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Goodbye Fair Comment (and Honest Opinion) Hello Honest Comment

UK Supreme Court Issues Its First Libel Decision

By David Hooper and Jaron Lewis

The new UK Supreme Court has considered its first libel claim. In a unanimous decision, the Court has decided that the defense of fair comment should be modified, and renamed as "honest comment." [Spiller v. Joseph](#), [2010] UKSC 53. Lord Phillips also took the opportunity to call for jury trials in defamation to be abolished, and for other aspects of libel law to be reviewed.

The main issue before Court was to what extent the defense of fair comment should require the factual basis of the comment to be set out within the words complained of.

The Court has widened the scope of the fair comment defense by removing the requirement that the outline facts have to be spelt out in sufficient detail for readers to be able to judge for themselves whether the comment was well founded. Now the reader just has to be presented the gist of the facts to see on what the comment was based. This should make the law less complex and the defense easier to apply.

The Supreme Court allowed the appeal and reinstated the defense of fair comment whereas the lower Court (Mr Justice Eady) and the Court of Appeal had struck out the defense on fair comment for different technical reasons. The upshot therefore was that five judges (and crucially the judges that really mattered namely the Justices of the Supreme Court) found in favor of the defendant whereas four judges had for two different sets of reasons found against the defendants. The judgments are critical of the state of the English law of libel quoting comments by judges to the effect "the artificial and archaic character of the tort of libel" and "the tangled state of the law of defamation" and to "the horrific pleadings and interlocutory warfare" in another fair comment case called *Lowe*.

Background

The facts which gave rise to all this litigation were of startling triviality. They concerned a previously unknown group known either as the "Gillettes" or "Saturday Night at the Movies" which was said to "perform in venues across the country, at wedding receptions and other events." It seems

that this group had the offer of a better gig which lead them to cancel previous arrangements. This lead their irate manager to write "*we will not be representing you any longer as we can only work with professional artists who can accept our terms and conditions.*" It appears that in February 2008 this posting was inadvertently uploaded onto the defendant's website where it remained until April 2008 before being removed following a solicitors letter sent on behalf of the claimants.

Mr Justice Eady struck out the fair comment defense because the words in issue were not in his view capable of being comment and because the comment was not upon a matter of public interest. The Court of Appeal however felt it was capable of being a matter of comment but nevertheless felt that the defense of fair comment failed, because the facts upon which the comment was said to be based were not sufficiently set out in the words complained of. When the Defendant's appeal to the Supreme Court, Associated Newspapers, Guardian News and Media Times Newspapers were granted permission to intervene to assist the Court in formulating the law of fair comment and in that regard they were represented by Andrew Caldecott QC.

In the 2001 case of *Tse Wai Chun Paul v Albert Cheng* [2001] EMLR 777, Lord Nicholls had set out a number of propositions for the defense of fair comment. Under the fourth proposition, he stated the following:

Next the comment must explicitly or implicitly indicate, at least in general terms, what are the facts on which the comment is being made. The reader or hearer should be in a position to judge for himself how far the comment was well founded.

The Supreme Court in *Spiller* has now re-written this proposition to read:

Next the comment must explicitly or implicitly indicate, at least in general terms,

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the facts on which it is based.

The Court reached its decision after a detailed analysis of the historical development of the fair comment defense, and an earlier decision of the House of Lords in *Kemsley v Foot* [1952] AC 345

In *Kemsley*, the issue was whether the defense of fair comment could be maintained when the comment did not specify any particular matters to which it related. The House held that the defense of fair comment could be raised where the comment identified the subject matter of the comment generically as a class of material that was in the public domain. There was no need for the comment to spell out the specific parts of that material that had given rise to the comment. The defendant could plead particulars of these in order to support the comment. Lord Porter held that it was not necessary to prove that each of these facts was accurate provided that at least one was accurate and supported the comment.

Supreme Court Decision

The Supreme Court held that in order to be protected by the defense of fair comment, the subject-matter should be sufficiently stated, but not so that readers should be in a position to evaluate the comment for themselves. They said it was fallacious to suggest that readers will be able to form their own view of the validity of the criticism of a matter merely because in the past it was placed in the public domain e.g. a play or a concert. The Court decided that the subject-matter should be sufficiently set out, but for the following reasons:

- ◆ Part of the justification of having a defense of fair comment is to allow one to comment freely on matters of public interest, if the subject matter of the comment is not apparent from the comment then this justification for the defense will be lacking
- ◆ The defense should be based on facts that are true. This is better enforced if the comment has to identify at least in general terms, the matters on which it is based.
- ◆ The same is true of the requirement that the defendant's comment should be honestly

founded on facts that are true.

- ◆ It is desirable that the commentator should be required to identify at least the general nature of the facts that have led him to make the criticism.

In *British Chiropractic Association v Singh* [2010] EWCA Civ 350 the Court of Appeal had suggested that the defense should be called honest opinion. The Supreme Court prefers the term honest comment. Giving the leading judgment, Lord Phillips, the president of the Court, adopted the comment of Lord Justice Scott "*the right of fair comment has said to be one of the fundamental rights on free speech and writing.*" Essentially, the judges wished to make the defense of honest comment less objective and more subjective.

One hopes that in the future there will be less argument that what the man in the street would think of as a comment was in fact an allegation of fact which had to be justified. So one hopes also that there will be less esoteric arguments about the extent to which facts have to be identified in order to show that they were being commented upon. In future one is probably likely only to have to show the gist of the facts upon which comment is being made.

The Court stressed the point that defense does involve an element of fairness. Lord Phillips gave the example of a comment to the effect that a barrister was a disgrace to his profession. Those who heard such a criticism ought to know why the commentator reached such a conclusion. He should make it clear whether it is because he does not deal honestly with the Court or read his papers, is constantly late for Court or (and remember this is a British case) wears dirty collars and bands.

The short judgment of Lord Walker is also worth reading. He points out that the defense must meet the needs of the electronic age and the test for identifying the factual basis upon honest comment must be flexible enough to accommodate this type of case.

What does this mean?

In practice this means that comment does not have to identify matters on which it is based with sufficient particularity to enable the reader to judge for himself whether it was well founded. The comment must, however, identify at least in general terms what it is that has led the commentator to make the comment. The reader should understand what the

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comment is about and the commentator should, if challenged, give particulars of the subject matter in order to explain why he expressed the views that he did. A defendant may not rely in support of the defense of fair comment on matters that were not referred to, even in general terms, by the comment and he may not rely on a fact that was not instrumental in his forming his opinion.

Other changes...

The Supreme Court held that the defense of fair comment should be re-named "honest comment."

Lord Phillips also suggested potential areas of reform, either to be resolved judicially, by the Law Commission or an expert committee. These included the following:

- ◆ In place of an objective test, the onus should be on the defendant to show that he subjectively believed that his comment was justified by the facts on which he based it.
- ◆ The scope of the defense of fair comment should be widened by removing the requirement that it must be on a matter of public interest.

- ◆ Allegations of fact can be far more damaging, even if plainly based on inference, than comments on true facts. Therefore careful consideration should be given to whether the defense of fair comment should be extended to cover inferences of fact.
- ◆ Whilst fair comment can be based on a statement protected by Reynolds privilege, the commentator may well not be in a position to assess whether the statement in question is so protected.
- ◆ Defamation is no longer a field in which trial by jury is desirable. The issues are often complex and jury trial invites expensive interlocutory battles.

David Hooper and Jaron Lewis are partners with Reynolds Porter Chamberlain in London. Jaron Lewis represented the media intervenors together with barristers Andrew Caldecott QC and Sarah Palin of Brick Court Chambers. Plaintiff was represented by barrister William Bennett and solicitors firm Pattinson & Brewer. Defendant was represented by David Price, David Price Solicitors & Advocates.

UPCOMING EVENTS

MLRC/Stanford Legal Frontiers in Digital Media Conference

May 19-20, 2011 | Stanford, CA

MLRC London Conference

September 19-20, 2011

(In-house counsel breakfast Sep 21st) | London, England

MLRC Annual Dinner

November 9, 2011 | New York, NY

DCS Meeting & Lunch

November 10, 2011 | New York, NY

Australian Court Holds Headlines Not Copyrightable

By R. David Hosp

A recent decision out of a Federal Court in Australia offers rare clarity regarding the application of copyright law to newspaper headlines. The protectability of headlines has become an important issue recently as bloggers, search engines and aggregators have developed redistribution models using third-party headlines in links and summaries online. While several cases have been filed in various jurisdictions, few courts have ruled on the merits of the copyright issue.

In September, the Australian Federal Court in New South Wales issued a decision in [*Fairfax Media Publications Pty Limited v. Reed International Books Australia Pty Limited*](#) (2010) FCA 984, finding that headlines generally are not covered under Australian copyright law.

Background

The case addressed an on-line service known as ABIX, by which defendant Reed delivers to internet subscribers a summary of articles published in various different third party newspapers and magazines. ABIX copies the articles' headlines and bylines and includes a summary of the article authored by Reed employees. Fairfax, the plaintiff, publishes the Australian Financial Review (AFR). Roughly half of the articles published in the AFR are summarized in Reed's ABIX service.

Fairfax brought suit alleging that each individual headline was a separate copyrightable work, the copying of which constituted infringement. Fairfax asserted alternatively that Reed infringed the copyright in the article itself because the article includes the headline as part of the work. It also claimed an infringement in both the compilation of the articles in each edition, and the final layout of each addition. With respect to each of these individual works.

Headlines Are Not Separate Works

The Court first dealt with the question of whether headlines are themselves separate copyrightable works, and concluded that they generally are not. The Court acknowledged that some creativity is employed in the creation of many headlines, but found that they are "simply

too insubstantial and too short to qualify for copyright protection as literary works." The Court did not rule out entirely the possibility that some headlines might be "of extensive and such a significant character" that they might want a finding of copyright protection in an individual case, but found that was not warranted with respect to any of the headlines specifically identified in the case.

Copying Headline Does Not Infringe Copyright In Article

The Court then addressed the question of whether the copying of a headline violated copyright in the article itself, rejecting the claim for two reasons. First, it found that, because headlines are often written by individuals other than the author of the article itself, in order for the article and headline together to be considered a single work, it would have to be a work of joint authorship. Under Australian law, in order for a work of joint authorship to qualify for copyright protection, each author must be identified, and the work contributed by each author must be inseparable from the work as a whole. Fairfax had failed to identify each individual author in the works in question, the Court found, or to offer a justification for that failure.

Second, the Court found that, even if each article together with its headline could be considered a singular work, the reproduction of the headline would not amount to a copying substantial enough to constitute infringement.

Copying Headlines Does Not Infringe Rights In Compilation or Final Edition

Next, the Court addressed the question whether the reproduction of the headlines infringed the copyright in either the compilation of articles used in each edition, or in the final edition as printed. The Court accepted that both the combination of articles, headlines and bylines in each edition was a copyright work of joint authorship. Nor was it disputed that the whole of each edition of the newspaper constituted a separate copyrightable work. However, with respect to both the compilation of articles and the actual edition, this Court found that the originality in the works resided in the, "skill,

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judgment, knowledge, labor or expense involved in gathering, selecting and/or arranging material included in the compilation.” The Court found that Reed did not reproduce the actual arrangement of the articles in question, and therefore had not infringed the copyright in that particular work.

Fair Dealing Defense Available

Finally, the Court found that, even had Fairfax stated a claim for infringement in the first instance, the defense of fair dealing would have been available to Read. The Court commented on Reed’s own contribution, skill and effort in drafting the abstracts of the newspaper articles, and held that the commercial nature of Reed’s conduct did not preclude its reliance on the fair dealing defense.

Rare Guidance On Important Issue

The Court’s decision is one of the first in any jurisdiction to specifically address the question of what copyrights lie in newspaper headlines. The Scottish case of *Shetland Times Limited v. Wills* [1997] SSR 604; (1996) 27 IPR 71, left open the possibility that some headlines might qualify for protection, but expressed similar reservations with respect to the copyrightability of headlines. Similarly, case law in the United States regarding the copyrightability of “titles” generally casts significant doubt on the copyrightability of newspaper headlines, but that caselaw has not yet been specifically applied to newspaper headlines.

However, shortly before publication of this article, the High Court of England and Wales published an opinion in [The Newspaper Licensing Agency Ltd v. Meltwater Holding BV](#), [2010] EWHC 3099 (Ch), specifically disagreeing with the Australian court and granting copyright protection to headlines under EU law. The judge has granted leave to appeal. It seems, then, despite the apparent clarity offered by the Court in *Fairfax*, the debate is far from over.

R. David Hosp is a partner at Goodwin Procter LLP in Boston. Fairfax was represented by barristers Richard Cobden SC and Christian Dimitriadis; and solicitors firm Minter Ellison. Reed was represented by barristers David Catterns QC and C. Moore; and solicitors firm Mallesons Stephen Jaques.



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Other Side of the Pond: Developments in UK and European Media Law

Super Injunctions; Phone Hacking; Costs; Libel Tweets; Libel Reform; Damages in Ireland

By David Hooper

There have been a number of recent cases where the courts have shown a determination to keep super injunctions within clearly defined limits and have tried to strike a balance between the need to protect private information and the need for open justice. Super injunctions were being too readily handed out by the courts and not only could you not report the private information or what had been said in court, but on occasion you could not even mention that who had brought the case.

There have very recently been a number of cases where it has been alleged that the respondent was in effect blackmailing the claimant by threatening to expose details of their relationship unless he or she were paid a substantial sum of money or at any rate indulging in a bit of kissing and telling.

Prior Notification

The issue first arises when there is a question as to whether the defendant should receive notice of the proceedings and the extent to which the court may feel it appropriate to delay the moment when the media are entitled to report the proceedings. Even in privacy cases the presumption remains in favour of open justice but there had been a number of cases where the court has been concerned lest the defendant should pre-empt the order of the court, for example, by tipping off the press and getting the private information into the public domain.

In [DFT v TFD](#) 2010 EWHC 2335, Mrs Justice Sharp indicated that it could be appropriate to restrain the publication of any private or confidential information without giving prior notice to either the respondent or the media. This would normally be where there was a need for a short period to enable the ex parte order to be served upon the respondent and to prevent the respondent being tipped off or being in a position to frustrate the order of the court by disclosing the confidential information to the press.

This should normally only be a holding measure and the

court should review any reporting restrictions as the case develops. The decision of Sharp J followed a similar decision by the Court of Appeal in [ASG v GSA](#) 2009 EWCA Civ 1574, making it clear that in court will prohibit any publication of the existence of the case either to the respondent or to the media if there is a real risk particularly in such blackmail cases of the respondent simply going to the media and publishing a story.

In [TUV v Persons Unknown](#) 2010 EWHC 853 Eady J indicated that the need for prior notification should be addressed according to the facts of each case. He considered that the extent to which the media would need to be served with prior notice of the claim and concluded that it was not necessary to give notice to every media group which *might* be interested. It was sufficient to give notice only to those media groups who were already believed to have shown interest in publishing this story.

Anonymizing Information or Parties

If the court is persuaded to grant an injunction restraining the publication of the confidential material, the court is likely to want to ensure that the information should be anonymized so that the litigation does not directly or indirectly bring that information into the public domain. Accordingly the courts have ruled that no information should be published beyond what was in the court's judgement required to avoid unnecessary identification of the parties where appropriate. The court has recognised that it is important not to discourage blackmail victims from seeking relief from the court in such cases and the court has recognised its obligation to protect the article 8 rights of such persons.

The law reports have become filled with alphabet soup cases where the parties are known only by a random collection of three letters. In [DFT -v- TFD](#) Sharp J considered the principle of anonymity. She recognised that this derogated from the principle of open justice. The court

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had to be satisfied that anonymity was necessary on the facts of the case and that there was a real risk that the private or confidential information which the order was intended to protect would enter the public domain if the parties were named. She noted that any blackmail element would bring extremely strong public interest considerations into play and would probably justify an order for anonymity. There was a similar decision by Tugendhat J in [AMM v HXW](#) 2010 EWHC 2451.

The issue has very recently arisen in a case concerning the ex-lover of one of the Take That group. The nature of her case was apparent from the text she circulated "why should I continue to suffer financially for the sake of loyalty when selling my story will sort my life out?" The pop star succeeded in getting a privacy injunction, but the original order for anonymizing the case and preventing the media reporting who had obtained the order was reversed by the Court of Appeal in [Ntuli v Donald](#) 2010 EWCA 1276.

Mr Justice Eady had felt that the original order for anonymization was justified on the basis of the serious consequences for the claimant and his children, particularly when set against the motives of the defendant and, of course, circumstances do change. English courts may well grant the injunction until the issues are more clearly defined. In the Court of Appeal Kay LJ noted that Article 6 prescribes a test of strict necessity in the context of publicity being permitted to be restricted in the interests of justice. On the facts it allowed the name of the rock star to be published.

A similar conclusion was reached by Mr Justice Tugendhat in the case [JIH –v- News Group Newspapers](#) 2010 EWHC [2818](#) & [2979](#). This concerned revelations about the private life of a Premier League footballer. Nowadays it seems no self-respecting star does not have a privacy injunction muzzling reports of his off field activities. Initially an anonymity order was made. However upon review the judge ordered that the football player's name *could* be published. That is presently subject to appeal so we will have to wait to learn who Mr JIH may be.

The judge considered that the general principle of open justice provided in that case sufficient general public interest for publishing a report of the proceedings which identified the claimant to justify any resulting curtailment of the rights of the claimant and his family to respect for their private and family life. The test is one of necessity requiring a high

standard to show that the object of obtaining justice in the case would be rendered doubtful if anonymity was not granted. The case shows how the balance between the conflicting rights of private family life and open justice are reconciled. Although the claimant would be identified, all necessary protection was given to the private lives of the applicant and his family. Any judgement in such a case would not spell out the private facts concerning the applicants life which he sought to protect. The judgement of the court would refer only to the framework of the claim and not its detail. Any sections of the media which required to know what they could and could not publish about the individual would be permitted to see the subject matter of the claim in a confidential schedule but in order to do so they would be bound by the orders protecting confidentiality made by the court.

My colleagues under the editorship of Keith Mathieson have on the last few weeks published *A Handbook on Privacy* and to reflect its fast development they are setting up a Privacy blog of which I can give particulars to anyone who would like to email me.

Phone Hacking

I have earlier written about the litigation arising out of the habit of the then Royal Correspondent of the News of the World of hacking into messages left on voice mail to secure his salacious revelations. In [Phillips v News Group Newspapers Ltd](#) 2010 EWHC 2952 an order was obtained requiring that the one time jailed investigator should be ordered to disclose the identity of those at the newspaper to whom he handed information he had obtained from hacking into the telephone of the claimant, who at the time worked for the publicist Max Clifford, a notorious purveyor of kiss and tell stories. He was also required to disclose the identity of the persons who instructed him to investigate persons connected with Clifford.

This may well be targeted at discovering how much David Cameron's Chief of Communications, Andy Coulson, knew about the matter. He was, until his resignation, editor of the News of the Screws. Not surprisingly the investigator raised an issue of the privilege against self-incrimination. However the court made the disclosure orders relying on section 72

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Senior Courts Act 1981 which provided that the court could effectively override the privilege against self-incrimination in proceedings relating to rights pertaining to intellectual property which for these purposes included technical or commercial confidential information

Libellous Tweeting in the World of Cricket

The case of [Cairns v Modi](#) 2010 EWHC 2859 applied well-known principles to the world of tweeting. The allegations are to do with the sporting world of a New Zealand cricketer being accused by a leading Indian cricketing official of being involved in match fixing. The tweet had on the face of it a very limited publication within the jurisdiction of the British courts. Expert evidence was gathered on both sides. The defense suggested that no more than 100 followers would have heard the words and possibly as low as 35. The claimant put the figure at nearer 800 and in this they were assisted by Dr Godfrey of *Godfrey v Demon fame aka the Don Quixote of libel internet litigation*.

Mr Justice Tugendhat declined to strike the case out on abuse of process grounds, even though the readership of the defamatory words was very small. He was prepared to accept that there were legitimate grounds for bringing the claim in England, as the sensational nature of the allegations meant that they would have received a wide currency beyond the small number of tweets. He was also of the view that it was not appropriate to try as a preliminary issue the extent to which the tweet had been read.

The judge also took into account the fact that rather than there being scope for an argument that any damages recoverable would be out of all proportion to the costs of litigation the claimant was simply seeking a vindication and to clear his name. The number of publishees was therefore not determinative of any abuse of process argument. The upshot of this is that tweets are recognized by the court as potentially fertile grounds for libel litigation. Furthermore the court is aware of the growing impact of tweeting and the effect authoritative tweets can have on people's reputation. The case also shows that if a claimant is prepared to forego a claim for damages and to argue that they are simply seeking to vindicate their reputation, they may well received some measure of sympathy from the court.

Costs Consultation

At the heart of the problem for defendants are the enormous costs which defendants risk being ordered to pay if they defend a case unsuccessfully. Following up on the report by a Lord Justice of Appeal, Sir Rupert Jackson on which I have written earlier, the Ministry of Justice has published a [consultation paper](#) seeking comments on his proposals for the reform of costs in civil litigation by 14 February 2011. Comments are sought on whether success fees or premiums for After The Event insurance policies should be recoverable from defendants, whether there should be a 10% increase in the level of damages to compensate for the cost reduction measures, whether there should be proposals for altering the rules relating to the shifting of costs and whether there is any scope for damage-based contingency fees along the lines of the American model, although damages are considerably less here. The government will publish its response to the results of the consultation in the spring of 2011 and will introduce primary legislation, if it is necessary, in spring 2011.

Libel Reform

The government has published in the Ministry of Justice [structural reform plan the timetable for libel reform](#). In March 2011 a Defamation Bill will be published. There will be a relatively short period of consultation between March and June 2011. Any necessary amendments to the Defamation Bill will be debated in the longer period between July 2011 and April 2012. The UK law of libel should change by 2012.

The Speech Act Bites

That the Speech Act can create problems for English claimants seeking to sue American defendants was highlighted in the case of [Metropolitan Schools v Design Technica](#) 2010 EWHC 2411. Earlier the claimants had had an unsuccessful crack at Google when it failed to establish that there could be a liability on the search engine acting in no more than the role of a facilitator for the publication of the words complained of. Nevertheless believing that the allegations suggested that its courses relating to computer games design work were a scam or fraud intended to deceived, the Claimant persisted in its litigation against the

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American based corporate defendant.

The claimant wished to vindicate its reputation and to nail the lie. It asked Mr Justice Tugendhat to grant a declaration of falsity and to award sufficiently high damages which they could point to as a vindication of their reputation, even though the damages would not be recoverable. The judge accepted their arguments and granted the declaration of falsity and the relatively high damages of £50,000 bearing in mind that there was no proof of any specific loss having been suffered by the company and that a company in the nature of things cannot have injured feelings. The claimant pointed to the fact that the website of Design Technica claimed 2 million unique visitors and the claimant argued that in consequence this allegation posted on my website was bound to be damaging.

