PEER-TO-PEER PROGRAMS[24]

In 1999, the music industry was forever changed when an eighteen year old named Shawn Fanning created the world's first peer-to-peer ("P2P") file-sharing program: Napster.[25] Napster allowed Internet users to share digital music with each other in the form of MP3 files.[26] Digital music was already available over the Internet in 1999 through Web sites like MP3.com, but these websites operated by storing MP3 files on a central server and allowing users to download files from the server.[27] Napster was revolutionary because rather than storing MP3 files on a central server, it allowed users to search and download MP3 files directly from one another, thus avoiding the myriad technical and other problems with which websites like MP3.com were suffering.[28]

In less than a year, Napster went from just a few users to over sixty million. However, Napster had a fundamental flaw, which eventually led to its demise.[29] Although Napster did not have a central server to store all the MP3 files available to Napster users, it did have a central server that would index all the Napster users currently online and all the MP3 files available on these users' computers.[30] This central indexing server would facilitate Internet connections between Napster users so they could share MP3 files with each other.[31]

In the now famous case of *A&M Records v. Napster,* the RIAA sued Napster for contributory copyright infringement.[32] The Ninth Circuit held that "Napster users who upload file names to the search index for others to copy violate plaintiff's distribution rights" and because Napster both knew of and materially contributed to this infringement, it was liable for it. Thus, the central indexing server that was the source of Napster's success actually ended up being the source of its destruction. As a result of this lawsuit, Napster was shut down in 2001.[33]

Napster's destruction left an enormous gap in the market for P2P software programs, and competing companies were ready and eager to fill that gap. With the demise of Napster came the birth of Gnutella.[34] Gnutella, like Napster, avoids the problems that MP3.com faced by not storing MP3 files on a central server. However, unlike Napster, Gnutella does not use a central indexing server.[35] Rather, in order to facilitate file sharing between users, Gnutella uses a type of exponential relay method.[36] To illustrate, when a Gnutella user wants to search for a particular song, the Gnutella program will connect to a few other computers currently running the program, search for the song on their hard drives, and instruct these computers to send out the same search to a few other computers.[37] This process repeats for about seven levels of searching, thus reaching roughly 8,000 computers.[38] The Gnutella program then displays a list of every computer that has the searched-for song on its hard drive.[39] Finally, the user simply clicks the one he wants and downloads the song.[40]

Gnutella's lack of a central indexing server is critical to its survival. By not creating and maintaining a central source where all the MP3 files are gathered and sorted, Gnutella avoids exposure to contributory liability for copyright infringement.[41] While the fact that Gnutella has no central indexing system is not sufficient by itself to avoid contributory liability, it certainly helps its case. If sued, Gnutella can honestly say that it plays no part in the actual uploading or downloading of any copyrighted music; it only created the software capable of transferring MP3 files from one user to another, which may be used for lawful or unlawful purposes.[42]

BitTorrent represents the latest generation of P2P file-sharing software. BitTorrent operates similarly to how Gnutella operates, but there is one key difference between the two.[43] Rather than following the traditional P2P format (in which one user downloads an entire MP3 file from another user's computer), BitTorrent facilitates MP3 downloading by gathering tiny pieces of the searched-for MP3 file from many different computers and then combining them on the user's computer.[44] This allows users to download MP3 files much faster than other, more traditional P2P programs allow.[45]

## THE LEGAL FOUNDATION OF COPYRIGHT LAW AND THE DIFFICULTY OF PROVING INFRINGEMENT IN THE P2P CONTEXT

This section will first introduce and discuss the relevant legal basis on which copyright infringement claims are based, as well as the main policy rationale for protecting intellectual property rights in general. This section will then explain the reasons for the difficulty the RIAA is having in its pursuit of copyright infringement claims against users of P2P programs.

