520 Eighth Avenue, North Tower, 20th Floor, New York, New York 10018 (212) 337-0200



Reporting Developments Through January 25, 2013

### INTELLECTUAL PROPERTY

S.D.N.Y.	The True Meaning of 'Service': Media Entities Struggle With Court Interpretation of Twitter's Terms		
	of Service and What Services Getty Provides05		
	Summary Judgment for Haiti Earthquake Photographer		
	Agence France Presse v. Morel		
1st Cir.	Photographic Memory: Docudrama's Recreation of Photograph Not a Copyright Infringement		
	Court Analyzes Protection for News Photography		
	Harney v. Sony Pictures Television, Inc.		
C.D. Cal.	Hobbit Poaching Is Not Allowed: TRO Granted To Prevent Release Of "Age Of Hobbits"		
	Defendant Sought to Capitalize on Popular Film		
	Warner Brothers Entertainment v. The Global Asylum		
MLRC			
	2013 MLRC/Southwestern Law School 10th Annual Media and Entertainment Law Conference17		
LIBEL & F	PRIVACY		
Iowa	Iowa Expands Definition of "Media Defendant," Retains Libel Per Se Cause of Action		
	Court Looks at Media vs. Nonmedia in the Digital Age		
	Bierman v. Weier		
7th Cir.	Seventh Circuit Affirms Dismissal of Privacy Suit Against Joan Rivers		
	Documentary Scene Not Private, Use Was Incidental		
	Bogie v. Rivers		
Tex. App.	Univision Wins Texas SLAPP Law Appeal		
	First Appellate Decision on the Merits of the Texas Anti-SLAPP Statute		
	Avila & Univision Television Group, Inc. v. Larrea		
9th Cir.	Ninth Circuit Finds That SLAPPing Superman Can Be Subject to Immediate Review in Federal Courts		
	Denial of Anti-SLAPP Motion Is Appealable		
	DC Comics v. Pacific Pictures Corporation		
ACCESS			
Maine	Maine Supreme Judicial Court Intervenes on 24-Hours Notice to Stop Secret Jury Selection in "Zumba"		
	<b>Prostitution Case</b>		
	2 construction to English of which tipping i robb Enterprise I		

In Re Maine Today Media, Inc.

Page 2	January 2013	MLRC MediaLawLetter
S.D.N.Y.	Judge Denies NYT Access to DOJ's Legal Memos About Drone Strikes	
	Exemptions for Classified and Deliberative Documents Applied	
	New York Times Co. v. United States DOJ	
Maryland	State Education Board Reaffirms Legal Notice Advertising Law	
	Decision Bolsters Public Interest in Newspaper Industry	
	Dunloy Townhome Condominium, Inc. v. Baltimore County Board of Education	
INTERNET		
Cal.	California Attorney General Cracks Down on Apps That Fail to Comply With Privacy Law32	
FIRST AM	ENDMENT	
Cal.	California Issues Important Ruling on Labor Speech Rights of Unions on Priva	ate Property34
Cal.	<b>California Issues Important Ruling on Labor Speech Rights of Unions on Priv</b> <i>Ralphs Grocery Could Lead to a Review of the Issue by the U.S. Supreme Court</i>	ate Property34
Cal.		
Cal. ETHICS	Ralphs Grocery Could Lead to a Review of the Issue by the U.S. Supreme Court	

# **MLRC UPCOMING EVENTS**

LEGAL ISSUES CONCERNING HISPANIC AND LATIN AMERICAN MEDIA March 11, 2013, Miami, FL

MLRC STANFORD DIGITAL MEDIA CONFERENCE May 16-17, 2013, Palo Alto, CA

MLRC LONDON CONFERENCE September 23-24, 2013, London, England

# MLRC ANNUAL DINNER & FORUM November 13, 2013, New York, NY



Media Law Resource Center University of Miami School of Communication and School of Law March 11, 2013 | University of Miami

LEGAL ISSUES CONCERNING HISPANIC AND LATIN AMERICAN MEDIA Cross Border Libel Issues for a Digital World

Privacy and Newsgathering in Latin America

Cross-Border Compliance Issues

Anti-Piracy and Digital Copyright Law Cross Borders

Keynote Address: Manny Garcia, *El Nuevo Herald* 

Lunch Address: Emilio Romano, President of Telemundo

MLRC's first conference on Legal Issues Concerning Hispanic and Latin American Media is designed to provide lawyers from North America and Latin America a unique opportunity to meet and educate one another on the issues that arise in cross-border content creation, newsgathering, and distribution.

