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Server Test in the Spotlight: What You See or How You See It?

***Elliot McGucken v. Valnet, Inc.*, No. 24-1040 (U.S. filed Mar. 28, 2025)**

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I. Introduction

In the *Magician's Nephew*, C.S. Lewis wrote that "[w]hat you see… depends a good deal on where you are standing…," but is the flipside true? Does what you see depend on the location from which the image is projecting? Or, in copyright terms, does what you see infringe depending on the technical means by which you see it? If Dr. Elliot McGucken gets his way, the Supreme Court will soon decide this issue. On March 28, 2025, Dr. McGucken filed a petition for a writ of certiorari with the United States Supreme Court, seeking a review of the United States Court of Appeals for the Ninth Circuit's decision to uphold the dismissal of his copyright infringement claims against the respondent, Valnet, Inc. (hereinafter "Valnet"), based on the Ninth Circuit's "Server Test.".[1] Dr. McGucken's claims originated out of a dispute under Section 106(5) of the Copyright Act, which states that the copyright owner of a pictorial work has the exclusive right to control how the work is publicly displayed.[2] Dr. McGucken alleged that Valnet violated his exclusive right to display his copyrighted works by using embedding technology to display—without authorization—photographs taken from his Instagram account in online articles on Valnet's for-profit website.

II. The Copyright Act

First enacted in 1790, with its most significant amendment last coming in 1976, the Copyright Act faces a rapidly evolving technological landscape that continuously reshapes how creative works are produced, reproduced, and distributed to members of the public. Emerging platforms—ranging from streaming services and digital editing to AI-generated content—are challenging conventional views on authorship and ownership, driving legal systems to adapt in order to safeguard creators' rights while serving the public interest. Under the Act, one of the requirements to recover for copyright infringement, is that the plaintiff must demonstrate that the alleged infringers violate at least one exclusive right granted to copyright holders under 17 U.S.C.

[1] Irwin IP LLP emphasizes that there is no indication as to whether the Supreme Court will grant certiorari.
[2] *See* 17 U.S.C. § 106(5).

§ 106.[3] In the 1976 Amendment, various "exclusive rights" were conferred upon copyright holders, with one being the right to display their copyrighted works publicly.[4] The Act explains that "[t]o display a work means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, or in the case of a motion picture or other audiovisual work, to shown individual images non-sequentially." [5] Likewise, the Act defines "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." [6] These criteria and definitions establish the framework not only for determining copyright infringement, but also for what has come to be known as the "Server Test."

III. What Exactly Is the "Server Test"?

The "Server Test" was created in 2007 by the Ninth Circuit in *Perfect 10* and is used to determine when a website infringes a copyright owner's exclusive right to display. In *Perfect 10*, the Ninth Circuit held that "[a] photographic image is a work that is fixed in a tangible medium of expression, for purposes of the Copyright Act, when embodied (i.e., stored) in a computer's server (or hard disk, or other storage device). The image stored in the computer is the "copy" of the work for purposes of copyright law."[7] Thus, a computer owner who stores an image as electronic information and serves that electronic information directly to the user, "i.e., physically sending ones and zeroes over the [I]nternet to the user's browser," [8] is displaying the electronic information in violation of a copyright holder's exclusive display right.[9] In contrast, a computer owner who does not store or serve electronic information to a user is not considered to be displaying that information, even if they include in-line or embedded links to it, i.e., if they include "HTML instructions that direct a user's browser" to retrieve the image from a third-party's server.[10]

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[3] *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir. 2001) (citations omitted).
[4] 17 U.S.C. § 106 (5).
[5] 17 U.S.C. § 101.
[6] *Id.*
[7] *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1160 (9th Cir. 2007) (citing *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 517–18 (9th Cir. 1993).
[8] *Perfect 10 v. Google, Inc.*, 416 F.Supp.2d 828, 839 (C.D. Cal. 2006).
[9] *Id.* at 843–45; *see* 17 U.S.C. § 106(5).
[10] *Perfect 10*, 508 F.3d at 1160-61.

Therefore, under the Server Test, a potential infringer is essentially only liable if it reproduces an image, stores it on its servers, and serves it directly to users. Notably, the Ninth Circuit has repeatedly upheld the Server Test, such as in *Hunley*, [11] where it analyzed and affirmed the use of the test, explaining that the storage location of the copyrighted image is determinative of whether there is infringement. District Courts within the Ninth Circuit also adhere to its rule.[12] In sum, under the test, a party incurs copyright-infringement liability only if a copy is permanently fixed in the computer's memory, as processes like in-line linking and embedding do not amount to displaying a "copy" under the Copyright Act.