### Legal Background: The Constitutional and Statutory basis for Copyright Law

Article 1, Section 8 of the U.S. Constitution provides, "Congress shall have the power to...promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[46] This constitutional provision places at the forefront the main policy justification for protecting intellectual property in the United States—to promote the progress of science and useful arts. This justification is often referred to as the "utilitarian" or "economic" rationale.[47] Essentially, the utilitarian rationale means that the goal of copyright law is to encourage innovation, and this can be best achieved by ensuring that people are able to reap the benefits of their creative works.[48] If people are not allowed to reap the benefits of their creative works, then they will have little or no incentive to invest the time and effort it takes to create these works.[49] Thus, granting and enforcing intellectual property rights is essential to the cultivation of technological and artistic growth of the United States.[50]

In furtherance of this constitutionally mandated policy goal, Congress created the Copyright Act of 1976.[51] The Copyright Act, besides defining the subject matter and scope of copyright protection, grants copyright holders six exclusive rights.[52] The Copyright Act grants copyright owners the exclusive right (1) to reproduce the copyrighted work; (2) to prepare derivative works; (3) to distribute copies of the copyrighted work; (4) to perform the copyrighted work publicly; (5) to display the copyrighted work publicly; and (6) to perform sound recordings publicly by means of a digital audio transmission.[53]

There are two types of copyright infringement: direct infringement and indirect infringement.[54] Direct infringement occurs when the defendant directly violates the plaintiff's copyright rights. To establish a claim of direct infringement, the plaintiff must prove (1) ownership of a valid copyright in the work, and (2) that the defendant violated at least one of the plaintiff's exclusive rights.[55] If the plaintiff proves both of these elements, then the plaintiff can request an injunction on future infringement and also elect to receive either statutory damages or actual damages and disgorgement of the defendant's wrongful profits.[56] If the plaintiff elects to receive statutory damages, the plaintiff is entitled to no less than $750 and no more than $30,000 per infringed work.[57]

Indirect infringement occurs when someone besides the defendant directly violates the plaintiff's copyright rights, but the defendant nonetheless shares responsibility for the violating activity. There are two types of indirect infringement: contributory infringement and vicarious infringement.[58] To establish a claim of contributory infringement, the plaintiff must prove that the defendant (1) had knowledge of the infringing activity and (2) induced, caused, or materially contributed to the infringing activity.[59] To establish a claim of vicarious infringement, the plaintiff must prove that the defendant (1) had the right and ability to control the infringer's activity and (2) received a direct financial benefit from the infringement.[60] When a defendant is found liable for contributory or vicarious infringement, the defendant becomes jointly and severally liable for the amount of damages incurred due to the direct infringement.[61]

### Legal Application: The Difficulty of Proving a P2P User Committed Copyright Infringement

It is a relatively uncontroversial statement to say that when one Gnutella user downloads a copyrighted song from another Gnutella user without paying anything to the copyright owner, copyright infringement has occurred.[62] The more complicated issues are which exclusive rights are violated when this occurs and how can copyright owners prove their claim in court.

One possible argument is that the reproduction right has been violated.[63] A plaintiff copyright owner could argue that the user who downloaded the song essentially created a copy of the song and placed it on his hard drive, thus violating the reproduction right. If a court were to accept this argument, the plaintiff could then argue that the user who made the song available for others to download is contributorily liable for the infringement. The user could be contributorily liable because he knew that other Gnutella users could download (*i.e.,* copy) his songs, and by making these songs available to other users, he materially contributed to the copying.[64]

While this argument is probably legally sound, the RIAA has chosen not to pursue it because it is not cost efficient.[65] The actual harm that copyright owners are seeking to prevent is the mass distribution of their songs, but if they focus only on the violation of the exclusive right of reproduction, then the harm being addressed is merely the individual copies that the user made. At trial, the RIAA would be forced to limit the scope of their damages to a single copy of each song on the user's hard drive. Given that each song could probably have been purchased lawfully for $.99, this greatly reduces the amount of damages the RIAA may receive. Therefore, pursuing these claims based on a violation of the reproduction right is simply not worth the cost of litigation.

A more economically justified argument, however, is that when one Gnutella user downloads a copyrighted song from another Gnutella user, a violation of the distribution right has occurred.[66]

By focusing on the user who made the song available for others to download and arguing that this user violated the distribution right, the RIAA can seek compensation for the mass distribution of the song, rather than one lone instance of copying.