The case underscored the very different approaches each side of the Atlantic and that litigation may still continue against American defendants. If that happens, US based defendants are likely like Design Technica not to participate in the litigation if they are confident that they do not have assets in the United Kingdom. The differences and pyrrhic nature of the victory were neatly summarized by Dave Heller "if the United Kingdom claimant came to the United States and tried to enforce the default judgement, the US company would have the full benefit of the Speech Act. Moreover, even if the United Kingdom claimant did not come to the USA, the US company could under the statute seek a declaration of unenforceability." See "[The Price of Online Discussions](#)," The Guardian, Oct. 28, 2010.

A Very Irish Case

Some of us, if we had on a business trip and walked naked into the bedroom of the female company secretary albeit under the influence of somnambulism, might hesitate to sue for libel. Not so Donald Kinsella the former deputy chairman of Kenmare Resources who took exception to the disagreeable and unfeeling gloss that his employers put on this incident in a press release which led to his resignation. Far from discovering that he did not have a leg to stand on, he found that the jury agreed that the meaning of the press release was that he was being accused of making improper sexual advantages and awarded him €9 million in compensation with a further 1 million Euros thrown in by

way of aggravated damages.

The company's counsel described the award which was five times higher than the award, being appealed, of €1.87 million to Monica Leech in respect of a false allegation of an extra marital affair with a minister as "*off the Richter scale*". The Judge with the historic name of Mr Justice Eamon de Valera appeared stunned at the size of the award asking the foreman of the jury to correct him if he was mistaken in what he thought he had just heard. The award is being appealed but on the basis that the company has to make an on account payment in respect of damages of 500,000 Euros. Irish libel reform has a steep learning curve ahead of it.

Do Customers of Cuttings Agencies Need a Copyright Licence?

There has very recently (26 November) been an interesting decision by Mrs Justice Proudman in the [Newspaper Licensing Agency Limited \(and other newspapers\) –v- Meltwater Holding BV](#) [2010] EWHC 3099. Meltwater was a cuttings agency and the issue (para 34 of the Judgment) is whether under Section 17(1) and (2) Copyright Designs and Patents Act 1988 the end-user needed a licence from the Newspaper Licensing Agency either by making a copy of a particular article or simply by clicking on the link to view the material. The Judge held at paragraph 45 of her Judgment "*by clicking on a link to an article the end-user will make a copy of the article within the meaning of Section 17 and will be in the possession of a infringing copy in the course of business within the meaning of Section 23*".

This, on the face of it, looks like a good victory for the Newspaper Licensing Agency and the newspapers it represents. However, the Judge has given permission to appeal and has indicated in paragraph 13 of the Judgment there is separate litigation in the Copyright Tribunal as to the reasonableness of the licence of the Newspaper Licensing Agency. This litigation therefore has some way to run and it is not impossible that the Court of Appeal might take a slightly different view and that it is implicit in the licence given by the NLA to the cuttings agency that their customers should be able to view the cuttings for their own purposes as opposed to making copies and circulating them around the office.

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Protecting Whistleblowing Sources in Canada

Supreme Court Extends Case-by-Case Approach for Source Protection

By Brian MacLeod Rogers

In a double-barrelled decision, *Globe & Mail v. Canada (Attorney General)*, 2010 SCC 41, the Supreme Court of Canada both extended its case-by-case approach for protecting journalists' confidential sources to include civil proceedings in Quebec and struck down a publication ban relying on its well-developed *Dagenais/Mentuck* test for such discretionary bans. As a result, the issue of protecting the journalist's source was sent back to Quebec Superior Court for reconsideration under the newly articulated guidelines.

Quebec operates under a Civil Code, rather than the common law, but the Court made it clear the same approach to confidential sources should apply throughout Canada: an application of Wigmore's four-part test for disclosure of confidential information that seeks to balance the competing interests of full evidentiary disclosure and protection for journalists' sources, as first articulated by the Court in *R. v. National Post*, 2010 SCC 16. That case dealt with a search warrant and assistance order executed on a newsroom in the course of a criminal investigation where the documents sought were an alleged forgery and envelope that might disclose its perpetrator. As expected, the Court was more generous in its approach to protecting sources when the journalist is a third-party witness during civil proceedings. The Court stressed that the information sought must be not only relevant but necessary.

If relevant information is available by other means and, therefore, could be obtained without requiring a journalist to break the undertaking of confidentiality, then those avenues ought to be exhausted. The necessity requirement, like the earlier threshold requirement of relevancy, acts as a further buffer against fishing expeditions and any unnecessary interference with the work of the media. Requiring a journalist to breach a confidentiality undertaking with the source should be done only as a last resort.

[para. 63]

In respect of the publication ban at issue, the Court explicitly adopted the law developed by the United States Supreme

Court in *Smith v. Daily Mail Publishing Co.*, 443, U.S. 97 (1979) and *Bartnicki v. Vopper*, 532 U.S. 514 (2001), quoting from Justice Stevens: "A stranger's illegal conduct does not suffice to remove the First Amendment shield from speech about a matter of public concern." On that basis, the Court set aside a publication ban designed to prevent a *Globe & Mail* journalist (who also happened to be the same journalist whose source was at issue in the case) from publishing stories about confidential settlement discussions in the civil proceedings.

Facts of Case

These proceedings are yet another legacy of the infamous Sponsorship Scandal that *Globe & Mail* reporter, Daniel Leblanc, helped uncover. Millions of dollars in federal government funds had been misspent and misdirected in Quebec following the nearly successful 1995 Referendum on Quebec sovereignty. Leblanc had relied on a confidential source within the federal government whom he called "MaChouette" ("my little cabbage") for a series of articles that helped expose the scandal and to lead to a public inquiry. He later wrote a book entitled *Nom de Code: MaChouette: L'enquete sur le Scandale des Commandits (Codename: My Little Cabbage: The Sponsorship Scandal Investigation)*. This is the prime example of a confidential source being relied on by a journalist to expose abuse of public funds in Canada in recent years. The stories led to the Gomery Inquiry, a high-profile Royal Commission into what had gone wrong.

In addition to various criminal charges, the federal government also commenced civil proceedings in Quebec against individuals and businesses involved. In turn, one of the companies, Groupe Polygone, countered that the government had waited too long and had missed a limitation period. In an attempt to show the government's prior knowledge, the company pointed to Leblanc's articles and sought to expose his confidential source. To do this, it obtained court orders to examine federal government employees and others in an effort to identify MaChouette. Concerned that these efforts were going to identify Leblanc's source, the *Globe & Mail* challenged the court orders and

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sought to put a stop to the company's efforts. Leblanc testified in that proceeding and faced cross-examination by Groupe Polygone's lawyer that included questions he objected to as irrelevant or potentially breaching journalist/source privilege. The judge's ruling requiring Leblanc to answer the questions was the basis for the appeal to the Supreme Court on protecting sources.

Shortly after those rulings, Leblanc wrote a story for the Globe & Mail that revealed the substance of settlement negotiations between the company and the government – the information came from unauthorized government source. The same judge who had ruled against him on the journalist/source issue ordered a publication ban against Leblanc prohibiting any further reporting on confidential settlement negotiations. He did so without giving the Globe & Mail any chance to make submissions. This was the publication ban set aside by the Supreme Court.

Journalist/Source Privilege

Perhaps the most challenging part for the Court was finding a basis for the Wigmore case-by-case approach to journalist/source privilege under Quebec civil law and procedure and its *Charter*. In essence, the Court found a gap in the codified law and relied on a comparison to police/informer privilege to accomplish this. The Court then applied the *National Post* reasoning to the very different context of a journalist testifying in civil litigation. It summarized the proposed test:

In summary, to require a journalist to answer questions in a judicial proceeding that may disclose the identity of a confidential source, the requesting party must demonstrate that the questions are relevant. If [so], then the court must go on to consider the four Wigmore factors and determine whether the journalist/source privilege should be recognized in the particular case. At the crucial fourth factor, the court must balance (1) the importance of disclosure to the administration of justice against (2) the public interest in maintaining journalist/source confidentiality. This balancing must be conducted in a context-specific manner, having regard to the particular demand for disclosure at issue. It is for the party seeking

to establish the privilege to demonstrate that the interest in maintaining journalist/source confidentiality outweighs the public interest and the disclosure that the law would normally require.

The relevant considerations at this stage of the analysis, when a claim to privilege is made in the context of civil proceedings, include: how central the issue is to the dispute; the stage of the proceedings; whether the journalist is a party to the proceedings; and, perhaps most importantly, whether the information is available through any other means. As discussed earlier, this list is not comprehensive. [paras. 65, 66]

The Court referred favourably to the Ontario Court of Appeal's decision in the earlier case involving reporter Ken Peters of The Hamilton Spectator (*St. Elizabeth Home Society v. Hamilton (City)*, 2008 ONCA 182) and was critical of the failure of the judge at first instance to undertake the required analysis. On that basis, the issue was remitted back to Quebec Superior Court, after noting: "If Mr. Leblanc's answers were almost certain to identify MaChouette then, bearing in mind the high societal interest in investigative journalism, it might be that he could only be compelled to speak if his response was vital to the integrity of the administration of justice." [para. 69]

One can easily foresee yet another appeal to the Supreme Court after the judge carefully follows the test and still rules that disclosure is required. Stay tuned.

Publication Ban

The Court was similarly critical of the judge at first instance over his handling of the publication ban, especially his failure to give the Globe & Mail an opportunity to be heard. However, the reasoning for setting aside the ban may prove to be the most important aspect of the Court's decision. Not surprisingly, the Court found that confidentiality of settlement negotiations was a matter of "utmost importance", but the Court focused on the parties to the negotiations. They were the ones responsible for maintaining confidentiality. "Nothing in the record suggest[ed] that Leblanc was anything other than a beneficiary of the source's desire to breach confidentiality"; there was no proof that Leblanc and the

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Globe & Mail were party to any illegal acts.

There are sound policy reasons for not automatically subjecting journalists to the legal constraints and obligations imposed on their sources. The fact of the matter is that, in order to bring to light stories of broader public importance, sources willing to act as whistleblowers and bring these stories forward may often be required to breach legal obligations in the process. History is riddled with examples. In my view, it would also be a dramatic interference with the work and operation of the news media to require journalists, at the risk of having a publication ban imposed, to ensure that the source is not providing the information in breach of any legal obligations. A journalist is under no obligation to act as legal adviser to his or her sources of information.

Such a legal policy is consistent with what has come to be known as the U.S. “*Daily Mail* principle”. [para. 84-85]

The Court then went on to cite *Smith v. Daily Mail Publishing Co.*, 443 U.S. 97 (1979) and *Bartnicki v. Vopper*, 532 U.S. 514 (2001) of the U.S. Supreme Court in support of courts allowing publication of information about important public issues even where it has been intercepted by others unlawfully.

The Court then applied the *Dagenais/Mentuck* framework to determine whether a publication ban should have been ordered; this test was first developed by the Court for discretionary bans in 1994. The fact that settlement discussions were going on was a matter of public record since that was the basis given for adjourning trial proceedings in late August 2008. As a result, a publication ban did not appear “necessary to prevent a serious risk to the administration of justice”. Further, the deleterious effects of the ban were serious: “There is clearly an overarching public interest in the outcome of this dispute, and barring the Globe & Mail from publishing the information that it obtained in this regard would prevent the story from coming to light. In other words, upholding de Grandpre J.’s order would be to stifle the media’s exercise of their constitutionally mandated role.” [para. 97] As a consequence, the ban was set aside.

Conclusion

The orders of Justice de Grandpre were clearly suspect, dispensed with rough justice in an attempt to move the case along despite the interference of pesky media interlopers. While there is some very helpful language supportive of investigative reporting, the weakness of the Wigmore test for protecting sources is obvious. The trial judge just has to weigh in the balance the competing interests in exercising his or her discretion. While “infused with *Canadian Charter* values”, the test does not invoke direct constitutional protection for confidential sources. It is very much “situation specific”, even though the court notes: “The public’s interest in freedom of expression always [will] weigh heavily in the court’s balancing exercise.” [para. 24]

On the other hand, the *Dagenais/Mentuck* approach to discretionary publication bans has been given renewed endorsement.

The Court’s refusal to apply that approach to the statutory ban on reporting bail hearings under section 517 of the *Criminal Code* (*Toronto Star v. Canada*, 2010 SCC 21), gave rise to a growing concern that it was being shunted aside – this appears unjustified. However, the most important aspect of this case for those in the media will be the ringing endorsement for its role in exposing public wrong-doing through the use of whistleblowers who choose to breach their duties of confidentiality.

The Court recognized that such sources were essential to the news media in playing their “constitutionally mandated role”. There is no obligation on a journalist to verify the legality of a source’s information, and in any event, “the breach of a legal duty on the part of a source is often the only way that important stories, in the public interest, are brought to light.” [para. 98] These words bear repetition and will be very useful in future cases.

Brian MacLeod Rogers is a barrister and solicitor in Toronto, Canada. Appellant, Globe & Mail, was represented by William Brock, Guy Du Pont, David Stelow and Brandon Wiener; Respondent, Attorney General of Canada, was represented by Claude Joyal.; Respondent, Groupe Polygone, was represented by Patrick Girard, Louis Belanger, Q.C. and Frederic Pierrestiger; Media Interveners, were represented by Christian Leblanc, Marc-Andre Nadon and Chloe Latulippe; Intervenor, Canadian Civil Liberties Association was represented by Jamie Cameron, Christopher Bredt and Cara Zwibel; Intervenor Barreau du Quebec, was represented by Michel Paradis, Francois-Olivier Barbeau, Gaston Gauthier and Sylvie Champagne.

ECHR: Conviction of Finnish Newspaper for Publishing Information About Extra-Marital Affair Violated Article 10

In a decision issued on October 12, 2010, The European Court of Human Rights (ECHR) held that Finland's criminal convictions of a newspaper, its editor-in-chief and a journalist, for publishing information about the private life of the chief communications officer of a presidential candidate during the 2000 election campaign, violated Article 10. [*Saaristo v. Finland*](#), App. No. 184/06 (12 Oct. 2010).

The Court's ruling illuminated its approach to balancing the Article 8 right to privacy and the Article 10 right to freedom of expression, when the private lives of those in politics are involved. The Court reaffirmed the significance of the publication of information about matters in the public interest and introduced flexibility into the meaning of public figure beyond just elected politicians and civil servants.

Background

In 2000, during a presidential election campaign, the Finnish tabloid newspaper *Ilta-Sanomat Oy* published an article with photographs entitled "*The ex-husband of [R.U.] and the person in charge of communications for the Aho campaign have found each other.*" The Court's decision refers to the parties only by initial, by provides some background information about the public status of each of the participants. The ex-husband was a director of Finnpro, a company promoting Finnish exports. His former wife R.U. was a television reporter. The new women O.T. was the communications director for presidential candidate Esko Aho. O.T. complained to the Finnish police and the public prosecutor brought criminal charges against the newspaper, the editor and the journalist under Chapter 27, section 3(a) of the Finnish Penal code.

On February 1st, 2002, the media defendants were convicted for having violated O.T.'s private life and ordered to pay a fine of approximately 1,000 Euros, and costs of 11,500 Euros. The Finnish district court found that despite O.T.'s position in the presidential campaign, she was not a public figure and that her consent should have been obtained before publication of applicants' story about her

relationship. Regardless of the accuracy of the information published, the district court held that the applicants' article was not necessary for examining any matter of interest to society.

On appeal, the media defendants argued that O.T. was a public figure, particularly because one of the main issues in the presidential campaign had been family values. In addition, the defendants argued that the affair had been public and a news report about it could not be considered private. The Court of Appeal rejected these arguments and dismissed the appeal. The Supreme Court affirmed the Court of Appeal's judgment and held that the article focused on a personal intimate relationship rather than anything of political importance, and therefore its publication had not justified violating O.T.'s privacy.

ECHR Complaint

On December 28, 2005, the applicants complained that their criminal convictions by the government of Finland had violated their Article 10 right to freedom of expression. The applicants argued that the right of freedom of expression was critically important in matters of political discussion and that their article was mainly political and factually correct. The applicants argued that there had been no compelling reasons to interfere with their freedom of expression and as such, the interference had been a violation of Article 10.

ECHR (Fourth Section) Decision

The Court found that there had been a violation of Article 10. The Court emphasized the significance of the right of freedom of expression and the essential role a free press plays in the functioning of a democratic society. The press must be able to impart information on all matters of public interest, subject to its obligations and responsibilities to respect the reputation and privacy rights of others. The Court noted that the limits of scrutiny for a politician are wider than for a

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private individual since politicians “inevitably and knowingly lay themselves open to close scrutiny of their words and deeds by journalists and the public at large, and they must consequently display a greater degree of tolerance.”

Though the limits of public scrutiny are not as broad for civil servants as for politicians, civil servants must also expect and tolerate some criticism. When a person’s private life and reputation is implicated in the disclosure of information in the public interest, then the articles or photographs containing that information must contribute to public debate to warrant publication.

In this case, O.T. was not a politician or a civil servant but she could not be considered an entirely private person either, as she was publicly visible in the media as the communications officer for a presidential candidate and invited public interest. Thus, some limitation on the scope of her protected private life was to be expected. Appellants’ article was published during the election campaign and the information disclosed in the article was factually correct and presented in an objective manner.

More importantly, the information about O.T.’s private life had a direct bearing on the issue of family values in the presidential election campaign, which was a clear matter of public interest. The Court emphasized that unlike in the *Von Hannover* case, the article here contributed to a matter of public interest, “*in the form of political background information.*” The Court concluded that the Finnish Courts did not have sufficient reason to show that the interference with appellants’ freedom of expression was necessary in a democratic society.

Furthermore, the Court found that the criminal convictions and amount of fines imposed upon the appellants were disproportionately harsh sanctions for defamatory or insulting statements made in the context of public debate. It noted that criminal penalties could not be ruled out altogether as a sanction for defamation but that “the imposition of a prison sentence for a press offence will be compatible with journalists’ freedom of expression as guaranteed by Article 10 only in exceptional circumstances, notably where other fundamental rights have been impaired as, for example, in the case of hate speech or incitement to violence.” Here, the severity of the sanctions on the appellants had been unwarranted.

The press applicants were represented by Mr Petteri Sotamaa in Helsinki. The Finnish Government was represented by Mr Arto Kosonen of the Ministry for Foreign Affairs.



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Media Issues on the Hill: Wrapping-up the 111th Congress and Looking Forward to the New Year

By Kathleen A. Kirby and Shawn A. Bone

With the end of the 111th Congress finally upon us, Washington will have scant time to catch its breath before the 112th Congress convenes January 5th. With at least 95 new Members, the freshman class in the 112th Congress is one of the largest in history. Turnover of this magnitude has only been seen on a handful of occasions and will force Republicans to take a measured approach to legislating while their new Members hire staff and they sort out committee assignments and leadership positions.

It will take the Republican House leadership the early part of next year to finish organizing for the Congress, and expectations are that the actual legislative agenda for the early part of next year will be packed with high-profile “statement” votes (such as a repeal of the Obama healthcare plan). The narrowed Democratic majority in the Senate likely will limit the legislative agenda in that body over the next two years, as bills or nominations requiring cloture are expected to languish on the calendar.

Late Developments in the 111th Congress

While the expectation immediately after the November mid-term elections was for a very limited lame duck session, Congress actually has completed work on two significant pieces of communications legislation in the last several weeks. The first, S. 2847, the Commercial Advertisement Loudness Mitigation Act (or CALM Act), was signed by President Obama on December 15, 2010. That legislation directs the FCC to establish loudness rules for ads aired by broadcast television stations, cable companies, satellite companies, and other multichannel video programming distributors (MVPDs).

The Commission has one year to promulgate the new rules (which must be based on the Advanced Television Systems Committee’s A/85 standard), and companies will have one year from promulgation of the rule to comply with the new loudness standards, generally through purchase and maintenance of the necessary equipment and associated software to ensure that the ads do not exceed the applicable loudness level.

The second bill, H.R. 6533, the Local Community Radio Act of 2010, was passed by the House on December 17 and the Senate on December 18. (The President is expected to sign H.R. 6533 before the end of the year.) The bill attempts to expand the spectrum available to low-power FM (LPFM) radio stations. Specifically, it does the following:

- ◆ Directs the FCC to eliminate third-adjacent spacing between LPFM stations and full-power FM stations, FM translator stations and FM booster stations.
- ◆ Establishes interference protection and complaint procedures for full-power stations affected by LPFM stations operating on third-adjacent frequencies.
- ◆ Prohibits the FCC from reducing the co-channel, first-adjacent and second-adjacent spacings between LPFM stations and full-power FM stations.
- ◆ Permits the FCC to waive second-adjacent spacing between LPFM stations and full-power FM stations if an LPFM station can demonstrate no predicted interference. An LPFM station that receives such a waiver shall, subject to certain procedures, be required to cease operation if it causes actual interference to a full-power station.
- ◆ Directs the FCC to conduct an economic study on the impact that LPFM stations will have on full-service FM stations.

The Commission likely will begin its work on implementing the legislation shortly after the New Year.

Outlook for Media-related Issues in the 112th Congress

As mentioned in our article in August, media issues may have a more prominent role in the next Congress as House and Senate leadership look for areas of compromise. While a large overhaul of the Communications Act is doubtful, smaller more targeted legislation could be debated at some length. That said, many issues of interest to journalists and new organizations will face a much tougher path to passage given the shift to a Republican House of Representatives.

The early part of the communications agenda for next year, particularly in the House, is expected to center on

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detailed oversight of the Federal Communications Commission along with fact-finding hearings on other issues. Republicans are planning hearing on the Commission's net neutrality work for early in the next Congress, and probably will convene a series of background hearings on a framework for a new Communications Act. Real work on communications legislation may not begin until the summer. The Judiciary Committees could be more active, but neither Committee has developed a clear agenda for next year at this point.

Overview of the New Congress and Committees

The leadership for the 112th Congress largely has been set in the weeks after the mid-term elections. Rep. John Boehner (R-OH) will become the new Speaker of the House, with Rep. Eric Cantor (R-VA) as Majority Leader and Rep. Kevin McCarthy (R-CA) as Majority Whip. On the Democratic side in the House, current Speaker Nancy Pelosi (D-CA) will become Minority Leader, with Rep. Steny Hoyer (D-MD) as Minority Whip. A new position of Assistant Minority Leader was created for Rep. Jim Clyburn (D-SC) to avoid a contentious leadership battle in the Democratic caucus. The Senate leadership will remain the same as with the present Congress.