A. How Do Courts Treat the Server Test.

Significant debate persists over the appropriateness of the Server Test and whether it is consistent with the text of the Copyright Act. Nonetheless, the Ninth Circuit has consistently endorsed it and the First and Seventh Circuits have cited the test without taking a position on it.[13] Indeed, no Circuit Court has openly declined to follow the Server Test, but district courts, in the Second, Fifth and Tenth Circuits have rejected it or limited its application.[14] In a recent example, the Court in *Bowery*, found the Server Test to be wholly unpersuasive, stating that the plain text of the Copyright Act makes it clear that "[t]o 'display' a work means to *show* a copy of it, either directly or by ... *any other device or process*[.]"[15] Ultimately, the Court rejected the Server Test, anchoring its decision directly in the text of the Act, stating that "a defendant who embeds a copyrighted image on a webpage, without hosting the image on its servers, may infringe the copyright holder's display rights." [16]

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[11] *Hunley v. Instagram, LLC*, 73 F.4th at 1060.
[12] *Miller v. 4Internet, LLC*, 2022 WL 2438815, at *3 (D. Nev. July 5, 2022), *aff'd*, 2024 WL 3219716 (9th Cir. June 28, 2024) (granting summary judgment pursuant to the Server Test while emphasizing that no Ninth Circuit precedent supports the argument that inline-linked images give rise to copyright infringement liability); *Hunley*, 73 F.4th at 1060 (adopting the server test in totality).
[13] *See In Soc'y of Holy Transfiguration Monastery, Inc. v. Gregory*, 689 F.3d 29, 55 (1st Cir. 2012) (referencing the server test without adopting or rejecting it); *Flava Works, Inc. v. Gunter*, 689 F.3d 754 (7th Cir. 2012) (citing the server test with approval).
[14] *See Prepared Food Photos, Inc. v. Chicken Joes*, LLC, 2024 WL 382529, at *1 (S.D.N.Y. Feb. 1, 2024) (rejecting the server test); *Leader's Inst. LLC v. Jackson*, 2017 WL 5629514, at *10-11 (N.D. Tex. Nov. 22, 2017) (refusing to apply the server test).
[15] *Bowery v. Sites*, 2024 WL 3416038, 9-10 (D. Utah July 15, 2024).
[16] *Id*.

B. Public Policy Surrounding the Server Test.

Over time, parties have both championed and criticized the Server Test, whether it has been in amici briefs or dispositive motions and briefs filed in district and appellate court litigations, a number of arguments have been presented as to why the test should be upheld or overturned. For example, in terms of support, it has been argued that the test is critical to promoting innovation because in line linking and embedding are critical parts of the open internet.[17] On the other side of the aisle, it has been argued that the test should be eliminated because it allows infringers to circumvent copyright laws by using inline linking and embedding to show protected works, i.e., allow people using their computers and devices to see images, without recourse and thus destroys the licensing market for photographers.[18]

C. Dr. McGucken's Petition for Certiorari.

Prior to the filing of his petition, the Central District of California dismissed, and the Ninth Circuit affirmed, Dr. McGucken's claims for direct and vicarious copyright infringement. In doing so, the C.D. Cal. held that: (1) the Server Test and its application are not limited to search engines; and (2) *Perfect 10* and the Server Test are not "clearly irreconcilable" with the Supreme Court's decision in *American Broadcasting Cos. v. Aereo, Inc.*, 573 U.S. 431 (2014) such that would allow a district court to disregard it. In his petition, Dr. McGucken offers three reasons as to why the Ninth Circuit's ruling, affirming the dismissal of his copyright infringement claims, is incorrect. *First*, the Server Test is inconsistent with the plain letter text of the Copyright Act. *Second* it is inconsistent with Congress's intent. *Third*, and finally, it is inconsistent with the Supreme Court's decision in *Aereo*.

As an initial matter, and as discussed supra, no true circuit split exists concerning the applicability of the Server Test. Although multiple district courts have weighed in, the Circuit Courts have remained largely silent. Consequently, it is uncertain whether the Supreme Court will grant certiorari, given its tendency to entertain petitions only when a true conflict between circuits

[17] *Hunley*, 73 F.4th at 1076.
[18] *Id*.

is present.[19] Nevertheless, turning to Dr. McGucken's argument that the Server Test is inconsistent with the Copyright Act, Dr. McGucken argues that it improperly conflates the right of reproduction and the right to display, because the Copyright Act confers, both separately.[20] Dr. McGucken argues that there is "no indication in the text or legislative history of the Act that possessing a copy of an infringing image is a prerequisite to displaying it."[21] He also argues that the Copyright Act is clear in the sense that: (1) "[a]nyone who violates any of the exclusive rights of the copyright owner as provided by section[] 106 … is an infringer of the copyright"[22]; and (2) to display a work is "to show a copy of it",[23] not "to make, store, and then to show a copy of it".