While this claim has more economic appeal, it is also more difficult to prove. Although the issue is still hotly debated, most courts and scholars currently hold that to prove a violation of the distribution right, the plaintiff must prove that an actual transfer of the copyrighted work took place.[67]

In an effort to satisfy this burden, the RIAA has hired a company called MediaSentry to gather evidence of infringing activity.[68] MediaSentry uses file-sharing software to download songs from the suspected infringing user, takes "screen shots" of the downloading taking place, and records the user's screen name and Internet Protocol ("IP") address.[69]

The evidence MediaSentry obtains is usually sufficient to prove a violation of the distribution right; however, some courts have held MediaSentry's evidence to be insufficient.[70] Some courts have held that a copyright owner cannot infringe his own copyright rights, and by extension, an agent of the copyright owner cannot infringe the copyright owner's rights either.[71] If a court follows this rule, then the RIAA is incapable of proving that a copyrighted song was actually transferred from one user to another, thus making it practically impossible for the RIAA to establish liability.

Even if a court holds that the evidence obtained by MediaSentry can be used to prove copyright infringement, advances in P2P technology pose further evidentiary problems for the RIAA. For example, MediaSentry's investigation would be useless if conducted on users of BitTorrent because of the way BitTorrent operates. If MediaSentry tried to download a song using BitTorrent, there would be no one single user to record as the infringer because on BitTorrent, songs are downloaded from many different users at the same time, each providing only a miniscule amount of data.[72]

Moreover, while BitTorrent represents the RIAA's latest evidentiary hurdle, advances in P2P technology will likely create new problems in the future. Peer-to-peer file sharing is extremely popular. When Napster shut down, users just migrated to Gnutella.[73] Although Gnutella is still widely used, many users are now moving to BitTorrent, perhaps because of the added protection from copyright liability. The huge demand for P2P file-sharing programs, combined with the rapid advances in file-sharing technology, pose a significant threat to the ability of copyright owners everywhere to effectively enforce their copyright rights.

Invariably, the ability to enforce these rights turns on one crucial issue—the appropriate interpretation of the term "distribute."

Part II of this article, coming in the next edition of NEW MATTER, will directly address this issue by introducing the "actual transfer" theory, the "making available" theory, and the arguments supporting and criticizing each. ◀◀

*The views expressed in this article are personal to the author and do not necessarily reflect the views of the author's firm, the State Bar of California, or any colleagues, organization, or client.*



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## Endnotes

1. Lori A. Morea, *The Future of Music in a Digital Age: The Ongoing Conflict between Copyright law and Peer-to-peer Technology*, 28 CAMPBELL L. REV. 195, 230 (2006) (citing H.R. 4077, 108th Cong. § 9 (2004)).
2. These programs can transfer video files as well, thus potentially affecting the movie industry. However, most P2P copyright infringement has occurred in the music industry, so this article will focus solely on infringement of copyrighted music. That said, this article's analysis is equally applicable to the transfer of copyrighted videos as well.
3. Ken Nicholds, *The Free Jammie Movement: Is Making a File Available to Other Users Over a Peer-to-peer Computer Network Sufficient to Infringe the Copyright Owner's 17 U.S.C. § 106(2) Distribution Right?*, 78 FORDHAM L. REV. 983, 987 (2009).
4. Richard Wachman, *Pirates Still Have All the Best Tunes*, OBSERVER (London), May 27, 2007, at Business 4.
5. John F. Gantz, *et al.*, THE EXPANDING DIGITAL UNIVERSE, 1 (2007) (citing John Gantz & Jack B. Rochester, HOW THE INTELLECTUAL PROPERTY WARS DAMAGE OUR PERSONAL FREEDOMS, OUR JOBS, AND THE WORLD ECONOMY, 175 (2005)).
6. *See* RIAA, 2007 Year-End Shipment Statistics 1 (2007) (stating that CD album shipments in 2000 were 942,500,000 and in 2007 they were 511,100,000, while CD singles shipments in 2000 were 34,200,000 and in 2007 they were 2,600,000).
7. *See* RIAA—For Students Doing Reports, http://www.riaa.com/faq.php (last visited May 5, 2001) (citing a study conducted by the Institute for Policy Innovation, available at www.ipi.org).
8. Kristina Groennings, *Costs and Benefits of the Recording Industry's Litigation against Individuals*, 20 BERKELEY TECH L.J. 571, 571–72 (2005).
9. Nicholds, *supra* note 3, at 990. Some articles have reported that the RIAA has actually filed over 30,000 suits against individual infringers. *See* Sarah McBride & Ethan Smith, *Music Industry to Abandon Mass Suits*, WALL ST. J., Dec. 19, 2008 (available at http://online.wsj.com/article/SB122966038836021137.html).
10. *See* RIAA—For Students Doing Reports, http://www.riaa.com/faq.php (last visited May 5, 2001); Lynn B. Bayar & Darren W. Johnson, *Capitol Records v. Thomas: The Debate Over the "Making Available" Theory of Copyright Infringement*, 2 No. 3 LANDSLIDE 39, 40 (2010).
11. The Copyright Act of 1976, 17 U.S.C. § 101 *et seq.* (2009)