House Judiciary Committee

Current House Judiciary Committee Ranking Member Lamar Smith (R-TX) will be the Chairman of the Committee in the next Congress. Current Chairman John Conyers (D-MI) should remain the lead Democrat on the Committee, becoming Ranking Member. The expectation is that similar shifts in Judiciary Committee Subcommittee leadership will occur, with Rep. Jim Sensenbrenner (R-WI) becoming Chairman of the Constitution Subcommittee and Rep. Howard Coble (R-NC) serving as Chairman of the Courts and Competition Subcommittee. It also appears that the Republican Committee leadership is considering reconstituting the Intellectual Property Subcommittee, which was suspended under current Chairman John Conyers. Reports indicate that Rep. Bob Goodlatte (R-VA) would be in line to be Chairman of that Subcommittee if it reappears.

Of the 39 seats currently on the House Judiciary Committee, Democrats currently control 23. This number will be reduced significantly when Republicans take control.

Unlike some other committees where electoral defeat has already adjusted the Democrat ratios, nearly all of the Democrats on the House Judiciary Committee won reelection. As a result, Democrat leadership will be forced to pare down the number of Democrats sitting on the panel. There are several current Democrats on the Judiciary Committee who also have a leadership positions on another committee or already have a seat on a another highly desirable Committee. Leadership is likely to request that these members relinquish their Judiciary seat rather than force more junior members step down.

Senate Judiciary Committee

Current Senate Judiciary Committee Chairman Patrick Leahy (D-VT) will remain at the helm of the Committee in the next Congress. The current Republican Ranking Member Jeff Sessions (R-AL), though, will not retain his position, with Senator Chuck Grassley (R-IA) in line to be the new Ranking Member. Senator Sessions originally was named as Ranking Member after Senator Arlen Specter (D-PA) switched parties. At the time he assumed the position, it was announced that Senator Sessions and Senator Grassley had agreed that Grassley would become Ranking Member in January 2011, once his time as Ranking Member of the Senate Finance Committee expired.

As far as the rank-and-file membership of the Committee is concerned, we expect to see several new faces. The Senate Judiciary Committee currently has a ratio of 12 Democrats to 7 Republicans, but that ratio can be expected to narrow significantly after the election. We think that the final ratio is more likely to be around 10 Democrats to 9 Republicans (keeping the current total of 19 Members on the Committee). Three Democratic Members will be leaving the Committee: Senator Ted Kaufman (D-DE) due to retirement; Senator Arlen Specter (D-PA) due to his primary defeat; and Senator Russ Feingold (D-WI) due to his defeat by Senator-elect Ron Johnson. The Democratic and Republican leadership will adjust the Committee membership once the ratios are settled.

House Energy and Commerce Committee

Congressman Fred Upton (R-MI) has been named the Chairman of the House Energy and Commerce Committee for the next Congress. He has a long history with

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communications issues, serving as Chairman of the Subcommittee from 2000 to 2006. Gary Andres of Dutko Worldwide (a Washington lobbying firm) will be Chairman Upton's Staff Director next year with Jim Barnette, former General Counsel for the Committee under Chairmen Bliley and Tauzin, returning for an encore as General Counsel. Rep. Greg Walden (R-OR), a former member of the Energy and Commerce Committee who relinquished his seat earlier this year to allow former Democrat Parker Griffith (R-AL) to join the Committee, has been selected as the Chairman of the Communications and Technology Subcommittee. Rep. Cliff Stearns (R-FL), formerly the Ranking Member of the Communications Subcommittee, will be the Chairman of the Committee's Oversight and Investigations Subcommittee. Finally, Rep. Mary Bono Mack (R-CA) has been named Chairwoman of the Subcommittee on Commerce, Manufacturing, and Trade, the Subcommittee that has claimed primary jurisdiction over privacy issues for the last several Congresses.

On the Democratic side, Rep. Henry Waxman (D-CA) will be the Ranking Member of the Committee, shifting over from his current post as Chairman. The Democratic Subcommittee leadership for the Committee, however, are not expected to be named until after the New Year. With Rep. Rick Boucher's (D-VA) re-election defeat, Democrats will need to name a new Ranking Member of the Communications and Technology Subcommittee. Rep. Bobby Rush (D-IL) has expressed an interest in foregoing his leadership role on the Consumer Protection Subcommittee in favor of the Ranking Member post on the Communications Subcommittee, and Reps. Anna Eshoo (D-CA) and Mike Doyle (D-PA) are both rumored to be seeking the top Democratic spot on the Subcommittee.

Finally, Rep. Ed Towns (D-NY), a long-time Member of the Energy and Commerce Committee who moved to the Chairmanship of the Committee on Oversight and Government Reform last Congress, has announced his intention to reclaim his position on the Energy and Commerce Committee with full seniority rights. Assuming Democratic leadership agrees to this request, Rep. Towns would be one of the most senior members of the Committee and in line for a Subcommittee Ranking Member post. Reports suggest he may be interested in becoming Ranking Member of the Communications Subcommittee, though Rep. Towns has been silent on his intentions to this point.

Substantial changes also have occurred among the rank-

and-file members of the House Energy and Commerce Committee, particularly on the Republican side of the aisle. The Republican Steering Committee has announced that a total of 30 Republicans will be serving on the Committee in the next Congress (up from 23 in the present Congress). With 5 current Republican Members having either retired or run for different office, the Steering Committee had 13 open slots to fill. The following Members will be joining the Committee next year: Greg Walden (OR); Cathy McMorris Rogers (WA); Pete Olsen (TX); Morgan Griffith (VA); Brian Bilbray (CA); Charlie Bass (NH); Brett Guthrie (KY); Greg Harper (MS); Bill Cassidy (LA); Cory Gardener (CO); Mike Pompeo (KS); Adam Kinzinger (IL); and David McKinley (WV).

Democrats also have seen a number of their Members leave the Committee due to retirement or re-election loss. Representatives Bart Gordon (D-TN) and Bart Stupak (D-MI) have announced their retirement at the end of the present Congress; Rep. Charlie Melancon (D-LA) left the House to run for Senate in Louisiana; and Reps. Baron Hill (D-IN) and Zack Space (D-OH) both lost to Republican challengers. Reports suggest that the total number of Democratic seats on the Energy and Commerce Committee will be capped at 22, leaving Democratic leadership with the task of removing several current Members from the Committee. Although no decisions have been made, those same reports hint that the Members most likely to be removed from the Committee are those with very little seniority. The most junior Democrats currently on the Committee are Peter Welch (VT), Bruce Braley (IA), Betty Sutton (OH), Jerry McNerney (CA), Chris Murphy (CT), John Sarbanes (MD), Kathy Castor (FL), and Donna Christensen (VI)

Senate Commerce Committee

No major changes are expected at the Senate Commerce committee. Senator Jay Rockefeller (D-WV) will remain Chairman while Senator Kay Bailey Hutchison (R-TX) will continue as Ranking Member. Currently Democrats hold a three seat advantage on the panel with the seats allocated 14 to Democrats and 11 to Republicans. We believe this ratio will change to 13 Democrat seats and 12 Republican seats. With the retirement of Senator Byron Dorgan (D-ND), Democrats will not need to remove any sitting Member despite the reduction. Republicans must replace two sitting Members who will exit the committee due to retirement

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(Senators Sam Brownback (R-KS) and George LeMieux (R-FL)), while adding one seat in the ratio adjustment for a net gain of three seats. We expect these three Republican seats to be filled by freshman Senators.

Legislation

Updating the Espionage Act

The release of reams of confidential (and sometimes classified) State Department information by WikiLeaks, coupled with earlier leaks of information related to the war in Afghanistan, has caused great consternation on Capitol Hill. Many Members have pressed the Department of Justice to prosecute WikiLeaks, citing the Espionage Act as the most appropriate statutory grounding for such cases. DOJ, however, has suggested that the Espionage Act, originally passed in 1917, may be inadequate to the task at hand given developments in First Amendment doctrine since the Act's passage. The House Judiciary Committee explored that question in a hearing on December 16. Little consensus was reached on the efficacy of the Espionage Act and with new documents being released on an almost daily basis, this issue likely will remain active into next year. Congressional attention on the issue could result in legislation to clarify and update the Espionage Act, or expand the authority of the Federal government to prosecute individuals and websites that release confidential or classified materials.

Free Flow of Information Act

If final passage of a federal reporter shield law fails in the 111th Congress, its prospects in the next Congress will wane. While the House has advanced the Free Flow of Information Act successfully in both of the previous two Congresses, the future of that legislation may be in doubt now that one of the long-time sponsors of the legislation, Representative Rick Boucher (D-VA), is no longer a Member. The principal Republican sponsor of the legislation, Representative Mike Pence (R-IN), would now be in a position to press the legislation, but reports suggest he is planning a run for the Indiana Governorship in 2012.

Even if new sponsors for the House legislation step forward, presumptive House Judiciary Committee Chairman Lamar Smith (R-TX) is considered to be an opponent of federal shield law legislation. In fact, he filed a lengthy series of dissenting views on the legislation last year when it was

reported out of the House Judiciary Committee and was joined by several of his Republican colleagues (who look like they will retain their positions on the Committee). Thus, his willingness to devote Committee time and effort to the legislation is in doubt, and a vote in favor of the bill would be difficult to achieve.

Given the continued Democratic control of the Senate, that body would be in a better position to push forward with the Free Flow of Information Act. Senate Judiciary Chairman Patrick Leahy (D-VT), if he so desires, probably could guide the federal shield law legislation out of Committee once again next year. Several Senators (including Judiciary Committee Democrats), though, continue to have concerns about the scope of the legislation (particularly given the WikiLeaks disclosures discussed above), and several strong Republican voices oppose the measure. The Administration, too, has been tepid in its support of the concept of a federal shield law, with the Department of Justice voicing public objections to the House version of the legislation and proffering changes to the Senate legislation to meet its concerns. With further objections to consideration of the bill likely next year, Democratic leadership would need a solid 60-vote coalition to secure floor consideration of the Act, a dicey prospect at this time.

Cameras in the Courtroom

Legislation that would open federal courts, including the Supreme Court, to cameras in the courtroom may face a similarly difficult path in the next Congress. The Senate has been the driving force on the two major cameras in the courtroom bills in the current Congress, though neither has been able to subject to full Senate debate due to limited floor time. One of the principal proponents of opening federal courtrooms to video cameras is Senator Chuck Grassley (R-IA), the new Ranking Member of the Senate Judiciary Committee. (The sponsor of legislation to open the Supreme Court to video cameras in the 111th Congress was Senator Arlen Specter (D-PA), who lost his re-election bid. Soon-to-be Ranking Member Grassley, along with several Democratic Members of the Senate Judiciary Committee, was a co-sponsors of that bill, however, and likely would support it in the next Congress.) He and Chairman Leahy would be in a position to advance similar legislation next year, but that bill might again face troubled prospects on the Senate floor.

In contrast, the House has shown little interest in

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legislation on cameras in the courtroom over the past two years (though it did advance the Sunshine in the Courtroom Act in the 110th Congress). Rep. Smith has not been a supporter of opening federal courtrooms to video cameras in the past, though several of his Republican colleagues on the Committee have been supportive.

Federal Anti-SLAPP Legislation

The Citizen Participation Act, which would enact a federal anti-SLAPP statute, was introduced by Representative Steve Cohen (D-TN) earlier this year, but failed to advance in the present Congress. The Act has garnered limited Congressional support at this point, with three other Democrats joining Rep. Cohen on the bill. Also, neither the House or Senate Judiciary Committees have held hearings on the need for a federal anti-SLAPP measure.

Movement of the legislation in the next Congress will be hampered by the lack of Republican support for the House measure, and the present lack of a Senate counterpart. Introduction of a Senate companion bill, especially if that bill is supported by key Republicans, could brighten the prospects of Congressional action on the legislation over the next two years. But passage of a final bill is not likely in the near term.

Other Issues

The House and Senate Judiciary Committees have suggested that copyright reform could be an area of bipartisan cooperation for the next Congress. Any measure likely would be focused on the Internet space, and may offer an opportunity for Congress to examine copyright issues related to online aggregators (an issue discussed at some length during the Senate Commerce Committee's hearing on the future of journalism).

Performance royalty legislation may reappear in the next Congress. The National Association of Broadcasters, RIAA, Music First, and several Congressional offices continue to work on a compromise bill that can be supported by all parties. NAB, in particular, would like to see adoption of a performance royalty tied to market penetration of broadcast radio-enabled cell phones (or adoption of a federal requirement that all cell phones be broadcast radio-enabled). Further work on performance royalty legislation could occur in the coming Congress.

The FCC and the Department of Justice are expected to complete their work on the proposed Comcast/NBC

Universal merger by early next year at the latest. The Commerce and Judiciary Committees may hold hearings to review the merger review process, any conditions placed on the merger, and implementation of the merger conditions. In particular, the Committees may want to take a detailed look at any conditions placed on Comcast's Internet-based video programming services.

It is possible that the House Energy and Commerce Committee and the Senate Commerce Committee could return to the issue of the future of journalism over the next two years. Senate Commerce Committee Chairman Jay Rockefeller (D-WV) mentioned the declining quality of television news (particularly with respect to 24-hour cable news) in a recent hearing on retransmission consent reform. He suggested that the Commerce Committee needed to take a closer look at television programming issues to find a way to promote quality over quantity.

The Commerce Committees are expected to work on two expansive issues that could touch journalists or news operations. The House and Senate are expected to revisit comprehensive privacy legislation next year, which will impact how companies can collect and use data from users of their websites as well as their online advertising practices. The Committees also are expected to continue work on a possible rewrite of the Telecommunications Act of 1996.

The shift to a Republican-led Energy and Commerce Committee likely will mean much more intense oversight of the FCC, NTIA, and the Department of Agriculture's broadband programs.

The general expectation is that the Commissioners will be called before Congress several times to testify, particularly now that FCC Chairman Genachowski has decided to push forward with an order to reassert the FCC's authority to regulate broadband networks under Title I of the Communications Act.

FCC Commissioner Michael Copps's term expired in June 2010, but by statute he is permitted to remain on the Commission until he or a replacement is confirmed, or Congress adjourns for the year in 2011. The Senate is awaiting the Administration's decision whether it will renominate Commissioner Copps or name a replacement. Once that choice is made, it will need to confirm that appointment next year or leave the Commission with a 2-2 split.

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HarperCollins Puts an End to Gawker's Leaks of Governor Palin's *America By Heart*

By Katherine M. Bolger and Rachel F. Strom

HarperCollins Publishers L.L.C. (HarperCollins), the publisher of the book *America by Heart* (the Book) by former Alaskan Governor Sarah Palin, planned to release the Book on Tuesday, November 23, 2010. HarperCollins has prepared an elaborate roll-out of the Book leading up to the release date, with interviews and appearances planned with television and radio outlets. On Wednesday, November 17, 2010, Gawker Media LLC (Gawker), the publisher of the media blog website Gawker.com, without any authorization, copied twenty-one pages from the Book and published those pages verbatim on its website. Gawker basically provided one-line introductions (essentially captions) for each page that it reproduced.

When Gawker refused to take the down the pages, HarperCollins filed suit and on November 20, 2010, the Honorable Thomas P. Griesa of the United States District Court of the Southern District of New York issued a temporary restraining order prohibiting Gawker from continuing to distribute excerpts of the Book. In so doing, he found that HarperCollins "has, to say the least, a likelihood of success on the merits" of its copyright infringement claim. *HarperCollins Pubs. L.L.C. v. Gawker Media LLC*, No. 10 Civ. 8782 (TPG), 2010 WL 4720396 (S.D.N.Y. Nov. 22, 2010).

America By Heart

HarperCollins has the exclusive rights to publish, reproduce, and distribute the Book, which was written by the

former Alaska Governor and former Republican Vice-Presidential candidate. The Book is a memoir and a personal reflection by Governor Palin on American history, culture, and current affairs.

Because of Palin's status as a well-known politician, author of the best-selling book *Going Rogue*, and political commentator, HarperCollins put extensive plans in place to promote the Book. As part of this plan, the Book was embargoed until November 23, 2010. HarperCollins released only limited review copies of the Book to the media in advance of the publication of the Book on the condition that each member of the media would sign an agreement not to reveal the contents of the Book nor publish a review of the book before November 23. The Book was not available for sale to the general public until November 23.

Gawker's Post

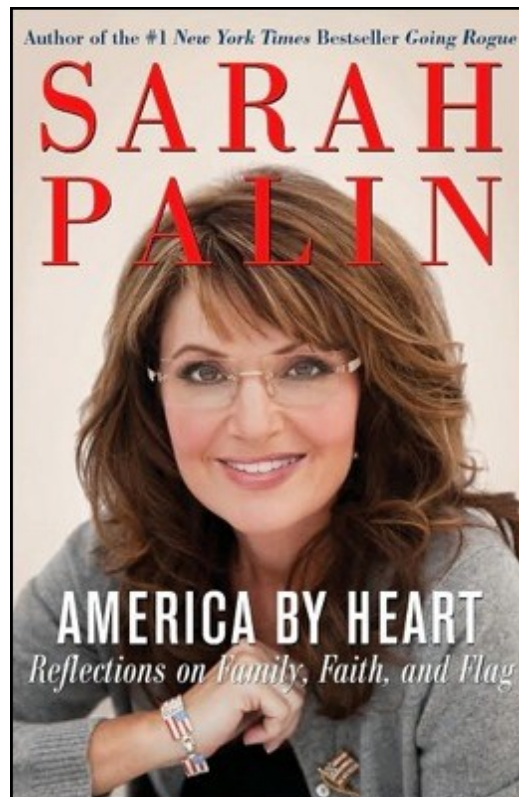
On or about November 17, 2010, Gawker published an item entitled "Sarah Palin's New Book: Leaked Excerpts" (Item). The Item began:

Well, look what popped up five days early: leaks from Sarah Palin's forthcoming

memoir/manifesto, *America By Heart*, in which the reality TV matriarch rants against "talent deprived" reality TV stars, lauds daughter Bristol's chastity, and celebrates not aborting Trig.

Our favorite Wasilla-obsessed blog Palingates

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"The posts on Gawker consisted of very brief introductions followed by the copied material. This was far less than the reporting and commentary the Supreme Court found inadequate to establish fair use in Harper & Row."

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was the first to post excerpts from *America By Heart*. The book is currently in distribution centers, awaiting its official release on Tuesday. We got our hands on some of the pages, too!

The Item then published with it twenty-one full pages from the Book. Placed next to the precise images of the pages was a “Click to Enlarge” link that allowed a viewer to enlarge the image such that it was easily legible.

While the Item published extensive excerpts from the Book, it contained little to no commentary about these pages. For example, before posting four full pages from the Book on how *American Idol* judge Simon Cowell was one of the only voices in America still willing to tell “hard truths,” Gawker stated only: “Later, Palin laments the ‘self-esteem-enhanced but talent deprived performers’ of *American Idol* (Gosh, who does that remind you of?) as a metaphor for liberal entitlement, starting halfway down the page on the right.” Similarly, before posting two pages of the Book about how Palin’s daughter Bristol informed Palin that she was pregnant, Gawker writes simply: “She [Palin] also describes the ‘most unfortunate circumstance’ of daughter Bristol’s pregnancy. Meanwhile, grandson Tripp’s inferiority complex is coming along nicely.”

On the same day as Gawker posted the twenty-one pages (November 17, 2010), HarperCollins wrote to Gawker demanding that Gawker remove the Book’s contents from the Item and desist from making further unauthorized publication of the Book. Gawker did not do so. Instead, on November 18, 2010, Gawker posted another item boasting of its infringing activities. The post entitled “Sarah Palin Is Mad At Us For Leaking Pages From Her Book”, written by Maureen O’Connor, and reads, in relevant part:

Did you catch the excerpt we posted yesterday from Sarah Palin's new book? Sarah did. She tweets with rage: “The publishing world is LEAKING out-of-context excerpts of my book w/out my permission? Isn't that illegal?”

[Sarah: If you’re reading this—and if you are, welcome!—you may want to take a moment to familiarize yourself with the law.

Try starting [here](#) or [here](#). Or skip the totally boring reading and call one of your lawyers. They’ll walk you through it.]

The November 18 item links to the Copyright Act and to the definition of “fair use” contained in Wikipedia, a user-generated Internet based “encyclopedia.”

Motion For TRO

On Friday afternoon, November 19, HarperCollins filed a complaint against Gawker asserting a single cause of action for copyright infringement based on Gawker’s unauthorized publication of pages of the Book. After filing the complaint, counsel for HarperCollins contacted Gawker to inform Gawker that HarperCollins had filed the complaint and that HarperCollins would be seeking a temporary restraining order requiring Gawker to remove twenty-one pages of the Book from Gawker’s website. *Id.*

On Saturday, November 20, the District Court scheduled a hearing on the request for temporary restraining order for 3:00 p.m. that afternoon. Ninety minutes before the parties were scheduled to appear before the Court, Gawker amended the Item, but portions of 12 pages from the Book remained on the website with little commentary by Gawker.

On its motion for a temporary restraining order, HarperCollins argued that it was entitled to an injunction under the standard set forth in *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010). Specifically, first, HarperCollins argued that it was clearly likely to succeed on the merits of its copyright claim because Gawker’s use of the Book is not a protected fair use.

In analyzing the four fair use factors set forth in 17 U.S.C. § 107, HarperCollins relied heavily on the United States Supreme Court’s analysis in *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985). In that case, *The Nation* magazine published unauthorized excerpts of President Gerald Ford’s memoirs two to three weeks before *Time* Magazine, the holder of the exclusive right to print prepublication excerpts from the memoirs, published its article.

The Supreme Court determined that “*The Nation* went beyond simply reporting uncopyrightable information and actively sought to exploit the headline value of its

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infringement.” *Harper & Row*, 471 U.S. at 561 (internal marks and citations omitted). The Supreme Court further held that, “[w]hile even substantial quotations might qualify as fair use in a review of a published work . . . the author’s right to control the first public appearance of his expression weighs against such use of the work before its release. The right of first publication encompasses not only the choice whether to publish at all, but also the choices of [when, where, and in what form first to publish a work.](#)” *Harper & Row*, 471 U.S. at 564.

Thus, the Supreme Court held that *The Nation’s* excerpts weighed against a finding of fair use because the copyright holders had a clear interest in keeping the manuscript confidential, and *The Nation’s* use “afforded no such opportunity for creative or quality control.” *Id.* The Supreme Court therefore concluded that “[a] use that so clearly infringes the copyright holder’s interests in confidentiality and creative control is difficult to characterize as ‘fair.’” *Id.* Here, as in *Harper & Row*, by posting portions of the Book before it was released, Gawker infringed HarperCollins’ right to decide “when, where, and in what form first to publish a work.” Further, the Item went far “beyond simply reporting uncopyrightable information.” Indeed, the only reporting in the Item was that some portions of the Book had been leaked and Gawker was distributing those portions. Put simply, Gawker did nothing to transform the Book – it simply copied from it. Its use, like *The Nation’s* in *Harper & Row*, was hard to characterize as fair.