> www.medialaw.org email: latinamerica@medialaw.org

### **CURRENT SCHEDULE**

9:15 to 9:30 Welcome

9:30 to 10:00 Keynote: Manny Garcia, Executive Editor, El Nuevo Herald

10:00 to 11:15 **Cross Border Libel Issues for a Digital World Johnita P. Due**, (moderator) CNN **Gary Bostwick**, Bostwick & Jassy **Andrés Cavelier**, FastrackMedia **Maria Diaz**, Thomson Reuters

The panel will explore libel law in Latin American jurisdictions under civil and criminal codes, emerging issues of liability for user generated content, the risks US broadcasters and publishers face when distributing their material in Latin America, and the challenges of cross border litigation.

11:30 to 12:45 **Privacy and Newsgathering in Latin America Adolfo Jimenez**, (moderator) Holland & Knight LLP **Emilio Beccar-Varela**, Estudio Beccar Varela, Buenos Aires **Margarita Escudero**, Tinoco, Travieso, Planchart & Nuñez, Caracas **George De Lama**, Answers Media, LLC

The panel will explore consent laws for recording in public places, the different concepts of reasonable expectation of privacy under civil and criminal laws, Inter-American Court case law on privacy rights of public figures, liability for publishing lawfully obtained information, and emerging data privacy and right to be forgotten doctrines.

12:45 to 2:00 Lunch with Speaker Emilio Romano, President of Telemundo

2:00 to 3:15 **Cross-Border Compliance Issues Lisa Hughes**, (moderator) NBCUniversal **Sira Veciana-Muino**, Sony Pictures Television Networks, Latin America and Brazil **Sally Ng**, Universal Networks International **Carlos Garcia Perez**, Office of Cuba Broadcasting

The panel will explore business ethics and corporate compliance concerns for publishers and broadcasters distributing content in Latin America, including risk assessment and counseling about anticorruption laws, data protection, and other clearance quagmires.

3:30 to 5:00 Anti-Piracy and Digital Copyright Law Cross Borders Gustavo I. Lopez, (moderator) Discovery Latin America / US Hispanic Ana Salas Siegel, Fox Latin America Channels Ernesto Luciano, Yahoo! Hispanic Americas José Sariego, HBO Latin America Group

The panel will explore the challenges publishers and broadcasters face in protecting content from piracy, copyright and fair use issues, and protections for third-party web platforms.

5:00 - 6:00 End of Conference Reception Sponsored by The McClatchy Foundation, *The Miami Herald* and *El Nuevo Herald*  MLRC Gratefully Acknowledges the Support of

# Holland & Knight

# MCCLATCHY

# The Miami Herald

# el Nuevo Herald

# Location

The conference will be held at the University of Miami School of Communication, Wolfson Building (Shoma Hall), located at 5100 Brunson Drive, Coral Gables, FL 33146.

### Registration

The program fee for the conference is \$125. You can register online at MLRC's website:

# www.medialaw.org.

Follow the conference link for Upcoming Events.

### CLE

MLRC is applying to have the Conference approved for 6-7 hours of Florida CLE credit.

### **Questions?**

If you have any questions about the conference or registration, please e-mail: latinamerica@medialaw.org. January 2013

# The True Meaning of 'Service': Media Entities Struggle With Court Interpretation of Twitter's Terms of Service and What Services Getty Provides

### By Toby Butterfield and Anna Kadyshevich

Judge Alison J. Nathan of the United States District Court for the Southern District of New York recently issued a potentially very significant decision concerning when use of content made available via social media sites like Twitter constitutes copyright infringement, and when websites may constitute an "online service provider" under the Digital

Millennium Copyright Act ("DMCA"). Agence France Presse v. Morel, (S.D.N.Y. Jan 14, 2013).

In its decision, the court granted partial summary judgment to defendant and counterclaim plaintiff Daniel Morel, finding that the Agence France Presse ("AFP") and the Washington Post (the "Post") had infringed his copyrights in photographs he had taken after the 2010 earthquake in Haiti. The court also ordered that a trial must be held to determine, among other issues, whether Getty Images ("Getty") is responsible for

the otherwise infringing

activity on its website and



Photograph from Para. 41 of Morel's Amended Answer and Counterclaims.

whether it qualifies as an "online service provider" under the DMCA.

#### Background

The factual record in this case has now been developed well beyond the bare allegations of the pleadings, which were

aftermath, both AFP and Getty learned that Suero did not take the photographs and took efforts to correct their captions to credit Morel, and ultimately, to take down the photographs once it was apparent that Morel and his photo licensing agency claimed exclusive rights over them.

(Continued on page 6)

the subject of an unsuccessful motion to dismiss by AFP, the Post, Getty and others (collectively, the "Media Defendants") in 2010. The decision on that motion was the subject of a prior report in this publication by this author, but it is nevertheless worth summing up the factual record now before the court.