(hereinafter "the Copyright Act" or "the Act").

12. 17 U.S.C. § 106; exclusive rights include (1) right to reproduce the copyrighted work in copies or phonorecords, (2) right to prepare derivative works based upon the copyrighted work, (3) right to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, the right to perform the copyrighted work publicly, (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, the right to display the copyrighted work publicly; and (6) in the case of sound recordings, the right to perform the copyrighted work publicly by means of a digital audio transmission.; *see* Part II.A. *infra* for a discussion of all six of the exclusive rights.
13. 17 U.S.C. § 106(3).
14. *See generally* Mark E. Mayer, *Distributive Principles: The Determination of Copyright Infringement May Hinge on Whether "Actual Distribution" or Mere "Making Available" has Occurred,* 32 May L.A. Law 35 (2009).
15. *Id.*; *see Hotaling v. Church of Latter Day Saints,* 118 F.3d 199, 203 (4th Cir. 1997); A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1014 (9th Cir. 2001); *Motown Record Co. v. DePietro,* 2007 WL 576284 (E.D. Pa. 2007); *Elektra Entm't Group, Inc. v. Barker,* 551 F. Supp. 2d 234 (S.D.N.Y. 2008); *see generally* David O. Carson, *Making the Making Available Right Available, 22nd Annual Horace S. Manges Lecture,* 33 Colum. J.L. & Arts 135 (Feb. 3, 2009).
16. Nicholds, *supra* note 3, at 993; *see also* Plaintiffs' Supplemental Brief Pursuant to May 15, 2008 Order at 2, *Capital Records, Inc. v. Thomas,* 579 F. Supp 2d. 1210 (D. Minn. 2008) (No. 06-1479) ("Copyright owners typically have no way to monitor—much less prove—the actual transfer of those files.")
17. Carson, *supra* note 15, at 161–62.
18. *National Car Rental System v. Computer Associates International, Inc.,* 991 F.2d 426 (8th Cir. 1993); *Atlantic Recording v. Howell,* 554 F. Supp. 2d 976 (D. Ariz. 2008); *Capital Records, Inc. v. Thomas,* 579 F. Supp 2d. 1210 (D. Minn. 2008); *London-Sire Records, Inc. v. Doe 1,* 542 F. Supp. 2d 153 (D. Mass. 2008); *Atlantic Recording Corp. v. Brennan,* 534 F. Supp. 2d 278, 281-82 (D. Conn. 2008); 4 William F. Patry, Patry on Copyright § 13:11.50 (2010) ("[A] mere offer to distribute a copyrighted[sic] work does not violate section 106(3)."); 2 David Nimmer & Melville B. Nimmer, Nimmer on Copyright § 8.11[A], at 8-149 (2007) ("Infringement of [the distribution right] requires an actual dissemination of either copies or phonorecords."); 2 Paul Goldstein, Goldstein on Copyright § 7.5.1, at 7:125–26 (3d ed. 2005) ("[A]n actual transfer must take place; a mere offer for sale will not infringe the right.").
19. *Howell,* 544 F. Supp. 2d at 985; *Thomas,* 579 F. Supp. 2d at 1216.
20. *See generally* John Horsfield-Bradbury, *"Making Available" as Distribution: File-Sharing and the Copyright Act,* 22 Harv. J.L. & Tech. 273 (2008).
21. *See Howell,* 544 F. Supp. 2d at 985; *see Thomas,* F. Supp. 2d at 1216.
22. Nicholds, *supra* note 3, at 993.