Second, HarperCollins argued that under *Salinger*, it was likely to suffer irreparable injury in the absence of an injunction and that the balance of hardships tipped in its favor because its right to control the release of the Book could only be protected by an injunction – not damages. Indeed, as the *Salinger* court itself noted, in assessing the irreparable harm to the plaintiff, a court should remember that “the loss of First Amendment freedoms, and hence infringement of the right not to speak, for even minimal periods of time, unquestionably constitutes irreparable injury.” *Salinger*, 607 F.3d at 81 (citation omitted).

Here, HarperCollins argued that its right to “not speak” and control the marketing and roll-out for the Book was irreparably damaged every moment that the Book was available on Gawker. In publishing portions of the Book before HarperCollins was able to do so, Gawker broke the

embargo and unlawfully usurped the benefits of first publication that lawfully belonged to HarperCollins. This violation could only be remedied with an injunction.

Finally, HarperCollins claimed that under *Salinger*, the public interest would not be disserved if the Court granted a preliminary injunction here.

In response, at the hearing on November 20, Gawker claimed that HarperCollins was not likely to succeed on the merits of its claim because Gawker’s use was indeed a fair use. Specifically, Gawker argued that Governor Palin was a well-known politician and media-figure and Gawker had a right to comment on her and on the Book. Gawker also claimed that HarperCollins could not establish irreparable injury because, assuming Gawker had infringed HarperCollins’ copyright, HarperCollins would be fully compensated with money damages.

After reviewing Gawker’s amended posting on the Internet and hearing lengthy argument from both parties, the Court granted the temporary restraining order and set a preliminary injunction hearing for November 30.

The Opinion

On November 22, the Court issued its Opinion, which set forth its reasoning for granting the temporary restraining order. The Court found that “defendant’s use of the copyrighted material was not for ‘purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research’” as would be required for a finding of fair use. [HarperCollins Pubs. L.L.C., 2010 WL 4720396, at *3.](#) “The posts on Gawker consisted of very brief introductions followed by the copied material. This was far less than the reporting and commentary the Supreme Court found inadequate to establish fair use in *Harper & Row.*” *Id.*

The Court then went through all of the four fair use factors, as set forth in 17 U.S.C. § 107, and found that three factors weighed against a finding of fair use. As for the first factor, the purpose and character of the use, the Court held that “defendant had not used the copyrighted material to help create something new but has merely copied the material in order to attract viewers to Gawker.” *Id.* As to the second factor, the nature of the copyrighted work, the Court noted that the Book was not published, thus “substantially weakening defendant’s fair use claim.” *Id.*

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The Court found that the “third factor also weighs against fair use in this case, as defendant published what amounts to a substantial portion of the Book.” *Id.* Finally, the “fourth factor, the effect of the use upon the potential market for the Book, is a matter of speculation. However, . . . it is the difficulty in determining such effect that makes a legal remedy inadequate in this case. Thus, this factor neither helps nor harms either side on the fair use issue.” *Id.* The Court thus concluded “that plaintiff has, to say the least, a likelihood of success on the merits in connection with its claim of copyright infringement, as against the defense of fair use.” *HarperCollins Pubs. L.L.C.*, 2010 WL 4720396, at *3.

The Court also found that HarperCollins would likely be irreparably injured without an injunction. In so holding, the Court noted that “[i]t must be remembered that plaintiff is in the home stretch of a carefully orchestrated promotional campaign for a book that, at the time of the application, was to be released in only a few days. The entire purpose of a pre-release promotional campaign is to increase sales of a book upon its release. Plaintiff is, of course, exercising its rights under the copyright law in thus controlling the release of the Book. If this exercise of rights cannot be enforced with the aid of the court, a commercial advantage is lost, for which plaintiff cannot realistically be compensated in some later attempt to recover damages.” *Id.*

The Court went to find that “[o]n a broader front, the purpose of the copyright law is to prevent the kind of copying that has taken place here. In the present case, the only realistic remedy that would fulfill the statute’s purpose is for the court in fact to prevent. . . . A later claim for damages would probably be unavailing because of problems of measurement.”

On the same day as Judge Griesa’s order, Gawker removed the posting from its website. It later stipulated that it would not re-publish or distribute the posting or any of the pages from the Book in the posting, and, based on that agreement, the parties agreed to dismiss the case.

Plaintiff HarperCollins Publishers L.L.C. was represented by Slade R. Metcalf, Katherine M. Bolger, Rachel F. Strom and Collin J. Peng-Sue of Hogan Lovells US LLP, New York City. Gawker was represented by in-house counsel Gaby Darbyshire.



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Dow Jones Hot News Case Ends With Admission of Liability, “Substantial” Payment by Briefing.Com

By Robert P. LoBue and Jason Conti

In April 2010, Dow Jones & Company, Inc. filed a federal complaint against Chicago-based Briefing.com, Inc. in the United States District Court for the Southern District of New York (*Dow Jones & Company, Inc. v. Briefing.com, Inc.*, 10 Civ. 3321 (filed April 20, 2010)). Dow Jones alleged that Briefing.com was stealing Dow Jones’s proprietary content and republishing it to subscribers of its competing website.

The causes of action asserted in the complaint included copyright infringement, violation of the Digital Millennium Copyright Act (“DMCA”), and the state law tort of “hot news” misappropriation. The parties recently reached a settlement agreement, which included, among other things, Briefing.com’s admission of liability, a substantial monetary payment to Dow Jones, and a permanent injunction enjoining Briefing.com from engaging in similar conduct in the future. The exact amount of the payment remains confidential.

Dow Jones delivers its news and information to the world through a number of vehicles, including the Dow Jones Newswires (“Newswires”), *The Wall Street Journal*, and *Barron’s*. The Newswires, which was the product at issue in the case against Briefing.com, is a family of electronically-delivered proprietary news services that provide paid subscribers with a constantly-updating feed of breaking news and financial and business information. Newswires’ content is collected through the efforts of its worldwide network of news bureaus and journalists, as well as by drawing on the resources of Dow Jones’s other publications. Newswires’ ability to deliver time-sensitive news to its subscribers has been a selling point for the product.

The complaint against Briefing.com described in detail the observations made in a two-week period in February 2010 in which Dow Jones monitored the Briefing.com website to determine whether and to what extent Briefing.com was publishing Dow Jones content without permission. Dow Jones found that, during those two weeks, Briefing.com republished verbatim or nearly verbatim substantial portions of over 100 news articles from the Newswires. Briefing.com also republished over seventy Newswires headlines within minutes of their appearance on the Dow Jones Newswires.

Because Briefing.com had republished substantial amounts of the text of Dow Jones news articles, the case was constructed as one for copyright infringement as well as hot

news misappropriation. In addition, Dow Jones alleged that Briefing.com was violating the Digital Millennium Copyright Act (DMCA) by failing to include the Dow Jones copyright notice from the republished articles. Before filing suit, Dow Jones had registered for copyright the content of the Newswires in question within three months of the publication of that content, and therefore qualified for an award of statutory damages and attorneys fees under the Copyright Act.

The settlement was reached after substantial document discovery activity and as the parties were about to commence depositions, and on November 15, 2010, Judge Victor Marrero entered a consent judgment. The judgment recited that Briefing.com admitted liability for copyright infringement, violation of the DMCA, and “hot news” misappropriation, and it permanently enjoined Briefing.com from further infringing Dow Jones’s copyrights. Briefing.com was also required to provide to Dow Jones complimentary access to its website to allow Dow Jones to monitor Briefing.com’s compliance with the injunction. From start to finish, the litigation took approximately six months.

Dow Jones v. Briefing.com played out against the looming shadow of *Barclay’s Capital v. TheFlyOnTheWall.com*, which, as this is written, remains sub judice in the Second Circuit after oral argument in early August 2010. Earlier this year, Judge Cote in the Southern District of New York entered judgment in favor of three investment bank plaintiffs against TheFlyOnTheWall, whose website was found to have republished the banks’ time-sensitive stock buy/hold/sell recommendations. The lower court judgment that defendant had committed actionable hot news misappropriation, and the detailed injunction entered as a remedy, attracted an extraordinary amount of attention in the media bar and a flurry of amicus curiae briefs, including one by Dow Jones. The Dow Jones brief supported the use of the hot news tort in appropriate circumstances but questioned the breadth of the *Fly* liability analysis and injunction in some respects.

Dow Jones was represented in both the Briefing.com case and the amicus filing by Robert P. LoBue of Patterson Belknap Webb & Tyler LLP, together with associate Alicia Tallbe, working closely with in-house counsel at Dow Jones Jay Conti and Craig Linder.

Montz v. Pilgrim Films & Television, Inc.: A Tale of Two Conflicting Systems Of IP Law

By Louis P. Petrich

On December 16, 2010, an eleven-judge *en banc* panel of the Ninth Circuit Court of Appeal heard argument on whether an implied promise not to use ideas embedded in submitted works which fall within the subject matter of copyright are preempted by section 301(a) of the Copyright Act. A decision will likely be rendered in the first part of 2011.

At stake are the following issues:

- ◆ Whether a particular form of implied-in-fact contract claim – involving a promise not to use without a license - is preempted,
- ◆ Whether some implied contracts may be preempted and thus be removable from state court to federal district courts under the “complete preemption doctrine.”

[Montz v. Pilgrim Films & Television, Inc.](#), 606 F.3d 1153 (9th Cir. June 3, 2010) (vacated by Order granting *en banc* hearing-but still in the official reports) involved a fairly typical situation in the entertainment business. Plaintiffs Larry Montz, a para-psychologist and Daena Smoller, a publicist, alleged that they had conceived of a concept for a new reality television program featuring a team of “para-normal investigators,” who would be featured in hour-long episodes following the team in efforts to investigate and perhaps debunk reports of paranormal activity.

They alleged that during 1996 and 2003 they presented screenplays, videos and other program materials to representatives of NBC Universal and the Sci-Fi Channel “for the express purpose of offering to partner ... in the production, broadcast and distribution of the Concept. The Complaint alleged that defendants made an implied promise “not to disclose, divulge or exploit the Plaintiffs’ ideas and concepts without the express consent of the Plaintiffs” and to

afford compensation and to attribute credit.

Although the submittees were allegedly not interested, NBC Universal later partnered with Craig Pilgrim and Pilgrim Films & Television, Inc. to produce a series on the Sci Fi Channel called “Ghost Hunters” which involved a team of investigators who study para-normal activity.

Montz and Smoller sued claiming copyright infringement, breach of an implied-in-fact contract and breach of a confidence. Plaintiffs subsequently voluntarily dismissed the copyright claim

Defendants responded by moving to dismiss under FRCP 12(b)(6) the state law claims for breach of an implied-in-fact contract and for breach of confidence on the grounds that both claims were preempted under section 301 (a) of the Copyright Act.

Desny v. Wilder

Plaintiffs’ later motion for reconsideration expressly stated, and the district judge assumed, that plaintiffs were arguing that their claim of an implied on fact contract was founded on the landmark decision of the California Supreme Court in [Desny v. Wilder](#), 46 Cal. 2d 715, 299 P.2d 257 (1956). *Desny* arose soon after California amended its Civil Code in 1947 so that “ideas” as distinct from expression

were no longer to be treated as property under state law. Thereafter, “ideas” could be protected, if at all, only by contract. *Desny* is commonly understood – and it so states – to hold that the facts before it gave rise to a triable issue whether a contract implied in fact gave *Desny* a cause of action against famous film director Billy Wilder. Wilder had directed the movie, “Ace In The Hole,” about a rapacious news reporter, played by Kirk Douglas, who exploits the plight of a man trapped by a cave in the desert to create a news circus.

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Most submittees would not expect that they would be haled into court to prove the source of their “ideas” if years later they happened to use mere “ideas” embedded in the script or treatment. In their experience, they hear or read similar ideas every week in the regular course of their business.

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Desny claimed that in 1949 he had phoned Wilder's office at Paramount Studios and had spoken to Wilder's secretary for the purpose of proposing to sell an idea based on a well known news item about a man trapped in a cave. The California Supreme Court accepted as true for sake of argument Desny's claim that he first offered to send the secretary a 65 page version of his proposed story, but the secretary told him that Wilder would not read it, that Wilder had readers summarize stories to 3 or 4 pages for his review. Desny protested that he preferred to create his own summary which he would read to the secretary. He later recited his summary over the phone and the secretary took it down in shorthand. She said she would transmit the summary to Wilder. Desny supposedly told her "that defendants could use the story only if they paid him 'the reasonable value of it.'" The secretary supposedly said that if Wilder used the story "naturally we will pay you for it." 46 Cal. 2d at 727. The Supreme Court held that a secretary had authority to bind her boss to movie contracts and that a contract was thus formed, which could have been breached when Wilder made his movie – if he used Desny's idea. The case was remanded for trial.

The *Desny* court could have concluded that the contract that was formed was an express contract, one formed by words. What is distinguishing between express and implied contracts is not just the manner of conveying assent to the offer, but rather the critical issue of what amount of use triggers a duty to pay. For example, if only copyrightable material – a script or a treatment is submitted – a submittee could reasonably expect that only a use that constitutes copyright infringement gives rise to a duty to pay. Most submittees would not expect that they would be haled into court to prove the source of their "ideas" if years later they happened to use mere "ideas" embedded in the script or treatment. In their experience, they hear or read similar ideas every week in the regular course of their business.

Unlike most implied contracts, Mr. Desny stated in advance what use would trigger a duty to pay – not use of mere ideas, but rather the use of "the story." The secretary supposedly stated in words that Wilder agreed. Ignoring or perhaps blurring this unique set of facts, the *Desny* court announced that implied in fact contracts were just like express contracts, with the only difference being that "assent" in an implied contract is signified by conduct rather than

words. It held that the alleged contract in *Desny* was implied in fact, with assent occurring when the secretary accepted the submission knowing of Mr. Desny's conditions.

At this point, the 1909 Copyright Act did not protect writings (with rare exceptions) unless they were published with a copyright notice affixed. The *Desny* court even held that notes taken by Wilder's secretary provided a basis for a common law copyright claim under California law. The 1909 Act did not have an express preemption provision and state courts could impose liability for common law infringement or plagiarism if the work was yet unpublished.

Subsequent decisions assumed that *Desny* stood for the proposition that he had sold his idea to Wilder, on the condition subsequent that he would get paid the reasonable value for that idea, if and only if Wilder used Desny's "ideas."

Several years later, the Ninth Circuit reviewed a finding by a U.S. District Judge in *Landsberg v. Scrabble Crossword Game Players, Inc.*, 802 F.2d 1193 (9th Cir. 1986). The case arose from facts occurring before 1978 and thus no express preemption issue was raised or discussed. Landsberg had convinced the trial court that he had been in "prolonged negotiations" to sell Scrabble an idea for a book on Scrabble strategy. Scrabble finally rejected his idea but later published its own Scrabble strategy book. The district judge in a bench trial concluded that an implied in fact contract had been formed and breached. But, the court did not award Landsberg just the reasonable value of his idea. He was awarded the "total profits" of Scrabble and Scrabble's publisher. As the Ninth Circuit stated in affirming:

If the implied contract between Landsberg and S & R provided merely for the payment of the reasonable value by S & R for the use of Landsberg's manuscript, then the grant of the total profits of S & R and Crown Publishers would exceed the amount Landsberg would have received in the absence of breach. He would be entitled only to the market value of S & R's use of the manuscript. Landsberg argues that the contract was not for the use of his manuscript, but for S & R's refraining from using it without his permission. He argues in effect that the contract requires both compensation and permission to use his

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manuscript. The district court's findings are consistent with this understanding of the contract terms. The court found that "based upon S & R's conduct, Plaintiff reasonably believed that S & R would not use or copy his manuscript, or any portion thereof, without his consent and without payment to him of an acceptable sum." Landsberg was therefore entitled under the terms of the implied contract to more than the fair value of S & R's use. He was entitled to deny S & R permission to use it at all, and to exploit his work through another means. Because S & R's breach resulted in Landsberg's losing the opportunity to market his work as he saw fit, the profits from S & R's exploitation of it are both the best measure of his losses due to the breach, and are consistent with § 3358's limitation. To read the contract as requiring anything less than both compensation and permission would be to sanction a forced exchange.

802 F.2d at 1198 (emphasis added.)

After the preemption provisions of section 301(a) of the 1976 Copyright Act went into effect in 1978, several courts held an alleged promise by a defendant not to use material within the subject matter of copyright was equivalent to a promise not to infringe and thus was preempted. Although this writer and other attorneys in California were successful in getting District Judges to adopt this view, the Ninth Circuit disposed of appeals raising this issue on other grounds.

Grosso v. Miramax

The Ninth Circuit rendered its first reported decision concerning possible preemption of an implied in fact contract claim in *Grosso v. Miramax Film Corp.*, 383 F.3d 965 (9th Cir. 2004). Grosso alleged that he had submitted a script through third parties to Miramax and the writers and producer of the movie "Rounders." The initial complaint for breach of an implied in fact contract was filed in state court and removed to the federal district court in Los Angeles on the ground that the so-called state law claim was preempted. Under the doctrine of complete preemption, it was a candidate for removal. In federal court, Grosso amended his complaint to add the copyright infringement claim, alleging

that defendants had infringed his copyright and breached an implied in fact contract for the use of the ideas embedded in that copyrighted script..

The district court granted a motion for summary judgment dismissing the copyright claim for lack of substantial similarity of protected expression, and the Ninth Circuit affirmed on that ground. However, the Ninth Circuit reversed and remanded the order dismissing the contract claim on preemption grounds on a FRCP 12(b)(6) motion, concluding that the amended complaint adequately pled a *Desny v. Wilder* type claim because it alleged that "the ideas was submitted by Plaintiff to Defendants with the understanding and expectation, fully and clearly understood by Defendants that Plaintiffs would be reasonably compensated for its use by Defendants."

On remand to the district court, there being no existing federal claim, the district court remanded the case to state court, where defendants were granted summary judgment on the ground that no contract at all was formed. The judgment was affirmed in an unreported decision. 2007 WL 2585053 (Cal. App. 2d Dist. 2007).

Montz v. Pilgrim Films & Television

Against this background, the *Montz* district court, agreed that an implied promise not to use material within the subject matter of copyright was preempted, granting the FRCP 12(b) (6) motion. It dismissed the breach of confidence claim as well. It dismissed both claims without leave to amend.

The initial three-judge panel that heard *Montz v. Pilgrim* in the Ninth Circuit affirmed, applying the two-prong test for preemption set out in section 301(a) of the Copyright Act: (1) determining whether the materials submitted by plaintiff fell within the subject matter of copyright, and (2) determining whether the state law claim was equivalent to a claim seeking relief for infringement of one of the exclusive rights under section 106 of the Copyright Act: to reproduce or copy, to create derivative works, to distribute or sell copies, to perform (exhibit or broadcast) publicly, or to display publicly.

The district court had ruled that the claim regarding screenplays, videos and other tangible media came within the "subject matter of copyright" and the Plaintiffs did "not challenge this ruling on appeal." 606 F.3d at 1157. Circuit

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panels in the Second, Fourth and Seventh Circuits had already held that ideas embedded within materials that fell within the subject matter of copyright, for example, treatments, scripts, outlines, were all within the subject matter of copyright for preemption purposes.

Regarding the claim for breach for an implied-in-fact contract, the court held that the second prong was satisfied because the nature of the contract claim was for breach of a promise not to use plaintiffs' materials unless and until a license had been negotiated. The court found that such an implied contract is equivalent to a claim for copyright infringement as every infringer uses copyrighted material without first obtaining a license. The court held that the nature of the pleadings made the confidence claim equivalent to the breach of contract claim and thus preempted. The panel also ruled that the district court properly dismissed without leave because plaintiffs could allege a *Desny v. Wilder* contract for sale theory – and thus rely on *Grosso v. Miramax* – only by re-pleading inconsistently with their initial complaint.

After the three-judge panel's decision was rendered on June 3, 2010 and the time for filing petitions for rehearing *en banc* had elapsed, one member of the three-judge panel issued an Order on July 21, 2010 requesting the parties to file briefs on the issue whether the case ought to be reviewed *en banc* to an eleven judge panel.

The plaintiffs initially filed a brief in response to the court's July 21, 2010 Order, arguing that the court should grant rehearing *en banc* on the ground that the three judge panel's opinion conflicted with *Grosso v. Miramax* and cases in other circuits regarding the preemption of implied-in-fact contract claims. They argued that their allegations were virtually indistinguishable from those in *Grosso* because the *Montz* complaint pled not only that defendants would not use their materials without their permission but also that plaintiffs also expected to be paid. Additionally, plaintiffs argued that the panel's opinion conflicted with other cases holding that the Copyright Act does not preempt state law claims for breach of a duty of confidentiality.

Defendants' brief argued that *Montz* stood for the uncontroversial proposition that certain state law claims for unauthorized copying are preempted and that *Grosso v. Miramax* dealt with a different kind of claim, a *Desny v. Wilder* claim, for breach of an implied contract for payment

on sale.

On September 30, 2010, the Ninth Circuit issued an order granting an *en banc* hearing. Since then, three separate amicus briefs have been filed.

Amicus Briefs in Montz

The amicus brief of the Motion Picture Association of America (MPAA) took the position that Montz's claim was preempted because it effectively alleged a breach of a contract not to infringe exclusive rights under copyright. It distinguished *Desny v. Wilder* which it argued involved a contract for the sale of an idea rather than a promise not to exploit. It also argued that *Grosso v. Miramax* was distinguishable from the *Montz* case and, in any event, was wrongly decided and should be disapproved. Finally, MPAA argued that practical considerations supported the result by the three-judge panel. It argued that permitting Montz's lawsuit to go forward would adversely affect not only MPAA members but also consumers and creators of expressive works.

An amicus brief on behalf of ABC, California Broadcasters Association, CBS Broadcasting, CBS Films, Home Box Office, Showtime, Summit Entertainment, and Turner Broadcasting System argued that the *en banc* panel should clarify the law in a manner consistent with congressional intent. It argued that *Desny v. Wilder* prescribed special circumstances giving rise to implied contracts arising from the submission of an idea. It distinguished *Grosso* from the *Montz* case in that *Grosso* held that the implied contract claim was a *Desny* claim and thereby saved from preemption.