Morel is a photojournalist who was in Haiti in January

2010 when the devastating earthquake struck. He captured many photographs of the aftermath and posted them to Twitter through his TwitPic account. Another Twitter user -Lisandro Suero - reposted the photographs claiming that he had exclusive photographs of the earthquake. AFP obtained the photographs from Twitter, credited them to Suero, and transmitted them through its wires and to its partner, Getty Images ("Getty"). The Post, among other news outlets, obtained some of Morel's photographs from Getty and published website. them on its Sometime in the immediate

Page 6

January 2013

# MLRC MediaLawLetter

#### (Continued from page 5)

The dispute, however, didn't end there. AFP moved first by filing a complaint against Morel for commercial defamation and seeking a declaration that AFP had not infringed Morel's copyrights in the photographs at issue. AFP based its defamation claim on statements purportedly made by Morel and his attorney to third parties that AFP did not have a license to distribute Morel's photographs and that it had infringed his copyrights. Morel filed a counterclaim against the Media Defendants alleging that they had willfully infringed his copyrights, that AFP and Getty were secondarily liable for the infringement of others who had posted the photos, and had violated the Digital Millennium Copyright Act ("DMCA"). Eventually, both sides filed summary judgment motions.

#### **Twitter's Terms of Service**

On summary judgment, the Media Defendants did not deny that they had copied, distributed and displayed Morel's images. Rather, their motions rested on several affirmative defenses. In particular, AFP claimed that by posting the photographs on TwitPic/Twitter, Morel had granted AFP a license as a third party beneficiary of Twitter's Terms of Service ("TOS"). Twitter's TOS provided, in part, that:

> You retain your rights to any Content you submit, post or display on or through the Services. By submitting, posting or displaying Content on or through the Services, you grant us a worldwide, nonexclusive, royalty-free license (with the right to sublicense) to use, copy, reproduce, process, adapt, modify, publish, transmit, display and distribute such Content in any and all media or distribution methods (now known or later developed).

> > • • •

You agree that this license includes the right for Twitter to make such Content available to other companies, organizations or individuals who partner with Twitter for the syndication, broadcast, distribution or publication of such Content on other media and services, subject to our terms and conditions for such Content use . . .

. . .

You are responsible for your use of the Services, for any Content you provide, and for any consequences thereof, including the use of your Content by other users and our third party partners. You understand that your Content may be rebroadcasted by our partners and if you do not have the right to submit the Content for such use, it may subject you to liability...

AFP pointed out that Twitter's TOS stated: "Tip[:] What you say on Twitter may be viewed all around the world instantly. You are what you Tweet!" and "We encourage and permit broad re-use of Content." AFP also relied on Twitter's *Guidelines for Third Party Use of Tweets in Broadcast or Other Offline Media*, which provide: "we welcome and encourage the use of Twitter in broadcast," to support its argument that the Twitter TOS intended to confer a benefit (in the form of a license) on AFP as one of Twitter's "other users."

Like Judge Pauley, who decided the motion to dismiss, Judge Nathan rejected AFP's argument that the Twitter TOS were sufficient to defeat Morel's claims. She noted that, under California law (which governs Twitter's TOS), the intent to benefit a third party must be "clearly manifest" in the terms of the agreement. After reviewing AFP's evidence and the record, the court concluded that the TOS did not necessarily require nor manifest the intent to grant the license urged by AFP, and in fact, suggested the opposite. In other words, AFP was not a third party beneficiary of the TOS.

Several references in Twitter's terms of service support the court's reading of them. First, the terms of use state that Twitter may "make such Content available to other companies, organizations or individuals who partner with Twitter for the syndication, broadcast, distribution or publication of such Content." This clearly envisages that it is for Twitter to decide whether to make such content available, *(Continued on page 7)* 

#### January 2013

Page 7

#### (Continued from page 6)

or to partner with others for that or similar purposes. As a result, this provision is inconsistent with AFP's argument that the TOS on their own gave AFP a third party beneficiary right to use the photographs.

The reference in the terms of use to <u>Twitter's</u> right to "make such content available" - clearly requiring some additional step by Twitter - contrasts with AFP's argument that AFP – and presumably any other third party - was intended to have unlimited rights to use such content. (AFP admitted it was not a partner of Twitter.) Similarly, the reference in the subsequent paragraph of Twitter's terms of use to responsibility for use by "our third party partners" supports that interpretation. The reference in the TOS to Morel's responsibility for use by "other users" – and the references to each Twitter user's ong oing ownership of copyright in material they upload – are both consistent with

the conclusion that Twitter users, not Twitter, has the right to permit or deny "other users" the right to use content – let alone third parties who have not obtained those rights by partnering with Twitter.