23. *Id.*; *see also* Plaintiffs' Supplemental Brief Pursuant to May 15, 2008 Order at 2, *Capital Records, Inc. v. Thomas,* 579 F. Supp 2d. 1210 (D. Minn. 2008) (No. 06-1479) ("Copyright owners typically have no way to monitor—much less prove—the actual transfer of those files").
24. Much of the following information was derived from the website HowStuffWorks.com. *See* http://computer.howstuffworks.com/about-hsw.htm. HowStuffWorks describes itself as an "award-winning source of credible, unbiased, and easy-to-understand explanations of how the world actually works." HowStuffWorks has won multiple Webby awards, was among Time Magazine's "25 Web Sites We Can't Live Without" in 2006 and 2007, and has been one of PC Magazine's "Top 100 Web Sites" four times.
25. *See* How the Old Napster Worked, http://computer.howstuffworks.com/napster2.htm (last visited May 4, 2010).
26. An MP3 file is a digitally compressed sound file (usually taken from a CD (Compact Disk)), which is capable of being transferred over the Internet in a short amount of time.
27. How the Old Napster Worked, http://computer.howstuffworks.com/napster2.htm (last visited May 4, 2010).
28. These problems mostly stemmed from the sheer mass of songs being uploaded to the server, as well as the site's inability to quickly locate and remove broken links, thus creating an inefficient and frustrating user experience.
29. To be clear, Napster has since returned to the market under the new title "Napster 2.0;" however, this new Napster program is significantly different from the original version.
30. *See* How the Old Napster Worked, http://computer.howstuffworks.com/napster2.htm (last visited May 4, 2010).
31. *Id.*
32. *A&M Records, Inc. v. Napster, Inc.,* 239 F.3d 1004 (9th Cir. 2001). As discussed further in Part II.A., contributory copyright infringement is a cause of action against someone who knowingly materially contributed to direct copyright infringement.
33. *See* How the Old Napster Worked, http://computer.howstuffworks.com/napster2.htm (last visited May 4, 2010).
34. KaZaA is another popular P2P program, but the difference between KaZaA and Gnutella is negligible, so for clarity purposes, this paper will only refer to Gnutella.
35. *See* How Gnutella Works, http://computer.howstuffworks.com/file-sharing.htm (last visited May 4, 2010).
36. *Id.*
37. *Id.*
38. *Id.*
39. *Id.*
40. *Id.*
41. Another reason Gnutella has avoided liability is because it does not actively advertise that its program can be used to commit copyright infringement. A program called Grokster once operated very similarly to Gnutella, but because Grokster advertised its potential to be used to share copyrighted music, the Supreme Court found that this "inducement" constituted contributory copyright infringement. *See MGM Studios, Inc. v. Grokster, Ltd.,* 545 U.S. 913, 930–31 (2005).
42. *Sony Corp. of America v. Universal City Studios Inc.,* 464 U.S.

417, 441 (1984) (holding that a person distributing a device that facilitates copying may not be held liable for contributory copyright infringement so long as the device is capable of substantial non-infringing uses).