An amicus brief filed on behalf of Reveille, Fremantle Media, and Magic Elves argued that *Grosso v. Miramax* was incorrectly decided because an implied agreement to pay "reasonable value" adds nothing to the monetary remedies for infringement that are available under section 504(b) of the Copyright Act and that the *Grosso* decision has adversely affected the amici and others by short-circuiting the preemption defense that was being developed by the district courts prior to *Grosso*. It argued that problematic divergences had arisen between copyright and idea submission cases particularly evident on the critical issue of "substantial similarity." As a result, it argued that the

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distinction between state law idea submission claim and federal copyright law created risks that chill expressive First Amendment protected speech. It called for an overruling of *Grosso v. Miramax*.

At this point, defendants filed yet another brief in support of affirmance by the *en banc* court. It argued that most case authorities applying the “equivalency” test for copyright preemption to implied contract claims before the decision in *Grosso v. Miramax* had held that the claims should be preempted. It urged that *Grosso* was therefore incorrectly decided and should be disapproved. It argued that the continued existence of *Grosso* undermines the policies of the Copyright Act (a) by permitting “copyright-like” protection of *ideas* contained in a work of authorship merely by alleging an unauthorized use and labeling the claim “breach of implied-in-contract,” and (b) by blurring the lines between state and federal law by allowing amorphous state-law claims for breach of implied contract to override copyright law without requiring express indicia of the parties’ intent to enter into contractual obligations.

Plaintiffs’ responded by filing a Supplemental brief supporting the rehearing *en banc*. Plaintiffs argued that defendants had misunderstood the nature of an implied-in-fact contract. Relying on the statement in *Desny* that an implied-in-fact contract differs from an express contract only in that assent was provided by conduct rather than by words, it argued that *Grosso* and the recent decision in *Benay v. Warner Bros. Entertainment, Inc.*, 607 F.3d 620 (9th Cir. 2010) correctly held that implied-in-fact contract claims under *Desny* are not preempted. Finally, it argued that the breach of confidence claim should not be preempted by copyright law.

Ninth Circuit Hearing

On December 16, 2010, an eleven-judge panel of the Ninth Circuit with Chief Judge Alex Kozinski presiding heard argument in the Pasadena branch of the circuit court. The Court’s website contains audio and video recordings of the one-hour hearing.

The Ninth Circuit has so many active members that it employs an 11-person mini-*en banc* process, Ninth Circuit Rule 35-3, consisting of 10 active members at random plus the Chief Judge. The *Montz* panel included members who had participated in the three-judge *Montz* panel – Diarmuid O’Scannlain and Richard Tallman – and in the three-judge panel that decided the earlier preemption decision, *Gross v. Miramax Film Corp.*, Mary Schroeder. Additional members of the *en banc* panel were Circuit Judges Stephen Reinhardt, Sidney Thomas, Kim McLane Wardlaw, Ronald Gould, Richard Paez, Carlos Bea and N. Randy Smith.

Howard Miller of Girardi & Keese, of Los Angeles, opened for Plaintiff. He argued that it is undisputed that an express contract to pay for the use of ideas would not be preempted by the Copyright Act, and – borrowing from *Desny v. Wilder* – that the only difference between an express and implied in fact contract is that assent to form the latter is manifested by conduct rather than by words. Cal. Civil Code §§ 1619-21. He conceded that if the alleged promise was merely not to use the work without first negotiating a license then the claim was preempted.

However, he argued that *Montz*’ complaint always coupled the allegation that use was not permitted without a license with a further allegation that use had to be compensated. (As noted above, the Ninth Circuit in *Landsberg*, held that a contract barring use without consent and compensation was distinguishable from a *Desny* contract). He claimed that the issue was really one of pleading and not of preemption. He noted that the recent U.S. Supreme Court decisions in *Twombly* and *Iqbal* may now require more detailed pleading of the implied contract than existed in *Grosso*. He argued that many of the supposed vagaries of an implied in fact contract claim might be cured by more stringent pleading. He closed by asking for leave to amend on remand.

Gail Migdal Title of Katten Muchin Rosenman, LLP of Los Angeles, argued for defendants. She stated that the *Montz* complaint alleged a promise not to use without a license of material that fell within the subject matter of copyright and was therefore claiming a right equivalent to

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copyright. Judge Wardlaw questioned whether a claim based on the submission of an idea ever falls within the subject matter of copyright – the first requirement of preemption. Title pointed out that plaintiffs had conceded the first requirement, and in any event, three circuit courts – the Second, Fourth and Seventh – that considered the issue where the ideas were embedded in material which is copyrightable all held that the ideas were within the subject matter of copyright for preemption purposes.

Judge Kozinski suggested that every pitch or submission may involve both copyrightable material and a broader, vaguer idea, and that perhaps state law should govern the latter. Title rebutted the notion that the *Montz* plaintiffs were making an unconditional sale of their ideas – pointing out that the reference to compensation only stated the obvious: any subsequent license would include compensation. The key factor, however, was that – unlike the *Desny* model – in *Montz*, a license allegedly was the pre-condition to permission to use. Not mentioned at the hearing was the fact that only two days earlier, in *MDY Industries, LLC v. Blizzard Entertainment, Inc.*, No. 09-15932, ___ F.3d ___, Slip Op. at __ (9th Cir. 12/14/10), a three judge panel held that the breach of a condition in a contract regarding the use of a work that implicates copyright rights constitutes copyright infringement.

When Title argued that *Grosso v. Miramax* had led to entertainment companies being less receptive to persons who wanted to make submissions to the entertainment industry, several judges expressed the view that such policy arguments seemed to be more appropriately directed to the wisdom of the California Supreme Court in *Desny v. Wilder* in creating implied in fact liability – suggesting this was a state law issue, and not a copyright preemption issue.

Some questioned whether defendants were simply arguing that all *Desny* type contracts should be preempted. Judge Kozinski asked if a plaintiff that had a copyrighted work had less rights than a person who merely submitted an idea not in writing. Title responded to an inquiry as to why there were no Ninth Circuit opinions raising the issue in *Montz*, by noting that several district court opinions prior to *Grosso v. Miramax* had done so reaching the same preemption

conclusion as *Montz*. Judge Schroeder, who authored *Grosso v. Miramax*, suggested that at least one of those district court decisions seemed to disagree with the principle in *Desny v. Wilder*.

Perhaps the most insightful question was raised by Judge Thomas during Plaintiffs’ rebuttal argument. Without naming *Landsberg v. Scrabble Word Players*, discussed above, Judge Thomas asked if there was a quite different remedy – copyright like – where the implied promise allegedly was not to use without a license, unlike the *Desny* model in which permission to use first and pay later was implied. *Montz*’ counsel acknowledged that if *Montz* alleged only a pure promise not to use that would be the equivalent of a copyright right, but again stated that the *Montz* plaintiffs also alleged they ultimately expected to be paid. The MPAA brief had discussed the fact that the Ninth Circuit in *Landsberg* held that a promise not to use without consent and to make compensation was so dramatically different than the promise to pay in *Desny* that it afforded a basis for an award of the total profits of defendant and defendants’ licensee.

It is difficult to predict what to make of some of the judges’ comments that this case seemed only to raise issues about the wisdom or policy of state implied in fact contract law under *Desny v. Wilder*. It is arguable that the federal courts cannot be agnostic about the contours of state law when they impinge on the Copyright Act. No one would doubt that California courts could not allow a cause of action for common law copyright of published works to co-opt federal copyright law – and shelter it from preemption by calling it an implied in fact contract. If the “contract” in practice is based on a “promise” said to be implied by the circumstances not to infringe a copyrighted work and the remedy, under *Landsberg*, includes copyright-like damages, that theory of “contract” could reasonably be viewed as a tort preempted by section 301(a).

There is no time limit imposed to issue an opinion, but it is likely the Court will render a decision in the first half of 2011.

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Chords of Discord: Rock Stars Sue Politicians for Using Songs Without Permission

By Michael E. Fox

A number of highly publicized lawsuits have recently focused America's attention on the fact that musical works are protected by copyright law. Therefore, it would seem that everyone, especially politicians, should know that permission is required to use a copyrighted song. Well, apparently, that is not always the case.

While Republican voters used the mid-term elections to rock the ballot boxes and roll new politicians into office, a few Republican candidates stepped on some rock 'n' roll copyright shoes during the dance. In other words, they allegedly used songs, without permission, in their campaigns that led to the elections.

If politicians have not yet figured out that copyright law protects musical works, then they better learn fast because the times they are a changin'. Rock stars today are less likely to sit back and permit a politician to pirate a song for a political commercial. In fact, any politician considering such a move would be wise to consider the lyrics to Bob Dylan's song "The Times They Are A Changin'":

Come senators, congressmen
Please heed the call
Don't stand in the doorway
Don't block up the hall
For he that gets hurt
Will be he who has stalled
There's a battle outside
And it is ragin'
It'll soon shake your windows
And rattle your walls
For the times they are a-changin'

Running on Empty

Jackson Browne set the stage for this year's rock star versus politician copyright battles. Browne has been recording politically charged songs since the 1960s, and he has long aligned himself with Democratic candidates, including President Barack Obama.

In 1977, Browne released the album "Running on

Empty," which contains a composition of the same name. The album became Browne's best, reaching platinum status seven times over.

During Republican Sen. John McCain's recent presidential run, he allegedly released a commercial mocking Obama's energy policy and suggestion that the country could conserve gas by maintaining proper tire pressure. Browne's "Running on Empty" played in the background.

On August 14, 2008, Browne sued McCain, the Republican National Committee (RNC) and the Ohio Republican Party (ORP) in the Central District of California. The claims included direct and vicarious copyright infringement, false endorsement under Lanham Act §1125(a), and violation of California's Common Law Right of Publicity.

In his complaint, Browne alleged that the defendants broadcast the commercial on networks in Ohio and Pennsylvania without obtaining permission. Browne further alleged that they placed the commercial on websites, including YouTube.com, to reach an international audience.

On November 17, 2008, the RNC moved to dismiss. It argued that the fair use doctrine barred the copyright claims. The court, however, refused to engage in fair use analysis because the alleged facts were not sufficient for a thorough analysis.

The RNC also urged the court to dismiss Browne's Lanham Act claims because the Act only applies to commercial speech, the First Amendment and artistic relevance test bar such claims, and Browne could not establish likelihood of confusion because the commercial identified the ORP as its source. The court disagreed.

In denying the motion, the court noted that the Act also applies to non-commercial (i.e., political) speech and that the RNC had not established that the commercial was an artistic work.

Moreover, it noted that courts applying the Act to political speech had implicitly rejected the theory that such claims are barred, as a matter of law, by the First Amendment and the artistic relevance test. Finally, the court found that the RNC had not established that Browne could not prove likelihood of

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confusion.

On March 10, 2009, the RNC appealed. However, while the appeal was pending, the parties stipulated to dismiss the appeal and underlying action. As part of the settlement, the defendants issued the following public apology and pledge:

We apologize that a portion of the Jackson Browne song 'Running on Empty' was used without permission. ... The ORP, RNC and Senator McCain pledge in future election campaigns to respect and uphold the rights of artists and to obtain permissions and/or licenses for copyrighted works where appropriate.

The Road to Nowhere

Like Jackson Browne, David Byrne is a well-known musician. He founded the Talking Heads, a critically acclaimed group that was inducted into the Rock and Roll Hall of Fame in 2002.

In 1985, the Talking Heads released the album "Little Creatures," which contained the song "Road to Nowhere." It became one of their most popular songs.

In January 2010, just months after the RNC's public promise to obtain permission for copyrighted works, Charlie Crist allegedly used the "Road to Nowhere," without permission, in a commercial attacking political opponent Marco Rubio. At that time, Crist, who is currently Florida's governor and who had served as Florida's attorney general under Gov. Jeb Bush, was running against Rubio to become the Republican candidate for one of Florida's U.S. Senate seats.

Shortly thereafter, on April 30, 2010, Crist left the Republican Party to run as an Independent Party candidate. He was allegedly behind Rubio in the polls at that time.

On May 24, 2010, Byrne sued Crist and his campaign for direct and vicarious copyright infringement and false endorsement under Lanham Act §1125(a). Byrne filed suit in the Middle District of Florida, Tampa Division.

In his complaint, Byrne alleged that Crist broadcast the commercial on his campaign website and YouTube.com. He also alleged that the defendants knowingly placed the commercial on the Internet for national distribution.

The *Byrne et al. v. Crist et al.* lawsuit is ongoing, so it is

not clear how it will shake out. At this point in time, the only thing that is settled is the fact that Rubio beat Crist in the mid-term Florida Senate race on November 2, 2010. One day before the elections, Byrne filed an amended complaint naming the Stevens & Schriefer Group – the advertising agency that created the commercial. Byrne seeks more than \$1,000,000 in damages.

Take the Money and Run

In the interests of fairness, it should be noted that Rubio reportedly used the Steve Miller Band's 1976 hit "Take the Money and Run" for his own YouTube.com commercial attacking Crist. The video reportedly criticized Crist for not returning campaign donations when he left the Republican party.

In response to Rubio's commercial, Steve Miller reportedly issued the following statement:

The Steve Miller Band and Steve Miller do not endorse Marco Rubio's campaign or any political candidates and respectfully request that Mr. Rubio learn more about publishing law and intellectual property rights. I also ask that in the future he extends me the courtesy of asking permission before using my songs.

Following Miller's response, Rubio reportedly stopped using the commercial. A spokeswoman for Miller has also reportedly stated that the matter has been settled.

Conclusion

There can be no doubt that the times they are a changin'. With Americans now aware that musical works are protected, and rock stars more likely to enforce their copyrights, politicians and their agents who create audiovisual commercials must obtain the necessary licenses to use copyrighted materials. Of course, the question of whether rock stars and politicians, both of whom are notorious for rocking established rule, can peacefully coexist in these changin' times remains to be answered.

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Velcro Suit Does Not Stick: Court Dismisses Copyright Claims Against *Bruno*

By Lincoln D. Bandlow

This past August, a federal district court in Los Angeles dismissed a copyright infringement lawsuit filed against the makers of the motion picture *Bruno* in which the plaintiff alleged that a scene in the film which featured the lead character wearing a suit made of Velcro infringed on a scene from plaintiff's script which also included a character who wore a suit made of Velcro. [Musero v. Mosaic Media Group](#) (C.D. Cal. Aug. 9, 2010) (Anderson, J.) On Defendants' motion to dismiss, the court took judicial notice of the two works, examined them and found that there was no similarity in protectible expression but, rather, the only similarity was in generic, unprotectible ideas. The case demonstrates that when there is no dispute as to the works at issue, on an early motion, a court can examine the works and dismiss a copyright infringement claim based on unprotectible expression.

Facts

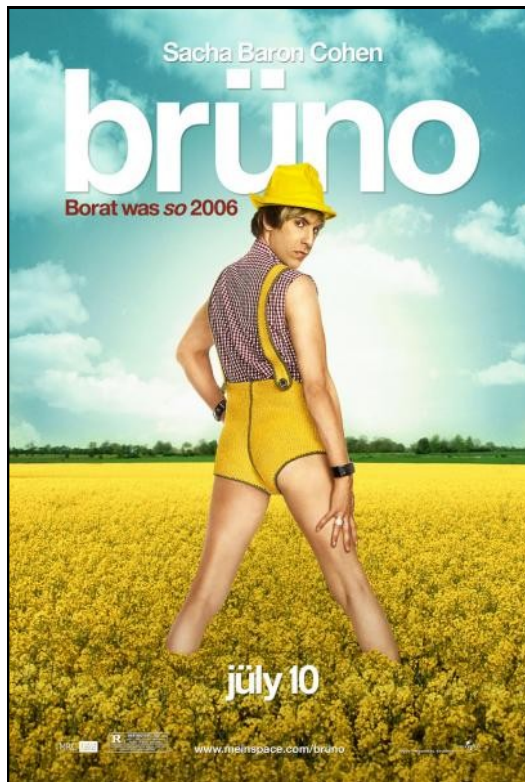
The motion picture *Bruno* chronicles the exploits of gay Austrian fashion model and talk show host Bruno, portrayed by actor Sacha Baron Cohen, who travels the world in search of fame and fortune, all the while exploring various stereotypes and public attitudes regarding homosexuality. In one scene early in the film, Bruno dons a suit made entirely out of Velcro to a fashion show, only to have an entire rack of clothes become attached to him, stumble out on to the show's runway and then be escorted away by Italian police.

Plaintiff John J. Musero, III, wrote a screenplay titled *Himbos*, which is a fictional heterosexual romantic comedy, set in Los Angeles, about a group of men who use extreme measures to try to seduce women. At the crux of Plaintiff's lawsuit was the allegation that the above-referenced scene from *Bruno* purportedly included aspects of one of the scenes in *Himbos*. In that single scene in *Himbos*, one of the several heterosexual male characters wears a suit made of Velcro to a costume party at a mansion in Los Angeles. The Velcro suit sticks to various objects, including several cats, a rabbit, a canopy, and two other costumes at the party, causing mayhem, and leading the wearer of the suit to fall in a pool. Plaintiff alleged claims for copyright infringement and breach of implied contract, contending that he had submitted his script to the makers of the film and that the film infringed upon his Velcro suit idea in violation of the Copyright Act.

Defendants' Motion

Defendants brought a Motion to Dismiss under Federal Rule of Civil Procedure 12(b)(6). Under well-established Ninth Circuit law, "when the copyrighted work and the alleged infringement are both before the court, capable of examination and comparison, non-infringement can be determined on a motion to dismiss." *Christianson v. West Pub. Co.*, 149 F.2d 202, 203 (9th Cir.1945) (citations omitted). Because Plaintiff had not attached either of the works to the Complaint, Defendants submitted both the *Himbos* screenplay and a dvd of *Bruno* to the Court and asked the Court to take judicial notice of the works. *See Branch v. Tunnell*, 14 F.3d 449, 454 (9th Cir.1994) (*overruled* on other grounds by *Galbraith v. County of Santa Clara*, 307 F.3d 1119 (9th Cir.2002)) (documents "whose contents are alleged in a complaint and whose authenticity no party questions, but

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A federal district court in Los Angeles dismissed a copyright infringement lawsuit filed against the makers of the motion picture *Bruno* in which the plaintiff alleged that a scene in the film which featured the lead character wearing a suit made of Velcro infringed on a scene from plaintiff's script.

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which are not physically attached to the pleading, may be considered in ruling on a Rule 12(b)(6) motion to dismiss¹).

Defendants then asserted that Plaintiff's claim of copyright infringement had to be dismissed because an idea, and *scenes a faire* inevitably flowing from it, are not copyrightable. In other words, Plaintiff could not show that the allegedly copied aspect of the scene in *Himbos*, namely, the idea of a man wearing a Velcro suit that sticks to items other than Velcro and results in comic mayhem, is deserving of copyright protection. Rather, as Defendants asserted, this was either a mere idea not subject to copyright protection, or an idea combined with aspects that naturally and inevitably

flow from that idea and thus any additional aspects added to the idea were rendered unprotected *scenes a faire* or were barred from protection under the merger doctrine.

To state a claim for copyright infringement, the plaintiff must allege: "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work *that are original*." *Feist Publications, Inc. v. Rural Tele. Serv. Co.*, 499 U.S. 340, 361 (1991) (emphasis added). For the purpose of the motion, Defendants assumed that Plaintiff had a valid copyright in his screenplay as a whole, such that first prong of the test is satisfied.

The second prong, however, requires a plaintiff to allege that "the infringer had access to plaintiff's copyrighted work and that the works at issue are substantially similar *in their protected elements*." *Cavalier v. Random House, Inc.*, 297 F.3d 815, 822 (9th Cir. 2002) (emphasis added). As is often done in motions addressing copyright infringement claims (particularly in a motion to dismiss), Defendants assumed for purposes of the motion only the truth of Plaintiff's allegation that Defendants had access to the *Himbos* screenplay. Even with that assumption, a plaintiff cannot state a valid copyright infringement claim where substantial similarity is lacking. *See, e.g., Funky Films Inc. v. Time Warner Entertainment Co.*, 462 F.3d 1072, 1082 (9th Cir. 2006);

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1. Defendants also requested that the Court take judicial notice of a video from a 1984 edition of *Late Night With David Letterman* in which Letterman wore a suit made entirely of Velcro and the suit stuck to various objects (there, a wall and a basketball) for comedic effect. Defendants argued that the comic and highly public use of a Velcro suit by Letterman in 1984 and, in particular, Letterman's use of a Velcro suit that sticks to non-Velcro items confirmed that "wearing a suit of Velcro leading to mayhem" is nothing more than a non-protectable idea in the public domain, not original expression that could be protected. Plaintiff objected to the request for judicial notice, but the Court ultimately did not rule on the request or the objection. Rather, as set forth below, the Court held that the "Velcro suit leading to mayhem" concept was not protectable, regardless of the previous Letterman iteration of the concept.

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Benay v. Warner Bros. Entm't, Inc., 607 F.3d 620, 624 (9th Cir. 2010).

To assess substantial similarity, the court must apply the objective “extrinsic test.” *Funky Films*, 462 F.3d at 1077. “In applying the extrinsic test, this court compares, not the basic plot ideas for stories, but the actual concrete elements that make up the total sequence of events and the relationships between the major characters.” *Id.* (quotation marks and citation omitted). Moreover, in applying the extrinsic test, the Court “must take care to inquire only whether the *protectable elements, standing alone*, are substantially similar.” *Funky Films*, 462 F.3d at 1077 (citation omitted) (original emphasis). This requires the Court to “filter out and disregard the non-protectable elements in making [the] substantial similarity determination.” *Id.* The protectable elements must demonstrate “not just similarity, but substantial similarity, and it must be measured at the level of the concrete elements of each work, rather than at the level of the basic idea, or story that it conveys.” *Idema v. Dreamworks, Inc.*, 162 F.Supp.2d 1129, 1179 (C.D.Cal. 2001) (quotation marks omitted); see also *Berkic v. Crichton*, 761 F.2d 1289, 1293 (9th Cir. 1985).

Defendants contended that the only “similarities” were at the level of the basic idea, namely, a man wearing a Velcro suit that sticks to non-Velcro items, resulting in mayhem. The concrete elements of each of the two scenes in which the idea is used, however, were so dissimilar to each other as to render Plaintiff’s claim of copyright infringement invalid. For example, in Plaintiff’s screenplay, the heterosexual character Nate wears a Velcro suit to a costume party at a mansion in Los Angeles. Nate walks around the party wearing his suit, and various other characters comment on it. Later, various animals, including several cats and a rabbit, attach themselves to the Velcro suit. Nate’s suit then sticks to a canopy, pulling it down and knocking over statues, plants and decorations. In the ensuing mayhem, Nate gets attached to a waiter and falls into a pool.