Addressing his second argument, Dr. McGucken maintains that the Server Test distorts the right to display Congress established, effectively granting different rights to authors who publish online versus those who publish elsewhere. He argues that Congress never intended the Copyright Act to "freeze the scope of copyrightable technology," and that the Server Test improperly carves out an embedding exception to the exclusive right to display.

Finally, Dr. McGucken invokes the Supreme Court's ruling in *Aereo* to argue that the Court has already undermined the Server Test's theoretical basis by holding that the Copyright Act permits no infringement exceptions grounded solely in technological differences in content delivery.[24] In *Aereo*, the Supreme Court similarly analyzed a copyright holder right to *perform* a work publicly. Aereo provided a service that let subscribers watch over-the-air television via the internet. When a user visited Aereo's website and chose an on-air broadcast, Aereo's servers would assign an antenna, tune it to that signal, and then stream the captured broadcast as a copy directly to the user's web page. The Supreme Court held that this was a direct performance by Aereo and "whether Aereo transmits from the same or separate copies, it performs the same work;

[19] That said, the importance of national uniformity in copyright law specifically may tip the scales here. Feltner v. Columbia Pictures Television, Inc., 523 U.S. 340 (1998) (certiorari granted to resolve differing interpretations of copyright law provisions among the circuits). In addition, the "clean vehicle" factor favors a grant here as well. Yee v. City of Escondido, 503 U.S. 519 (1992) (noting the Supreme Court prefers cases that present questions cleanly without procedural complications).
[20] *See* Petition.
[21] *Id*. at 18. (citing *Goldman v. Breitbart News Network, LLC*, 302 F.Supp.3d 585 (S.D.N.Y. 2018)).
[22] 17 U.S.C. § 501(a)
[23] 17 U.S.C. § 101.
[24] *Id*. at 20 (citing *Aereo*, 573 U.S. 431 (2014)).

it shows the same images and makes audible the same sounds." [25] Dr. McGucken analogizes the facts to contend that a website displays an image regardless of whether it draws from the same copy or from separate copies. In sum, Dr. McGucken contends that it does not matter how the image is presented to viewers, it matters that they see it; Valnet's website integrates his images so seamlessly that users cannot tell an embedded image from one stored locally—and that both methods infringe his rights, since they are being seen from Valnet's website.

Interestingly, Valnet filed a waiver of right to respond and McGucken's petition has been distributed to the Supreme Court Justices chambers for consideration at its upcoming conference on April 25, 2025. But in the meantime, it is noteworthy that at least two of Dr. McGucken's arguments have been previously rejected as the Court in *Hunley* addressed both the relationship between the Copyright Act and the Server Test, and the application of *Aereo* to *Perfect 10* and the creation of the Server Test.[26] With respect to the Copyright Act, the Court in *Hunley* stated that the Server Test is consistent with the text of the Act and that the Act's legislative history is not law.[27] When discussing *Aereo*, the Court, in sum explained that "*Perfect 10* and *Aereo* deal with separate provisions of the Copyright Act—*Perfect 10* addressed the public display right, and *Aereo* concerned the public performance right."[28]

IV. Conclusion

Each term, the Supreme Court receives roughly 7,000 to 8,000 petitions, yet it selects only around 70 to 80 cases for review. Moreover, the share of intellectual property cases is even smaller, as the Court rarely opts to hear IP-related matters. For example, in the recent 2023-2024 term, the Court only issued 2 IP related opinions. And, although the Server Test has been scrutinized by various academics, scholars and district courts, it remains the law of the land in the Ninth Circuit. It is unclear whether the Supreme Court will grant certiorari and take a position inconsistent with the Ninth Circuits enactment of the Server Test, but this petition is one that practitioners and creative individuals alike should continue to monitor moving forward. Due to

[25] *Aereo*, 573 U.S. at 448.
[26] *Hunley*, 73 F.4th at 1071-76.
[27] *Id*. at 1071-72.
[28] *Id*. at 1074.

the dynamic relationship between copyright laws and the creative arts industry, the Supreme Court's decision here may have far-reaching implications.