43. *See* How BitTorrent Works, http://computer.howstuffworks.com/bittorrent.htm (last visited May 4, 2010).
44. *Id.*
45. *Id.*
46. U.S. Const. Art. I, § 8.
47. Robert P. Merges *et al.*, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 10–11, 390–91 (2003); William M. Landes & Richard A Posner, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 37 (2003).
48. *See* Merges, *supra* note 47, at 11, 390.
49. *See id.*
50. *See id.*
51. 17 U.S.C. § 106. Over the years, Congress has actually enacted several versions of the Copyright Act, beginning with the Copyright act of 1790; however, only the Copyright Act of 1976 is currently applicable. The Digital Millennium Copyright Act is another potentially applicable statute; however, while the DMCA has provisions that may apply to P2P programs generally, there is no provision in the DMCA applicable to the issue of infringement of the distribution right by individual users. Therefore, this article will not discuss the DMCA any further.
52. 17 U.S.C. § 106.
53. 17 U.S.C. § 106(1)-(6).
54. *See* Merges, *supra* note 47, at 388–389.
55. *Id.*; *Ty, Inc. v. GMA Accessories, Inc.*, 132 F.3d 1167, 1169 (7th Cir. 1997); *see also* Brent C. Johnson, *The Making Available Argument: Is Actual Distribution Required to Find Infringement Upon the Copyright Holder's Distribution Right?*, 85 N.D. L. REV. 371, 383–84 (2009).
56. 17 U.S.C. § 504.
57. 17 U.S.C. § 504(c). In cases where the plaintiff is able to prove that the defendant "willfully" infringed the copyrighted work, the plaintiff can receive up to $150,000 per infringed work.
58. *See* Merges, *supra* note 47, at 388–389; *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930–31 (2005).
59. *Grokster*, 545 U.S. at 930–31.
60. *Id.*
61. *Id.*
62. *See, e.g.*, Nicholds, *supra* note 3 at 1024–28 (arguing against the "making available" theory and proposing alternative solutions, but nonetheless acknowledging that the unauthorized transfer of copyrighted songs via P2P networks constitutes copyright infringement).
63. *See* Carson, *supra* note 15, at 137–40.
64. *See Grokster*, 545 U.S. at 930–31.
65. Carson, *supra* note 15, at 137–40.
66. *Id.*; Groennings, *supra* note 9, at 571–72.
67. *See* cases cited *supra* note 19.
68. *See* Nicholds, *supra* note 3, at 992–93.
69. A "screen shot" is a digital image of a computer screen at a given state in time. A "screen name" is a pseudonym used by P2P users while they are using a P2P program. An "IP address" is a numerical label that is assigned to devices participating on a computer network.
70. *See, e.g., Atlantic Record Corp. v. Howell*, 554 F. Supp. 2d 976, 985 (D. Ariz. 2008) (holding that evidence obtained by an agent of a copyright holder may be used to prove infringement); *contra* London-Sire, *supra* note 18, at 166 ("MediaSentry's own downloads are not themselves copyright infringements because it is acting as an agent of the copyright holder, and copyright holders cannot infringe their own rights.").
71. London-Sire, *supra* note 18, at 166.
72. *See Newton v. Diamond*, 204 F. Supp. 2d 1244, 1256-57 (C.D. Cal. 2002) ("To establish that the infringement of a copyright is *de minimis*, and therefore not actionable, the alleged infringer must demonstrate that the copying of the protected material is so trivial 'as to fall below the quantitative threshold of substantial similarity, which is always a required element of actionable copying.'") (quoting *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 217 (2d Cir. 1998).
73. Morea, *supra* note 1, at 208–09.

## EDITOR'S LETTER

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### Our Help From Above

Last but certainly not least, I'd like to thank the Executive Committee of the Intellectual Property Section and the State Bar of California Staff for the support for issues large and small. You know who you are. The members of the Bar and executive committee are always responsive to inquiries from *New Matter* and do all that is in their powers to help us with novel issues that come up. Thanks for the standing committee updates and keeping us "in the know." You are the oil that greases the wheels of *New Matter*, ensuring a smooth ride!

I wish *New Matter* the best of luck in the coming years as everyone will always hold a place very dear in my heart (especially the foodies).

Thanks for a Wonderful Time!
*Nicole Smith*