In stark contrast, in the *Bruno* film, the gay character Bruno attends an actual fashion show in Italy, wearing a Velcro suit. He goes backstage during the event. His suit sticks to a curtain, he crashes into a clothes rack, and his suit sticks to the clothes. He then crashes through another curtain and ends up near the runway. He is confused for a few moments and then stands up and starts walking on the runway. A security officer tries to pull him off, but is unable to do so. Various members of the audience react to this, and Sacha Baron Cohen, the actor playing the character, is actually arrested by Italian police.

Defendants argued that the only element common to the two scenes at issue is the idea of a man wearing Velcro suit that sticks to non-Velcro items, with comic results and, thus, Plaintiff was suing only on the basis of a non-protectable idea. Moreover, in the context of fictional plot lines, courts have declined protection to even well developed ideas. See, e.g., *Funky Films*, 462 F.3d at 1081 (finding no protection for similar plots involving “the family-run funeral home, the father’s death, and the return of the prodigal son, who assists his brother in maintaining the family business”); *Kouf v. Walt Disney Pictures & Tele.*, 16 F.3d 1042, 1044-45 (9th Cir.1994) (finding no protection for similar plots of shrunken kids and the “life struggle of kids fighting insurmountable dangers”); *Berkic*, 761 F.2d at 1293 (finding no protection for similar plots of “criminal organizations that murder healthy young people, then remove and sell their vital organs to wealthy people in need of organ transplants” and the general story of the “adventures of a young professional who courageously investigates and finally exposes, the criminal organization”). Defendants pointed out that the elements that form the alleged basis for the complaint, namely the idea of a comic character wearing a Velcro suit that sticks to non-Velcro items, and the mayhem that ensues, amounted to nothing more than a plot concept combined with unprotected *scenes a faire*, or “situations and incidents which flow naturally from [the] basic plot premise” of a character wearing such a suit. See *Berkic*, 761 F.2d at 1293. In other words, given the basic premise of a comic character wearing such a suit, it is natural and inevitable that the scene in question will include objects sticking to the suit, and resultant mayhem. See *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1177 (9th Cir. 2003) (finding that “the sequencing of first performing [a magic] trick

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and then revealing the secrets behind the trick is subject to the limiting doctrines of merger and *scenes a faire*.”); *Williams v. Crichton*, 84 F.3d 581, 589 (2d Cir. 1996) (holding similarities of a “dinosaur zoo or adventure park, with electrified fences, automated tours, dinosaur nurseries, and uniformed workers... are classic *scenes a faire* that flow from the uncopyrightable concept of a dinosaur zoo”).

Moreover, Defendants asserted that the claim was additionally barred by the doctrine of “merger” because Plaintiff’s sticky Velcro suit idea was inseparable from the alleged elements of expression, such as items sticking to the suit, and subsequent mayhem. “[W]hen the idea and the expression are indistinguishable, or ‘merged,’ the expression will only be protected against nearly identical copying.” *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1444 (9th Cir. 1994).²

Plaintiff’s Opposition

In his Opposition, Plaintiff did not dispute the authenticity or the admissibility of the evidence in front of the Court necessary to rule on the motion, namely, the *Himbos* script and the *Bruno* film. Rather, Plaintiff argued over how the purportedly similar scenes could be described and asserted that “specific protected elements that Plaintiff put into his script are the *same elements* that the Defendants have taken and used in their movie.”

On Reply, Defendants pointed out that the Ninth Circuit had just recently confirmed while the motion was pending that “a finding of substantial similarity between two works can’t be based on similarities in unprotectable elements.” *Mattel, Inc. v. MGA Entertainment, Inc.*, --- F.3d ---, 2010 WL 2853761, *10 (9th Cir. 2010). Rather, “[w]hen works of art share an idea, they’ll often be ‘similar’ in the layman’s sense of the term... but that’s not the sort of similarity we look for in copyright law.” *Id.* Likewise, Defendants contended, the allegedly shared idea of wearing a Velcro suit that sticks to seemingly non-Velcro items, leading to different kinds of comedic chaos, cannot be a valid basis for a finding of substantial similarity.

Defendants reiterated that the concrete elements of the works were very different. Some of the concrete elements in the *Bruno* Velcro scene, for example, include a gay protagonist (a) almost getting trapped in his vehicle when his suit sticks to the car’s seats, and then clumsily walking down the street because his arm has become Velcro-attached to his leg; (b) intruding into an actual fashion show in Milan without permission, (c) conducting unscripted interviews while wearing a Velcro suit in the back-stage area of the event, (d) causing commotion after clothes, shoes, a curtain and other items get stuck to his Velcro suit in that back-stage area, (e) tumbling wildly on to the stage, shrouded by the articles that are stuck to him and then performing an unauthorized walk down the runway while wearing the Velcro suit with the items stuck to it, and (f) disrupting the actual fashion show, being grabbed off the stage, and getting arrested by Italian police.

None of those elements were present in the *Himbos* scene, in which (a) a heterosexual character attends a private, fictional Los Angeles house party as part of his effort to pick up women, (b) the guests are wearing strange costumes, (c) various animals, especially cats and rabbits (presumably Velcro props), and a canopy attach to the

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2. Plaintiff had also asserted state law claims for breach of implied contract and breach of an implied covenant of good faith and fair dealing. Defendants also moved to dismiss those claims on the grounds that they were pre-empted by federal copyright law, relying in part on the recent decision by the Ninth Circuit in *Montz v. Pilgrim Films & Television, Inc.*, 606 F.3d 1153, 1158 (9th Cir. 2010). The *Montz* decision, however, was recently accepted for *en banc* review by the Ninth Circuit. Ultimately, the District Court did not rule on the issue of whether these state law claims were preempted because, having granted the motion to dismiss the copyright infringement claims, the Court declined to exercise supplemental jurisdiction over the remaining state law claims.

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Velcro suit, causing the character to fall into a pool, dragging a waiter with him. Likewise, none of those elements were used in *Bruno*.

Plaintiff asserted that “both characters attend an event in Fashion Week” but this was simply not true. Although the characters in *Himbos* did discuss and later attend a Los Angeles fashion show, the Velcro scene at issue in *Himbos* had nothing to do with any fashion show or fashion event. Plaintiff further stated that “both characters get caught to numerous items that have no Velcro on them, such as curtains, garments, furniture, and other objects.” This omitted the fact that the main “objects” that stick to the Velcro suit in *Himbos* were cats, rabbits, and a canopy, which provided the highlights of that scene (and no curtains or furniture stick to the *Himbos* suit).

In the *Bruno* scene, by contrast, the focal point is that clothes and shoes from clothes racks in the backstage area of a fashion show, as well as a curtain, get stuck to the gay “interviewer” who, having fallen onto the stage wearing various garments and shoes stuck to him, attempts to walk down the actual fashion show runway without permission, as if this bizarre accidental “outfit” is somehow just the latest fashion statement, only to be hauled off, arrested and have his antics shut down the event.

Plaintiff contended that “both scenes attract the attention of the surrounding models, security officers / event organizers, and other alarmed and serious fellow Fashion Week attendees, which highlight the characters’ clumsy and humorous ill-advised actions as they try to escape their Velcro-gathered clutter.” As Defendants pointed out in reply, however, that description may have held true to a great extent for the *Bruno* Velcro scene but it simply did not describe the scene in *Himbos*. In fact, the *Himbos* Velcro scene was not set at any “Fashion Week,” or any fashion event at all, but rather at a private costume party at a Los Angeles mansion.

Moreover, in addition to the focus on animals getting stuck to the Velcro suit (which was not remotely any part of *Bruno*), the Velcro scene in *Himbos* included various conversations among the comically-costumed characters, following multiple side stories with a completely different sequence of events in an entirely different setting in comparison with *Bruno*. The *Bruno* Velcro scene, in contrast, includes hardly any dialogue, and the focus is almost entirely upon the main character, who provides extensive narration for the scene (and there was no narration in *Himbos*). There were no friends or other characters wearing unusual costumes or conversing in the *Bruno* Velcro scene, and the climax does not involve the protagonist falling into a pool, as in the *Himbos* Velcro scene.

Plaintiff argued that “both characters cause mayhem due to their inadvertent attachment to everything around them.” Defendants pointed out, however, that in fact, the situations, the reasons for the mayhem, and the nature of the mayhem, were all entirely different. In *Bruno*, the mayhem is caused by the fact that the protagonist is a notorious interloper who illegally crashes an actual, non-scripted fashion show. He disrupts the entire event by walking down the runway without permission, leading the organizers to turn off all of the lights, and causing the police to arrest him. In contrast, in *Himbos*, the protagonist merely makes a fool of himself, falling into a pool at a private, fictional house party to which he has been invited, and then quietly slinks away to avoid further embarrassment.

Plaintiff also argued that the inverse-ratio rule lowers the requirement for proving substantial similarity, and Plaintiff alleged that one of the Defendants had purportedly admitted to reading the *Himbos* screenplay while working on *Bruno*. Defendants countered that not only had this defendant not admitted any such thing (nor was it included as an allegation in the complaint), but that even assuming any allegedly reduced standards under the inverse-ratio rule, there was still no actionable similarity of protectible expression.

The Court’s Ruling

On August 9, 2010, Judge Percy Anderson of the Central District in Los Angeles granted Defendants’ motion

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and dismissed the lawsuit. Judge Anderson held that “[w]ith regard to the plot, or sequence of events, in the two Velcro scenes, the Court finds that there are few similarities between the two works once the unprotectable elements are filtered out of the analysis.” The Court agreed that although both Velcro scenes “involve a character wearing a Velcro suit who becomes stuck to a variety of objects and subsequently causes ‘mayhem,’ this basic plot idea is not protected by copyright law.”

Citing *Berkic, Williams* and other decisions, the Court noted that copyright does not protect the basic or general ideas for a story. The Court filtered out the idea of a Velcro suit and additionally concluded that:

[t]he expressive elements that Plaintiff alleges he added to this idea – a character who wears a Velcro suit to a public event, gets stuck to a number of objects, falls and causes mayhem – are scenes a faire which flow naturally from the idea of a Velcro suit and are therefore unprotectable; a character who wears a suit that starts sticking to everything around him will inevitably try to ‘unstuck’ himself and, in the process, fall and cause mayhem.

Having filtered out these elements, the Court went on to examine the other expressive elements of the works, such as characters, themes, setting, mood, pace and dialogue, finding that these elements were not similar in protectible expression. As to the characters, they did not share any similarities: whereas “Bruno” was “a self-proclaimed fashion expert who has his own television show and attends a fashion show in Milan conduct interviews with the people backstage,” the protagonist in *Himbos* was “a salesman at Macy’s who manages to sneak into a series of events during Los Angeles’ Fashion Week in an effort to meet fashion models.”

The Court found that the themes and setting were also different, with *Bruno* being about “a series of outrageous misadventures [occurring] in the lead character’s quest for stardom” with a Velcro suit scene that “takes place at an actual fashion show during Milan Fashion Week” whereas *Himbos* was about “events that take place when a group of friends, in an effort to meet fashion models, sneak into events” and the Velcro suit scene “does not take place at a fashion show; [rather] it takes place at a party held at a private mansion.”

Finally, the Court held that there was no similarity in the pace, mood or dialogue of the two scenes at issue. As for the pace, the Court noted that the scene in *Bruno* “unfolds in linear fashion and is centered only on the actions of the lead character” whereas “the build-up of events in the ‘Himbos’ scene is stretched out over the course of a party, during which there are flashes to scenes involving other characters.” Moreover, the moods of the scenes were different “insofar as the ‘Bruno’ character is not the least bit shy or ashamed to get up after his fall and model his Velcro suit, but the ‘Himbos’ character hurries to leave the party after the scene at the pool.” Finally, the dialogue in the two scenes shared no similarities at all.

Given this lack of similarity of the two scenes, the Court held that the works were not substantially similar. As for Plaintiff’s contention that the burden on similarity was somehow lowered by operation of the “inverse ratio rule,” the Court rejected the argument, finding that even if that rule were applied, Plaintiff had “failed to show that the two scenes share concrete, articulable elements that are subject to copyright protection.” Finding that there were no additional facts that Plaintiff could allege to cure these deficiencies, the Court dismissed the copyright claims without leave to amend. The action was thereafter settled, so there will be no appeal of the decision.

Lincoln D. Bandlow is a partner at Lathrop & Gage LLP in Los Angeles where he practices intellectual property and media litigation. Bandlow, Russell Smith and Michael Cleaver of SmithDehn LLP and Ashish Kumar, Siddharth Vedula, Preethi Venkataramu of SDD Global Solutions Pvt. Ltd. represented the defendants. Stephen Doniger and Scott Burroughs of Doniger / Burroughs, APC represented plaintiff.

Government Must Have Warrant to Obtain Person's Emails From ISP

Fourth Amendment Must Keep Pace With Technological Progress

The Sixth Circuit held that the government must obtain a warrant before it obtains a person's emails from their Internet service provider (ISP). *U.S. v. Warshak*, No. 08-3997 (6th Cir. Dec. 14, 2010) (Keith, Boggs, McKeague, JJ.). Describing email as the contemporary version of letters and telephone calls, the court stated "it is manifest that agents of the government cannot compel a commercial ISP to turn over the contents of an email without triggering the Fourth Amendment."

Background

The issue arose in the context of a criminal appeal. Defendant Steven Warshak was convicted of fraud and money laundering, sentenced to 25 years in prison and forfeiture of approximately \$45 million in connection with the marketing and sale of an herbal supplement. Warshak was the man behind Enzyte, an herbal supplement promising male enhancement that was heavily advertised on television. As part of the evidence in the case, the government obtained 27,000 of Warshak's emails directly from his ISP and without his knowledge.

The Sixth Circuit affirmed the conviction, but found merit in Warshak's arguments regarding the Fourth Amendment's application to email. The court found that Warshak had a clear subjective expectation of privacy in the emails, as evidenced by their contents. The crucial inquiry was then whether such an expectation was objectively reasonable, thus triggering the warrant requirement.

Treating email as the modern equivalent of a letter or telephone call, the court found that an expectation of privacy was reasonable and a warrant was needed in order to "peer deeply" into someone's activities in such a way. "Given the fundamental similarities between email and traditional forms of communication, it would defy common sense to afford emails lesser Fourth Amendment protection...Email is the technological scion of tangible mail, and it plays an indispensable part in the Information Age."

The court went on to note, "It follows that email requires strong protection under the Fourth Amendment; otherwise, the Fourth Amendment would prove an ineffective guardian of private communication, an essential purpose it has long been recognized to serve."

The court further reasoned that email was equally private

in the hands of an indispensable third party, the ISP. "If we accept that an email is analogous to a letter or a phone call, it is manifest that agents of the government cannot compel a commercial ISP to turn over the contents of an email without triggering the Fourth Amendment. An ISP is the intermediary that makes email communication possible. Emails must pass through an ISP's servers to reach their intended recipient."

As the judges point out, it makes sense to treat an ISP like other intermediaries for Fourth Amendment purposes. "[T]he ISP is the functional equivalent of a post office or a telephone company...the police may not storm the post office and intercept a letter, and they are likewise forbidden from using the phone system to make a clandestine recording of a telephone call—unless they get a warrant, that is. It only stands to reason that, if government agents compel an ISP to surrender the contents of a subscriber's emails, those agents have thereby conducted a Fourth Amendment search, which necessitates compliance with the warrant requirement absent some exception."

The court dismissed the argument that the subscriber agreement between Warshak and the ISP, which included a potential right to access his e-mails in certain situations, defeated a reasonable expectation of privacy. The ability of someone to listen in on a phone call or the right of a phone company to listen to particular calls did not defeat the expectation for that medium. Neither did the ability of a mailman to open others' mail or the right of hotel staff to enter rented rooms. Similar reasoning applied to e-mail, though the court did leave open the possibility of a different subscriber agreement being so explicitly far-reaching as to defeat the expectation.

In procuring the emails, the government had relied on the Stored Communications Act, which allowed it to obtain emails stored for more than 180 days from the ISP without a warrant and under a lower burden of proof than probable cause. The court explicitly found this portion of the law unconstitutional. However, because of the officers' good faith reliance on the law, Warshak's conviction ultimately stood.

Defendants were represented by Martin S. Pinales, Strauss & Troy, Cincinnati, OH.; and Martin G. Weinberg, Boston, MA. Assistant U.S. Attorney Benjamin Glassman argued the case for the government. The Electronic Frontier Foundation submitted an amicus brief on the issue of email privacy.

Seventh Circuit Affirms Dismissal of Complaint Over Yahoo! Search Results

Typing one's name into a search engine can pull up results ranging from past accomplishments to embarrassing episodes to complete nonsense. Most would ignore the ultimate category as a byproduct of inconsequential Internet spam, but one woman decided to sue the search engine alleging it had culpability in the matter. The Seventh Circuit, however, held that plaintiff failed to state a claim for relief. [*Stayart v. Yahoo! Inc.*](#), No. 09-3379 (7th Cir. September 30, 2010).

Background

When Beverly "Bev" Stayart entered her name into the Yahoo! search box, search results found spam websites and pornographic sites that had used her name. Interested in pursuing the matter further, she conducted numerous other searches that led her to sites that used her name in various unsavory ways, including in connection with pornographic videos. Unnerved by what she saw, Stayart asked Yahoo! to remove all such content. The search engine informed her that its role was not to censor the Internet, so she filed suit on a Lanham Act false endorsement claim (along with state law privacy claims that were denied supplemental jurisdiction).

Unsurprisingly to anyone reading this who has never heard of Bev Stayart (i.e. anyone reading this), the district court found that she lacked standing to bring a Lanham Act claim. First, Stayart had no commercial interest in her name. Her occasional online writing and modest professional accomplishments evinced a mere emotional interest and were not indicative of an attempt to commercialize the name. Second, there was no likelihood of consumer confusion. The court indicated that anyone who encountered these links would know that she did not endorse them.

Finally, the district court engaged in a fairly muddled Section 230 analysis in which it appeared to recognize Yahoo!'s 230 immunity but did not clearly address the often thorny issue of whether the claim at issue was the type of intellectual property claim typically outside of 230's shield.

Seventh Circuit Decision

In a much more succinct opinion, the Seventh Circuit affirmed that plaintiff had failed to state a claim for relief. The Court of Appeal focused on Stayart's lack of commercial interest in her name and found the lack of standing sufficient

to dismiss her Lanham Act claim. The opinion noted that her humanitarian works and self-described scholarly online posts, among other minor activities, created no commerciality, regardless of altruistic motives.

Search Engine Lawsuits

Although her claim against Yahoo! failed, Beverly Stayart has sued Google over similar objections to the results of searches. In the Google action she attempts to circumvent Section 230 by alleging that Google is the "information content provider and/or information content developer." See Complaint at 4, *Stayart v. Google, Inc.*, 2:10-cv-00336-LA (E.D. Wis. April 20, 2010).

Stayart is also not the first person to sue a search engine over search results. A few years ago, an accountant sued Google because a search for his name and profession resulted in a page that contained his name followed by ellipses and then the description of serious professional wrongdoing, which appeared further down the actual page in connection with another person. Displeased with this outcome, the accountant sued Google for libel, products liability, and unfair business practices. This strategy turned out particularly poorly for the plaintiff. The trial court granted an anti-SLAPP motion to dismiss, holding that search results do not necessarily convey a defamatory meaning and are protected by Section 230 and awarded \$23,000 in attorneys' fees. The appellate court affirmed. *Maughan v. Google Technology, Inc.*, 49 Cal.Rptr.3d 861 (Cal. App. 2006).

Similarly, a political candidate had the bad fortune to be on the next line down from a communist political organizer on an online candidates list. A search for the candidate's name, Bill Murawski, on search engines such as Ask.com, one of several defendants in the lawsuit, yielded the result: "Communist Political Organizer Bill Murawski." The court found the website operator not liable for defamation and the search engine protected by Section 230. *Murawski v. Pataki*, 514 F.Supp.2d 577(S.D.N.Y. 2007).

On a variation on this theme, one plaintiff sued for defamation and related claims when its name was not being returned in search results. *Kinderstart v. Google*, No. C 06-2057 (N.D. Cal. March 3, 2007). On the defamation claim, the court notably found that Google's web rankings are not statements of fact.

NY Times Wins Access to Names of Persons Licensed to Trade in Sanctioned Nations

By David McCraw

A federal district court has granted The New York Times summary judgment in a Freedom of Information Act suit seeking the identities of individuals who have been licensed by the Treasury Department to conduct business in or with sanctioned nations like Iran and North Korea. [*New York Times Company v. U.S. Dept. Treasury*](#), 09 Civ. 10437 (S.D.N.Y. Oct. 13, 2010) (Maas, M.J.).

Through an earlier suit, The Times had won access to the names of corporations that had been given licenses by Treasury, but Treasury continued to resist identifying individual licensees, claiming that disclosure would constitute an unwarranted invasion of privacy.

However, Magistrate Judge Frank Maas of the Southern District of New York ruled on October 13, 2010 that Treasury had shown only speculative evidence of harm from disclosure and The Times had demonstrated a public interest in the names. The Times has argued in both FOIA cases that the public has a right to know who is getting licenses to do business in sanctioned nations in order to monitor whether Treasury is showing favoritism to certain applicants or issuing the licenses without due regard for American foreign policy concerns.

The Times was assisted throughout the litigation by the Media Freedom and Information Access Practicum, a Yale Law School clinic. Since 2009, The Times has partnered with the clinic on its FOIA cases, and the Yale students played a major role in drafting the successful summary judgment brief.

The decision by Judge Maas – who was designated by the parties to decide all issues – was the latest milestone in a long-running legal battle between The Times and Treasury’s Office of Foreign Assets Control (“OFAC”) over access to information. In passing trade sanctions preventing U.S. citizens and companies from doing business with certain outlaw nations, Congress designated OFAC to grant exceptions to the boycotts and to license companies and individuals to engage in specific transactions in the

sanctioned countries, either with private entities or the foreign government. Despite its sensitive role in U.S. foreign relations, OFAC has rarely been transparent about its operations.

In 2008, The Times filed its first FOIA suit against Treasury seeking access to files maintained on the licensees. Treasury and The Times ultimately settled that suit with the disclosure of a database of all the corporate licensees and hundreds of pages of records documenting successful license applications as well as payment by the Government of The

Times’s attorneys’ fees. But OFAC declined to provide similar information for individuals, prompting The Times’s follow-up suit in 2009.

Under the privacy exemption in FOIA, an agency must first establish whether the privacy interest in the data at issue is significant or *de minimis*. If it is significant, then the court is required to consider whether the public interest will be served by disclosure and balance the competing interests.

In deciding both parts of the test, Judge Maas made rulings that at first blush seemed to signal that Treasury would prevail. He rejected The Times’s argument that there was no privacy interest in the names of licensees who

were engaged in legal commercial activities, finding that a more than *de minimis* privacy interest had been established by Treasury. He also adopted a narrow construction of the public interest test, finding that the “only recognizable type of public interest is ... providing transparency and accountability for agency action.”

Despite those rulings, he found Treasury’s case wanting. In trying to establish harm from disclosure, Treasury’s only proof was a declaration from a Treasury FOIA officer, who said stigmatization “could” occur to licensees. Judge Maas noted that Treasury offered no proof that any of the corporate licensees disclosed as a result of The Times’s first suit had

“If everyone on the list were a widely known public figure with connections to the administration, that would suggest something powerfully important about the licensing process; if no one on the list were known to the general public, that would suggest something else.”

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been harmed in any way. And while he accepted that licensees might be subjected to unwanted contact because of their association with sanctioned nations, he said the “mere fact that someone might seek to interview a licensee does not mean ... that the individual would be subject to opprobrium or harassment.”

As for the public interest, Treasury strenuously argued that no light would be shed on agency action by disclosure of the names alone and that The Times wanted to use the names as a lead to obtain information on U.S. business ties to sanctioned nations. Some cases have held that such a “derivative use” is not a proper public purpose for granting access in a FOIA privacy case.

Judge Maas found, however, that the request was not based on a “derivative use” theory because the names themselves shed light on governmental decision-making. He approvingly quoted from The Times brief: “If everyone on the list were a widely known public figure with connections to the administration, that would suggest something powerfully important about the licensing process; if no one on the list were known to the general public, that would suggest something else.”

The Court distinguished between derivative use and analysis of information by a reporter. “Here, the Times does not base its public interest argument on its proposed use of the names to find other newsworthy information. Rather, the Times intends to use outside information to make sense of the list of names provided by Treasury. This is no more derivative than the use of mapping software to make sense of the addresses of individuals who received emergency benefits from the government.”

Treasury also argued that it makes its licensing decisions according to set standards and without regard to who the applicant is, but the Court said The Times had the right to explore whether that was in fact so and it could do so only by getting the names.

Treasury has not said whether it will appeal the decision to the Second Circuit.

The Times was represented by its in-house lawyers Jacob Goldstein and David McCraw, assisted by students Jennifer Jones, Margot Kaminski, Jerermy Kutner, and Stephen Gikow of Yale Law School. Treasury was represented by AUSA Joseph Cordaro.



UPCOMING EVENTS

MLRC/Stanford Legal Frontiers in Digital Media Conference

May 19-20, 2011
Stanford, CA

MLRC London Conference

September 19-20, 2011
(In-house counsel breakfast Sep 21st)
London, England

MLRC Annual Dinner

November 9, 2011
New York, NY

DCS Meeting & Lunch

November 10, 2011
New York, NY

MLRC 2010 Annual Dinner

Looking Back, Looking Forward: The Changing Business of News

MLRC members and friends celebrated the organization's 30th Anniversary at the Annual Dinner on November 10th at the Grand Hyatt in New York. Chairman of the MLRC Board of Directors Kenneth Richieri began the evening with a tribute to MLRC's founders, current and former Directors, Defense Counsel Section Executive Committee Members, and the Trustees of the MLRC Institute.

Changing Business of News

The evening's panel featured Jill Abramson, Michael Kinsley, Jonathan Klein and moderator, Jonathan Alter. The panelists, who each brought decades of experience working in media, discussed the biggest changes they experienced in their business over the years and what they anticipated may be on the horizon. The discussion ranged from the future of print media to how social networking has led to a more sophisticated audience. The panelists also commented on current trends such as the localization of news, the rise of mobile apps, and the increase in opinion-based journalism. A transcript of the dinner panel is available [here](#).

Alter is a columnist with Newsweek, where he has worked for over 25 years. He is also a contributing correspondent to NBC News, and the author of "The Promise: President Obama, Year One."

Abramson is managing editor of The New York Times, a position she has held since 2003. She is co-author of "Strange Justice: The Selling of Clarence Thomas" and "Where They Are Now: The Story of the Women of Harvard Law 1974."

Kinsley is currently a columnist with POLITICO. He has worked in cable news, print journalism and online media. He was co-host of CNN's "Crossfire" from 1989 to 1995, and went on to found Slate in 1996.

Klein served as president of CNN/U.S. from 2004 to 2010. Prior to joining CNN, he founded The FeedRoom, a broadband video company, and was an executive vice president at CBS News.

"The panel we've chosen tonight, "Looking Back, Looking Forward: The Changing Business of News," was designed to echo our 30th Anniversary by giving some perspective on the changes we've experienced over the last 30 years and by providing some predictions of what we can expect in the next 30."





Left to right: Jonathan Alter, Michael Kinsley, Jill Abramson, Jonathan Klein

All photos by Chris Fargo, CWT Productions





“If you look over the last 30 years, the changes in the media have been cataclysmic...The metaphor is, a Jackson Pollock painting where things are just getting thrown against a canvas to see what sticks. Fortunes have been made and lost, and first principles have been tested.”

“There is another model which I wish would get some traction, and that’s a non-profit model...ProPublica is the best current model

for that, but there should be 10 ProPublicas out there that billionaires who are interested in the media and have enough money could start to subsidize. And then, you could see a situation where they could have subscriptions and it could be partly... reader subsidized as well.”

- Jonathan Alter

“It’s a philosophy of leadership of the *Times* [to be] unafraid of new frontiers.. just about any way you want it, we’re going to deliver it.”

“One thing that hasn’t changed is that if you have good lawyers standing with you, it means a lot.”

“There is still worry on the part of sources inside the government that there can be really terrible repercussions if you talk to reporters.”

- Jill Abramson



MR. ALTER: So how do we--and this is kind of a cosmic question--but how do the people in this room cope with a world where media is like oxygen?

MR. KINSLEY: Well, I don't know how they do it professionally, but just personally, as people who read newspapers, we're all going to have to get used to reading them differently. I think--I mean, it's obvious to me, at least, that paper is going away.



“Reporting is expensive and...increasingly seen as generic and fungible and kind of dull unless it’s flecked with opinion, at least in the world of cable news. I mean, one of the amazing changes in our neck of the woods in cable news has been this acceptance of opinion as part and parcel, a mainstay of what a news channel ought to be providing.”

“The audience, when they come to us on television, is already better informed than they ever were... Thanks to the blogosphere and all of its offshoots, you’ve got to acknowledge how aware your audience already is.”

“Well, you know, at CNN, we always wanted to be the most trusted name in news. You can easily be supplanted by friends or people you’re following on Twitter, [which is a] big challenge that the – certainly the cable news industry, but I think all news institutions are dealing with right now.”

“Trusted brands, reliable brands, thrive in a fragmented environment. So that should be a clue to people about what’s a safe harbor.”

- Jonathan Klein



MLRC Founding Members attending the Annual Dinner (left to right): R. Bruce Rich, Bruce Sanford, Henry R. Kaufman, Larry Worrall, Victor Kovner and Chad Milton



MLRC Board Members (left to right): Ralph Huber, Henry Hoberman, Elisa Rivlin, Kenneth Richieri, Susan Weiner, Karole Morgan-Prager, Kurt Wimmer and Eric Lieberman



DCS Board and presidents emeriti (left to right): Dean Ringel, Bob Latham, Kelli Sager, Robert Nelon, Nathan Siegel and Elizabeth Ritvo



MLRC Institute Trustees (left to right): Kenneth Richieri, Andrew Mar, Stephanie Abruytn, Mary Kate Woods, Michael Quinn, Jay Ward Brown, Henry Hoberman

MLRC Launches International Media Law Project

At MLRC's Annual Dinner, Chairman Kenneth Richieri announced the launch of a new MLRC international initiative. He noted: "Thirty years is a significant milestone for any organization and the MLRC Board felt it was important to mark that achievement in a meaningful way. In your program you'll find a description of the International Media Law Project, which we are officially launching tonight. The project has as its overarching goal the promotion of free speech and press rights worldwide by linking MLRC members with lawyers in developing countries, expanding access to MLRC programs for press lawyers in developing countries, and ultimately creating a global media bar. You'll be hearing more about this project in the coming years. And I want to encourage all of our members to participate and lend their talents to this important initiative."

International Media Law Project — FAQ

MLRC has played an important role in these efforts by supporting a strong and united media law bar. Although challenges remain, MLRC and its members have helped to develop a generation of lawyers able to vigorously defend the rights of the media and have provided those lawyers with an armory of resources with which to fight those battles. But media law in many parts of the world remains undeveloped and often in crisis. The rights of a free press, or even free speech itself, frequently do not exist or, in some nations, are severely curtailed by repressive regimes. From the lack of free speech and press protections to the wholesale censorship of the press and the Internet, the global legal framework for journalists and free expression is often far less supportive than we are accustomed to at home. Increasingly, this lack of global freedom matters to all of us because of how interconnected our world has become through the Internet.

The media law bar has an opportunity to promote internationally the rights we have won at home. It is with that purpose we are proud to announce MLRC's 30th Anniversary project, the MLRC International Media Law Project ("IMLP"). The MLRC IMLP will have three goals:

1. Create partnerships. MLRC member firms and companies will have the opportunity to sponsor lawyers in developing countries as new MLRC international members. These new international attorneys or law firms will have the opportunity to work closely with their sponsors, permitting each to learn new ideas for defending the press and advocating for free expression from the other.

2. Expand access and interaction. Sponsoring firms will underwrite MLRC dues for these new MLRC international members in developing countries at a reduced annual rate. These new dues will be earmarked to provide travel scholarships for our new international members to attend MLRC events, permitting current MLRC members to make valuable new global contacts and providing new international members access to MLRC resources.

3. Creation of a global media bar. Through gradual expansion of the MLRC through the IMLP program, all MLRC members will benefit by the opportunity to learn from lawyers in other countries, and to have defense-savvy colleagues to consult in the event our members need help in those countries.

To identify, recruit and support new International members in developing countries, MLRC will form an IMLP Task Force comprised of current MLRC firms and companies that are interested in spearheading this undertaking. After identifying potential new international members, the Task Force will work to match them with sponsoring MLRC members. Please contact David Heller (dheller@medialaw.org) if you are interested in marking our 30th year by joining our new MLRC IMLP Task Force or becoming a founding sponsor.

Supreme Court Roundtable 2010: The Roberts Court and the First Amendment

Floyd Abrams, Professor Joel Gora, Paul Smith

In October, the MLRC Bulletin published this Supreme Court Roundtable on the Court's notable decisions of the past year and the Court's First Amendment docket for the new Term.

1. Competing Views of the First Amendment – [Citizens United v. FEC](#)

MLRC: *Does the Citizens United case pose an irreconcilable clash between competing views of the First Amendment? (e.g., liberty vs. equality; principled vs. consequentialist views of the First Amendment)*

Paul Smith: While those tensions are certainly reflected in the decision, I don't really think it's fair to view the five-vote conservative majority that carried the day as more "principled" than the dissenting four Justices or as Justices who interpret the First Amendment to achieve equality rather than liberty. The case dealt with a particular problem — how the First Amendment applies to corporations when they are participating directly in campaigns for federal office. The Justices had to decide how much deference to accord Congress when it decided that a particular form of corporate participation in elections — direct advocacy during the final weeks of a campaign using general treasury funds rather than PAC funds — would distort the marketplace of ideas and/or create too much risk of corruption.

Floyd Abrams: First Amendment rulings routinely arise out of clashes between free speech claims and other social interests — i.e., personal reputation, privacy, national security or the like. What's most troubling to me about much of the criticism of *Citizens United* is not that many observers view the need for "reform" in this area as so important that the First Amendment must fall before it. I strongly disagree with that approach but, as I've said, it's commonplace in First Amendment cases for competing interests to be assessed. What's more troublesome still to me is the position of many critics of *Citizens United* that the true competing interest is the preservation of "American democracy" or the like. To say that speech, let alone speech about who to vote

for, should be suppressed in the name of democracy seems to me to be especially dangerous.

Professor Joel Gora: On the day that *Citizens United* was decided, I found myself saying, in a New York Times blog column, that it was "a great day for the First Amendment." What made it great was that the Court was willing to use broad strokes to strike down a law which restricted speech in broad terms. Under the challenged law, all corporations and all labor unions were banned, under threat of criminal sanctions, from using their funds to speak out about government and politics in any way that even mentioned a politician or an incumbent officeholder running for election. What could be more quintessentially at the core of the First Amendment than such speech and what more important role could the Court play than striking down a law which restrained such speech. The First Amendment has always been based on the idea that the more speech we have, the better off we are, as individuals and as a people. The *Citizens United* case eloquently reaffirmed and reinforced that overarching principle. So, the clash between liberty and equality is a false clash. Protecting the right of everyone and every entity to speak — liberty — will enhance the ability of everyone to participate more fully in the political process — equality. On the other hand, seeking to restrict liberty to achieve equality is a fool's errand: it will neither protect liberty nor achieve equality. In squarely recognizing that critical connection, the Court's opinion was a historic and heroic affirmation of the central meaning of the First Amendment. All individuals and groups are equally entitled to exercise their freedom of speech. Now, that is the proper way to level the playing field.

MLRC: *Is Justice Kennedy correct that the First*

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Amendment does not permit Congress to make categorical distinctions based on the corporate identity of the speaker?

Paul Smith: I think Justice Stevens is persuasive in arguing in dissent that the long tradition of treating corporations differently for purposes of their participation in campaigns is neither surprising nor particularly in tension with the rest of First Amendment jurisprudence. As he points out, there are all sorts of categorical distinctions drawn in the regulation of speech consistent with the First Amendment. His examples were students, prisoners, members of the Armed Forces, foreigners seeking to participate in American political campaigns, and government employees. All are treated differently as a categories of speakers by the law.

Floyd Abrams: Generally, yes. Of course cases treat students differently when they speak in (but not out of) school, prisoners, when their speech threatens order in the prisons where they're incarcerated, etc. There are exceptions to any generalization but that does not mean that the generalization is incorrect in its articulation of the principle. Even the First Amendment's "no law" language has been held to be non-absolute, but the core precepts of that Amendment have still generally been judicially vindicated. To say that corporations, as a group, may be categorically prevented from speaking out on the sort of matters at issue in *Citizens United* would be at odds with the core of the First Amendment.

Professor Joel Gora: Our incredibly complex system of campaign finance rules and regulations — about who can speak and what can be said and when it can be said — presided over by the government bureaucrats at the Federal Election Commission, and backed up by criminal and civil penalties, has created, in effect, a de facto system of prior restraint which causes a chilling effect on political speech all over the country. The chilling effect on speech that system caused, with people and organizations fearful that their ad in the newspaper criticizing the President of the United States might somehow be deemed illegal, was anathema to First

Amendment values. Now the Court has swept all of those restraints away and allowed any group taking any form to speak out on the core political issues of the day on behalf of its members, contributors, shareholders, employees and the like. The Court dismantled the First Amendment "caste system" whereby whether someone or some group could speak depended on who or what they were. Before the decision, the right to speak depended on who was doing the speaking: business corporations, no, unless they were media corporations; non-profit corporations maybe, depending on where they got their funding; labor unions no. At the state level there was also a crazy-quilt system, with half the states allowing corporations and unions to speak out about politics and the other half not. The Court has swept those distinctions all aside: the right to speak cannot depend on the identity of the speaker. Under the First Amendment, there can be no second-class speech or second-class speakers.

MLRC: *What are the consequences of allowing such distinctions? Would media corporations be exempt from regulation only by the grace of Congress?*

Paul Smith: Obviously courts need to be vigilant when lawmakers disparately regulate speech rights by categories of speakers. There has to be a strong, content-neutral justification and the law cannot be a covert way of favoring some viewpoints over others. The fact that some categorical distinctions may be permissible does not mean that all are. Clearly, if *Citizens United* had come out the other way, media

corporations (and all other corporations) would still have enjoyed constitutional protection from nearly all other forms of government censorship. The hard question is whether it would have been permissible to apply the ban on electioneering communications paid for with general treasury funds on the eve of elections to media corporations. I tend to think that the exemption for media corporations in the law would have been constitutionally required even if the law had been upheld as applied to other corporations. But I recognize that drawing such a line is becoming increasingly difficult in

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I tend to think that the exemption for media corporations in the law would have been constitutionally required even if the law had been upheld as applied to other corporations. But I recognize that drawing such a line is becoming increasingly difficult in a time when anyone can have a website.

**- Paul Smith on
*Citizens United***

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a time when anyone can have a website.

Floyd Abrams: Who knows? Certainly there is a risk of that result. Just as important, if the Court were to say that Time Warner could prepare, distribute and show on television its own version of “Hillary; The Movie” but that Citizens United would act criminally if it did so, it would have acted in a wholly unprincipled — not to say unconstitutional — manner.

Professor Joel Gora: In this regard, the Court explicitly and emphatically reaffirmed the First Amendment protections of the institutional press. In fact, the Court said that if the government could, indeed, restrict the First Amendment rights of corporations, that would include the power to limit media corporations as well — a clearly unacceptable and unprecedented result. By recognizing full First Amendment rights of corporations, including media corporations, the Court avoided that outcome. Nonetheless, most of the press, however, has not expressed appreciation for the protection the Court reaffirmed for them, and many have excoriated the Court for handing down that decision. The Court’s ruling reconnected with the classic First Amendment tradition established by the great 20th century Justices like Holmes, Brandeis, Black, Douglas and Warren who understood that the protection of free speech went hand in glove with the enhancement of democracy. The latter three Justices, among the most liberal ever to serve on the Court, could not have been plainer in their commitment to a uniform and universal view of free speech as the indispensable precondition for democracy. In a 1957 opinion on the rights of labor unions to speak out about politics they said: “Under our Constitution it is We The People who are sovereign. The people have the final say. The legislators are their spokesman. The people determine through their votes the destiny of the nation. It is therefore important — vitally important — that all channels of communication be open to them during every election, that no point of view be restrained or barred, and that the people have access to the views of every group in the community.” Deeming a particular group “too powerful” to be allowed to speak was not a “justificatio[n] for withholding First Amendment rights from any group — labor or corporate.”

MLRC: Does *Citizens United* provide a basis to overrule

FCC v. Pacifica Foundation and the scarcity rationale for regulating broadcast radio and television?

Paul Smith: I suppose it does if you take seriously the notion that the law can’t draw categorical distinctions among speakers. But in my view, the reasons why it is constitutionally questionable to continue to single out broadcasters for greater regulation have more to do with the fact that the scarcity rationale is no longer persuasive, given the diversification of electronic media.

Floyd Abrams: Probably not. I don’t believe Justice Kennedy and the majority of the Court meant to do so by anything in the opinion although there are other routes to that result.

Professor Joel Gora: As to the impact of *Citizens United* on the *Pacifica* scarcity rationale for regulating offensive broadcast speech, I think the real undermining of that rationale happened well before *Citizens United*, with the arrival first of cable and then of the Internet, not to mention the technologies on the horizon that would permit multiple uses of individual broadcast channels. Its critics can try to blame *Citizens United* for many baleful things, but making television safe for “Seven Dirty Words” is not one of them.

2. Anonymity in the Political Process; Anonymity Online [Doe v. Reed](#)

MLRC: Do political petition signers have a right to shield their identity under the First Amendment?

Paul Smith: I’m with Justice Scalia on this one. Signing a petition seeking to put an initiative on the ballot is a form of expression but it is also a public act, playing a role in the eventual passage of legislation. We choose, for lots of good reasons, to have a secret ballot on election day, but I don’t see that as analogous. Especially given the clear need for public scrutiny of petitions to assure there has not been fraud and abuse, I would say that a person signing a petition to put an issue on the ballot should know this will not be an anonymous action. Of course, people should be protected from tortious and criminal retribution. But that does not mean they should be protected from criticism in the marketplace of ideas.

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Floyd Abrams: No. I agree with Paul Smith that Justice Scalia was correct on this issue.

Professor Gora: The undisclosed First Amendment story of this past Supreme Court Term, I am saddened to report, is that the Court, save for the stalwart Justice Thomas, has thrown associational privacy and political anonymity under the bus. There was a time in the midst of the liberal Warren Court when the First Amendment was interpreted as giving extremely strong protection to the right to associate with controversial groups without unnecessary government surveillance and disclosure – a right established in a number of cases involving the NAACP trying to protect its members against the harassment that would follow if their association were disclosed – as well as the right to hand out political literature without putting your name on it, just like the Framers did who authored the Federalist Papers anonymously.

But the current Court is much less sensitive to those protections and much more enamored of disclosure as either the government's right to impose or a less drastic alternative to limits on speech. So, you understandably may not have noticed in the din of disapproval that has accompanied the *Citizens United* case, that the Court did, in fact, uphold relatively intrusive disclaimer and disclosure of the messages and sponsors of the speech that it just freed from prohibition. And the disclosures upheld went well beyond what groups like the ACLU thought were justified. The Court's 1976 landmark campaign finance decision in *Buckley v. Valeo* clearly held that the only independent speech that could be subject to ANY forms of registration or disclosure was that which Expressly Advocated the election or defeat of a federal candidate. Too narrow, said 8 of the 9 Justices in *Citizens United*, any person or group that even mentions a politician in an election season broadcast advertisement, regardless of the context or thrust of the ad, is subject to the statute's disclosure regime. Indeed, Justice Kennedy was quite explicit that one of the reasons why it would not be dangerous to democracy to let corporations and unions have full speech rights concerning candidates and politics was that, for the first time, there would be disclosure as well: "A campaign finance system that pairs corporate independent expenditures with effective disclosure has not existed before today....The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the

speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." Gone was any significant appreciation of the chilling effect that disclosure can have, even apart from those groups that can show specific threats of harassment of their members and supporters.

That same embrace of disclosure and transparency also led to the result in *Doe v. Reed*, where the widespread public disclosure of the identities — names and addresses — of people who signed petitions to put what was perceived to be an anti-gay referendum on the ballot was approved by the Court, with only Justice Thomas dissenting in favor of political privacy, though Justice Alito did suggest that a door should be kept open for as-applied harassment challenges. But the overwhelming majority of the Court supported public disclosure and denigrated the privacy concerns. While there were a number of arguably sound legal grounds for the result – signing the petition is a public act; many referenda are not particularly controversial and don't require protection of privacy; electoral fraud needs to be discouraged – what was arguably really going on was a campaign to expose and intimidate people who politically opposed same sex marriage. Though not extremely widespread, there had been enough incidents in different parts of the country to raise a concern about the effects of disclosure, but the majority brushed it aside. Well, at least we still have the secret ballot.

MLRC: *Will the Court's decision in Doe v. Reed impact the First Amendment right of anonymity in other contexts such as defamation claims over speech on the Internet?*

Paul Smith: The petition context is pretty distinct. I don't see the decision as having a significant impact on the right to speak anonymously in other contexts.

Floyd Abrams: Not directly although I think the general "right" to anonymity on the internet is likely to face rough sledding in the context of libel or other recognized claims.

Professor Joel Gora: The implications for privacy on the internet, to my mind, are troubling. In *Citizens United* the Court extolled the virtues of the internet in facilitating disclosure about who is supporting what political messages,

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and in *Doe v. Reed* the Court minimized the threat of viral internet assaults on individuals for their support of certain political positions. In that legal milieu, proponents of internet privacy may have an uphill piece of business.

3. Categorical Exceptions To The First Amendment – [U.S. v. Stevens](#)

MLRC: *In U.S. v. Stevens, the government argued that “Whether a given category of speech enjoys First Amendment protection depends upon a balancing of the value of the speech against its societal costs.” The Court rejected this argument, with Chief Justice Roberts describing it as “startling and dangerous.” Is this the most important takeaway point from the decision?*

Paul Smith: The government’s argument for a new exception to strict scrutiny, based on a balancing of the value of speech against its social costs, was a remarkably anti-First Amendment position that the Court rightly rejected. Indeed, the Solicitor General’s office seemed to have backed away by the time the Government filed its reply brief and at oral argument. It was obviously important for the Court reject such an approach emphatically. But I thought it was also important that the Court took seriously its duty of determining the full potential breadth of the statute and applying strict scrutiny to assess the statute in its full breadth, rather than papering over that problem in order to find a way to uphold a law aimed at an odious form of expression (so-called “crush videos”).

Floyd Abrams: Yes. In fact, the *Stevens* opinion should (and I think ultimately will) be celebrated as a memorable one precisely because of that part of the Court’s analysis.

Professor Joel Gora: Yes, as with *Citizens United*, in *Stevens*, the Court was also striving to put the First Amendment first, and not have it balanced against other competing interests in an ad hoc and subjective way. In both cases there was a clear impatience with paternalistic “government knows best” justifications for limiting speech either by lumping it into “unprotected” categories or buckets or attempting to balance speech away in an ad hoc fashion. In this respect, the two decisions are reminiscent of the approach taken by Justices Black and Douglas in an earlier era, railing against “balancing away”

First Amendment rights on the altar of various assorted government interests. What is surprising is that the more liberal Justices would have joined the Stevens opinion, given that they tend to eschew the more “absolute” approach and opt for a supposedly more modest case-by-case approach. Perhaps this can be explained by the fact that the decision was essentially an overbreadth ruling, based on the determination that most of the Act’s applications were invalid, but inviting Congress to redraft the statute in a way that focused more on the purported concerns with horrible, sexually-fetished animal cruelty, rather than videos of hunters stalking deer.

4. Content-based Restrictions on Speech and the First Amendment – [Holder v. Humanitarian Law Project](#)

MLRC: *In Holder, the Supreme Court rejected a First Amendment challenge to a federal statute barring “material support” to designated foreign terrorist groups, including “coordinated” speech and advocacy on behalf of such groups. Is the Court’s decision important to free speech issues outside of the war on terror?*

Paul Smith: *Holder* is interesting because the Court seemed to acknowledge that it was dealing with the kind of content-based restriction on speech that warrants strict scrutiny but it was willing to uphold the law, giving great deference to Congress. That’s very rare. My sense is that it will not lead to a general loosening of First Amendment standards but will instead be cabined to the terrorism context.

Floyd Abrams: I think the *Holder* case was a very difficult and close one — far more so than *Citizens United*. That said, I think the impact of the case on other areas will be minimal.

Professor Joel Gora: That’s hard to tell. Of course, some analysts have pointed out a real tension between the *Holder* case, which upheld a statute restricting “material support” for protected speech, and *Citizens United* which struck down a statute restricting “material support” so to speak for political speech by corporations and unions. I tell my students, only half jokingly, that the moral of the story is (1) that the conservatives will protect speech for corporations, but not for terrorists, (2) the liberals will protect speech for terrorists, but not for corporations and (3) Justice Stevens will protect speech for nobody, since he was the only Justice to reject the

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First Amendment claims in *both* cases. I then tell my students that maybe Al Qaeda should incorporate and gain protection in the Supreme Court by a vote of 8-1. Of course, the cases are more “nuanced” than that, but I am a bit appalled by the self-contradictory inconsistencies in approaches, especially, *inter alia*, on the question of “deference” to Congress and the President. The liberals give Congress the benefit of the doubt on regulating campaign speech, but not regulating terrorists, and the conservatives do vice versa. Were I the Tenth Justice, I would say that deference is no more appropriate – and just as pernicious – in the Pentagon Papers case as in *Buckley v. Valeo*, in *Holder* as in *Citizens United*. The one constant is the government’s self-interest in protecting themselves or their secrets, and the courts should be willing to call them on it. I haven’t the slightest doubt that Justices Black and Douglas would have easily invalidated both statutes. Instead, you have the specter of Justice Breyer dissenting in *Holder* saying the activities at issue “involve the communication and advocacy of political ideas and means of achieving political ends” and continuing, that “this speech and association for political purposes is the kind of activity to which the First Amendment ordinarily offers its strongest protection.” If that doesn’t also describe *Citizens United*, in which he rejected the First Amendment claim, I don’t know what does. My hope is, however, that *Holder* will be distinguished in the future as a national security case, without a spillover effect on First Amendment claims and issues more generally. But, in all honesty, there is an underlying tension between the two cases that may erupt in the future.

5. Regulating the Sale of Video Games to Minors – [Schwarzenegger v. Entertainment Merchants Association, et al.](#)

MLRC: *In light of U.S. v. Stevens, and the unanimity among lower courts in striking down laws restricting sales of video games to minors, why did the Supreme Court agree to hear this case?*

Paul Smith: My own view on that is that the Court saw that

nine different state or local laws had been struck down by federal courts and decided it was time for it to make sure this degree of friction between state policymakers and federal judges was appropriate. They had not been asked to grant review since the very first case a decade ago. I don’t believe they granted review with a firm conviction that the Ninth Circuit’s decision needed to be reversed — though I guess I can always be proved wrong!

Floyd Abrams: Lots of state laws, lots of support for them by state Attorneys General, lots of rulings offering somewhat different justifications for striking those laws down. It’s always conceivable that the Court will reverse a ruling it’s agreed to review but it’s unlikely in light of *Stevens*.

Professor Joel Gora: There is a good deal of worried speculation in the First Amendment community about why the Court took this case since lower courts had been virtually unanimous in striking down statutes like California’s. And, like *Stevens*, it does require consideration of whether a category of speech should be deemed as so consistently of little value in comparison to the harms that it supposedly generates as to justify putting it in the non-speech category.

MLRC: *Would a decision in favor of California reopen the question of regulating the Internet to protect children?*

Paul Smith: Not necessarily, if the Court were convinced that sale of video games to minors can be regulated without affecting adults’ access to protected expression (although we will argue there will be such an effect). Ironically, distribution of video games is now shifting to the Internet where age restrictions will raise the same problems litigated in *Reno v. ACLU* and the COPA line of cases.

Floyd Abrams: Probably not. The same problems of vagueness, overbreadth and the like that led to the Court’s rulings would still exist.

Professor Joel Gora: The Court has generally refused to do

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so since *New York v. Ferber* upheld a ban on “child pornography” in considerable degree to protect the harm of exploiting young people to produce such content. So, that case was explainable as a child abuse case as much as a free speech ruling. Here the relationship between speech and harm is less direct and more attenuated. It implicates the classic debate about how much of a link between speech and harmful conduct resulting from the speech has to be shown before the speech can be punished. But cutting in the opposite direction is that, at least where sexual content is concerned, “obscenity for minors” has been a recognized category of “non-speech” or lesser protected speech for 45 years. The Court has generally resisted the blandishments of the save the children crowd to try to justify broad prohibition of sexual content on the internet, but has not denied government the right to engage in more focused regulation. Here the harm is the long-term instigation of violence, not sexual behavior, and the Court may feel that speech which assertedly stimulates violence by youth is more of a valid governmental concern. A decision upholding the statute would undermine First Amendment rights across the board and allow a variety of proscriptions of speech where the speech/harm nexus is not all that clear. I hope there are not five votes to uphold this statute, but a weird, strange bedfellows coalition on the Court might produce such a majority.

6. *Hustler v. Falwell* and Private Figures – [Snyder v. Phelps](#)

MLRC: *Will the Court limit Hustler v. Falwell to claims involving public figures?*

Paul Smith: I’m afraid I’m not confident in my ability to predict what the Court will do with this case. The First Amendment claims seem strong but the speaker and the speech at issue are so unattractive.

Floyd Abrams: There’s a real chance of that but not, I think, in the *Snyder* case.

Professor Joel Gora: Many civil libertarians and many media lawyers are worried, and rightly so, about the Court’s grant of certiorari in this case. One of the greatest adages in First Amendment lore is the famous line by Justice Oliver Wendell Holmes: “... if there is any principle of the

Constitution that more imperatively calls for attachment than any other it is the principle of free thought — not free thought for those who agree with us but freedom for the thought that we hate.” That principle is what has animated our constitutional tolerance for flag burning, hate speech, the Nazis marching in Skokie and other things that most of us would find intolerable and unacceptable, but which we must tolerate and accept because we all have different ideas of what ideas should not be free. Does this case, with its intolerable speech, endanger that principle?

MLRC: *Is the amicus brief filed by 48 state attorneys generals on behalf of plaintiffs correct in arguing that the question of public concern should not be based on the topic of the speech, but on plaintiff’s connection to the speech at issue?*

Paul Smith: That’s a pretty scary proposition. It seems to open up lots of potential for making core political speech into an actionable tort.

Floyd Abrams: I hope not. That would be a substantial setback for First Amendment interests.

Professor Joel Gora: There are three threat points for freedom of speech and press in this case. First, that the Court might find that some speech is so “outrageous” that it can, indeed, be civilly punished through damages for the intentional infliction of emotional distress – which was once called “the tort of outrage.” I always viewed the *Falwell* case as the Court’s saying, unanimously, that the concept is too subjective and open-ended and treacherous ever to be defined with sufficient precision to satisfy First Amendment concerns. I hope the Court will stick to those guns.

Second is the “public/private” distinction. The Reverend Jerry Falwell was a quintessential public figure, about whom harsh commentary was fair game. The law of defamation draws a distinction between the greater leeway given to attack public figures or officials without fear of libel suit and the lesser leeway afforded when the subject of the story is a private person who did not seek limelight or power. That is a very strong argument here and could conceivably prompt the Court to declare that the *Falwell* protections do not apply where the target of the vicious speech is a private person. The problem is that this dividing line is not all that

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clear and at the margin between the two there will be an awful lot of chilling effect.

MLRC: *What are the First Amendment consequences of a ruling in favor of plaintiffs?*

Paul Smith: It depends on how it's written. It might be pretty limited (though still scary as just noted). Or it might open up new avenues for cutting back on First Amendment rights. Hard to say.

Floyd Abrams: Hard to tell. The Court could analogize the protection of funerals to the "home is a castle" approach it's taken previously but even so it would open doors to regulation just about all had thought closed.

Professor Joel Gora: The Court might carve out an exception for the location of the protest, funerals, or maybe even military funerals, on the ground that such regulation of the "time, place or manner" of speech is more permissible. Indeed, an amicus brief has been filed by 40 Senators, headed by Senators Harry Reid and Mitch McConnell, who have probably not agreed on anything else in the last six months, urging the Court to punish the speakers for invading the sanctity of a military funeral and pointing to a federal statute that protects such hallowed situations. The Court has upheld speech restrictions within the areas surrounding the entrances to hospital facilities, for example. But so much of the impetus to penalize the speech in this case is the hatefulness of the ideas, not just the seclusion of the location, and the Court normally does not allow time, place or manner rules to vary with the content of the speech at issue. Hopefully a majority of the Court will find that these three grounds are sufficiently troubling from a First Amendment perspective and protect the speech in question, however intolerable we may feel it to be.

7. The First Amendment Legacy of Justice Stevens

MLRC: *From majority opinions in FCC v. Pacifica, Reno v. ACLU, Bartnicki v. Vopper, to dissents in Citizens United and*

Texas v. Johnson, Justice Stevens has participated in some of the most important First Amendment cases of our era. What is his First Amendment legacy?

Paul Smith: With regard to "adult" material, I think he moved over time, becoming a more stalwart protector of the First Amendment than when he started out. He began as a proponent of the view that sexually explicit material (*Young v. American Mini Theatres*) and dirty words (*Pacifica*), while not unprotected, constitute low-value speech subject to greater regulation. The tenor is much different by the time of his dissents in *Ashcroft v. American Library Ass'n* and *Ashcroft v. ACLU*.

Floyd Abrams: Justice Stevens was hardly a rigorous protector of the First Amendment. While his First Amendment protective ruling in *Bartnicki* and his dissents in *Ashcroft v. ACLU* and *Ashcroft v. American Library Ass'n* are important, they seem to me to be greatly outweighed by his far from protective rulings in cases ranging from *Hill v. Colorado* to *Pacifica* and *American Mini-Theatres*, his dissents in *Eichman, Johnson* — and, not least, his dissent in *Citizens United* itself.

Professor Joel Gora: In my view, Justice Stevens' First Amendment legacy is a decidedly mixed one. I give him a great deal of credit for writing important opinions protecting free speech in cases like *Reno v. ACLU*, which was a bit of a magna carta for protecting speech on the internet, and *McIntyre v. Ohio Elections*

Commission, which was a surprisingly strong recognition of the right of political anonymity and struck down a law which required people to put their names on election literature — a ruling which has been seriously undercut by some of the more recent pro-disclosure decisions. He seemed to have the romantic notion that the First Amendment primarily was designed to protect "the soapbox orator and the lonely pamphleteer." While that was once a noble and necessary vision of the First Amendment, in the modern age, people have to join together with others to make their voices heard and, certainly in the campaign finance area, he resisted that vociferously. Not only did he write the harsh dissent in

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Citizens United accusing the Court of selling out democracy to corporate interests, but he had long considered the regulation of campaign funding as the regulation of money and property, not of speech, and subject to much greater government controls accordingly. Justice Stevens rarely met a campaign finance limitation that he didn't like. It is ironic that he succeeded Justice William O. Douglas, who was the Court's greatest free speech champion – for people and the institutions they comprise – and who was thought to have been preparing an opinion in the *Buckley* case striking down all restrictions on campaign funding, before he was forced by illness to retire from the Court.

Lastly, Justice Stevens authored two of the most questionable rulings on controlling the content of speech. One was the *Pacifica* plurality opinion which upheld penalizing, as offensive, the broadcasting of George Carlin's brilliant and satirical monologue called "Seven Dirty Words." The other was a similar decision, perhaps his initial First Amendment opinion on the Court, upholding zoning restrictions on sexually-oriented movies and bookstores because the material was of lesser value than the Federalist Papers. Or, as Justice Stevens memorably put it: "...few of us would march our sons and daughters off to war to preserve the citizen's right to see "Specified Sexual Activities" exhibited in the theaters of our choice." That few, however, included Justices like Black and Douglas who did not think there should be second class speech under the First Amendment.

8. Supreme Court Justice Elena Kagan and the First Amendment

MLRC: *Do Elena Kagan's academic writings reveal a discernable First Amendment philosophy? See, e.g., "Private Speech, Public Purpose: The Role of Governmental Motive in First Amendment Doctrine,"* 63 Chicago L. Rev. 413-517 (Spring, 1996).

Paul Smith: I think I'll let others comment on the new Justice!

Floyd Abrams: The questioner obviously doesn't argue before the Supreme Court. Let's wait and see.

Professor Joel Gora: I think it is difficult on the basis of her academic writings to make such an assessment. She had a

reputation as Harvard Law School's Dean of reaching out and listening to people from all points on the political spectrum, and one would hope that if she brings that same open minded quality to her responsibilities as a Justice she may occasionally surprise us with the reasoning and outcomes she supports.

9. Future of the First Amendment: Global Influences and the New Media Marketplace

MLRC: *There has been considerable debate about the role of foreign law in the Supreme Court's constitutional decision making process. Will the balancing tests applied by the European Court of Human Rights, and national courts in Europe, in areas such as libel, privacy and "hate speech," have influence on any Justice's First Amendment jurisprudence?*

Paul Smith: I don't see foreign law affecting the Court's First Amendment jurisprudence. The First Amendment is such a uniquely American constitutional provision that it is somewhat insulated from the kinds of influence that is exerted by foreign law in the application of other constitutional provisions like the Eighth Amendment and the liberty clause of the Fourteenth Amendment.

Floyd Abrams: No, but I wish the court would read and learn from the rulings abroad protecting confidential sources.

Professor Joel Gora: I hope not. I think American "exceptionalism" on strong protection for First Amendment freedoms is to be cherished. We are definitely outliers where protecting provocative speech is concerned, and, to my mind, that is all to the good. The slippery slope to greater government control of speech should be resisted as much as possible. Some of the current Justices seem all too willing, like their European counterparts, to "balance" free speech against the needs and concerns of society. Happily the current majority of our Supreme Court is generally quite impatient, if not hostile, to that perspective, and therefore, quite supportive of strong and categorical protections of First Amendment rights.

MLRC: *Will the economic challenges faced by traditional media directly or indirectly influence the Supreme Court's First Amendment jurisprudence?*

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Paul Smith: I don't see that happening in particular. Of course, the emergence of web-based outlets of various stripes likely will affect the Court's jurisprudence in the sense that it makes it even tougher to think of the "press" as a separate entity and the press clause of the First Amendment as providing special protection to that entity.

Floyd Abrams: No, but the "every person is a publisher" reality of the Internet may well result in less First Amendment protection for the press than might otherwise have been the case.

Professor Joel Gora: Probably not, though those challenges will clearly have an impact on the traditional media themselves, and the Court might ultimately be influenced by the real-life blurring of lines between who is considered part of the traditional media and who is not. Hopefully, from my perspective, the effect will be more First Amendment protection across the board, as was evident in the *Citizens United* case.

MLRC: *Is the Court's traditional prior restraint jurisprudence sustainable in the world of Wikileaks?*

Paul Smith: That is an interesting question. It does seem that there might be a move to relax the doctrine. It is one thing to shield the *New York Times* from an injunction when it decides to print some classified information. It is quite another if there is less of an assurance that professional journalists have weighed the question and determined that the information is both newsworthy and not unduly threatening of the public interest.

Floyd Abrams: If Wikileaks had published the Pentagon Papers, don't ask what the result would have been! Let's hope that a few years pass before the next prior restraint case reaches the Court.

Professor Joel Gora: I think the Court majority has put a good deal of emphasis on the internet as the First Amendment facilitator for the future, as a 21st century poor person's printing press or soapbox, as the way to enhance disclosure in campaign financing as a less drastic alternative to

prohibitions and restrictions. Of course those very qualities make it extremely difficult to restrict the dissemination of classified or confidential information as well. But people once feared the printing press as the devil's tool, yet that worked out pretty well. Hopefully, the internet will work out well also for First Amendment values.

About the participants:

Floyd Abrams is a partner at Cahill Gordon & Reindel LLP in New York City. He has a national trial and appellate practice and extensive experience in high-visibility matters, often involving First Amendment, intellectual property, insurance, public policy and regulatory issues. He has argued frequently in the Supreme Court in cases raising issues as diverse as the scope of the First Amendment, the interpretation of ERISA, the nature of broadcast regulation, the impact of copyright law and the continuing viability of the Miranda rule. Most recently, Floyd prevailed in his argument before the Supreme Court on behalf of Senator Mitch McConnell as *amicus curiae*, defending the rights of corporations and unions to speak publicly about politics and elections in *Citizens United v. Federal Election Commission*. Floyd's clients have also included The McGraw-Hill Companies, *The New York Times* in the Pentagon Papers case and others, ABC, NBC, CBS, CNN, Time Magazine, Business Week, The Nation, Reader's Digest, Hearst, AIG, and others in trials, appeals and investigations.

Joel Gora is a professor at Brooklyn Law School and a nationally known expert in the area of campaign finance law. He has been a member of the faculty since 1978, teaching constitutional law, civil procedure and a number of other related courses. He also formerly served as Associate Dean for Academic Affairs from 1993-1997 and again from 2002 through 2006. He is the author of a number of books and articles dealing with First Amendment and other constitutional law issues. His most recent book is *Better Parties, Better Government*, which he co-authored with financial market expert Peter J. Wallison. Professor Gora continues to be active in working on campaign finance policy

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I don't see foreign law affecting the Court's First Amendment jurisprudence.

- Paul Smith

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issues, including filing briefs in the Supreme Court of the United States, advising various organizations and publishing articles in the news media. Following law school, he served for two years as the pro se law clerk for the U.S. Court of Appeals for the Second Circuit. He also was a full-time lawyer for the ACLU, first as national staff counsel, then acting legal director and associate legal director. During his ACLU career, he worked on dozens of U.S. Supreme Court cases, including many landmark rulings. Chief among them was the case of *Buckley v. Valeo*, the Court's historic 1976 decision on the relationship between campaign finance restrictions and First Amendment rights. He has worked, on behalf of the ACLU, on almost every one of the important campaign finance cases to come before the high court.

Paul M. Smith is a partner at Jenner & Block LLP in Washington, D.C. He is Chair of the Appellate and Supreme Court Practice and a Co-Chair of the Creative Content, Media and First Amendment, and Election Law and Redistricting Practices. Mr. Smith has had an active Supreme Court practice for two decades, including oral arguments in thirteen Supreme Court cases. These arguments have included *Crawford v. Marion County Election Board* (2008), the Indiana Voter ID case; *LULAC v. Perry* (2006), and *Vieth v. Jubelirer* (2003), two congressional redistricting cases; *Lawrence v. Texas* (2003), involving the constitutionality of the Texas sodomy statute; *United States v. American Library Ass'n* (2003), involving a First Amendment challenge to the Children's Internet Protection Act and *Mathias v. WorldCom* (2001), dealing with the Eleventh Amendment immunity of state commissions. His first argument was in *Celotex Corp. v. Catrett* in 1986. Mr. Smith also worked extensively on several other First Amendment cases in the Supreme Court, involving issues ranging from commercial speech to defamation to "adult" speech on the Internet. Mr. Smith also represents various clients in trial and appellate cases involving commercial and telecommunications issues, the First Amendment, intellectual property, antitrust, and redistricting and voting rights, among other areas. His recent trial work has included several cases involving congressional redistricting as well as challenges to state video game restrictions under the First Amendment. In November, he will argue for the respondents in *Schwarzenegger v. Entertainment Merchants Association* before the Supreme Court.



UPCOMING EVENTS

MLRC/Stanford Legal Frontiers in Digital Media Conference

May 19-20, 2011
Stanford, CA

MLRC
London Conference
September 19-20, 2011
(In-house counsel breakfast Sep 21st)
London, England

MLRC
Annual Dinner
November 9, 2011
New York, NY

DCS
Meeting & Lunch
November 10, 2011
New York, NY