The court also noted that "in making its arguments on summary judgment AFP wholly ignores those portions of

the Twitter TOS that are directly contrary to its position, particularly those portions stating that 'you retain your rights to any Content you submit, post or display' and 'what's yours is yours – you own your content.'" The court found that "these statements would have no meaning if the Twitter TOS allowed third parties to remove the content from Twitter and license it to others without the consent of the copyright holder." Because AFP and the Post raised no other defenses to direct liability, the court found them liable for copyright infringement.

The Court's conclusion that Twitter's terms of use do not provide a defense probably should not come as a great surprise, as the court previously denied AFP's and other media entities' motion to dismiss the copyright

counterclaims, finding that the court could not conclude the TOS provided this very defense. The current decision considered additional evidence, but granted Morel summary judgment on the issue.

### What Constitutes a "Service Provider"

Separately, Getty claimed that, as a "service provider," it was free from liability on account of the safe harbor provisions of the DMCA. It also argued that its conduct was not sufficiently "volitional" to be an infringement of Morel's copyrights. In what could prove to be a significant blow for media entities operating via websites, the court declined to grant summary judgment on this issue. As a result, it will be for a jury to rule whether Getty constitutes an online "service provider," and so may qualify for the DMCA safe ha rbor for online infringements. The court considered the Black's Law Dictionary definition of "service," acknowledged the widely cited law that the term was intended to be construed broadly, and reviewed the many decisions finding that various website operators fell within the statutory definition.

Nevertheless, the court then contrasted the various

activities that Getty conducts, in particular its licensing of copyrights to others, and concluded that the definition is not without limits and that a jury may conclude that Getty does not fall within it. Given that applying a definition of a statutory term in accordance with precedent and determining whether an entity falls within it would seem to be a

purely legal issue, it remains to be seen what sort of evidence a jury can properly hear on the issue.

#### **Remaining Issues for Trial**

The court also denied the parties' motions for summary judgment on willfulness, secondary liability, vicarious liability and on Getty's "volition" argument. The volition argument depended on the notion that Getty itself did not do anything to initiate the infringing copying, because Getty's users simply accessed the material using Getty's computerized system. This is a rerun of the argument which succeeded in *Cartoon Network v.s CSC* and was the subject of extensive arguments before the same judge and the Second Circuit in *ABC v. Aereo* during 2012 – albeit in very different factual circumstances in both those cases. Here, Judge Nathan did not see any need to analyze the details of those *(Continued on page 8)* 

The court's decision is obviously an important reminder for everyone to review and understand the terms of use for shared content on social media sites.

Page 8

January 2013

# MLRC MediaLawLetter

#### (Continued from page 7)

decisions, simply concluding that there was enough evidence in the record of volitional conduct by Getty – disputed though that evidence may be – to merit a trial on that issue.

Finally, the court sided with AFP and Getty in finding that the plaintiff's copyright damages could not be multiplied based on the number of infringers with whom the defendants were jointly and severally liable. Rather, the court held that both the Copyright Act and the DMCA provide for a single statutory damages award per work infringed, not per infringement.

#### Conclusion

The court's decision is obviously an important reminder for everyone to review and understand the terms of use for shared content on social media sites. Whether you are a content provider, a content user, or both, the terms of use on social media websites should factor in to your expectations regarding the who, what, when, and how of using content posted on these sites. Notably, Twitter has modified its TOS since this lawsuit was initiated (https://twitter.com/tos) and there is no doubt that other social media sites are keenly aware of the impact of their terms of service. But the court's conclusion that only a trial can resolve whether Getty qualifies for immunity under the DMCA may prove to be more challenging a notion for media entities, many of which have been assuming that to the extent that they are operating via their websites, at least, they can rely on the DMCA to protect them. It now appears that the greater the offline activities by a corporation, the more likely it will be to found incapable of qualifying for the DMCA's protections.

Toby Butterfield is a partner, and Anna Kadyshevich an associate, at Frankfurt, Kurnit, Klein & Selz, LLP in New York. Daniel Morel was represented by Joseph Baio, Willkie Farr & Gallagher LLP; and Barbara T. Hoffman, The Law Office of Barbara Hoffman, New York. AFP was represented by Joshua J Kaufman, Venable LLP, New York. Getty was represented by James Rosenfeld, Davis Wright Tremaine LLP, New York.



©2013 MEDIA LAW RESOURCE CENTER, INC. 520 Eighth Ave., North Tower, 20 Fl., New York, NY 10018

#### **BOARD OF DIRECTORS**

Susan E. Weiner, Chair David S. Bralow Mark H. Jackson Marc Lawrence-Apfelbaum Eric Lieberman Karole Morgan-Prager Lynn B. Oberlander Kenneth A. Richieri Mary Snapp Kurt Wimmer Robert P. Latham (DCS President)

### **STAFF**

Executive Director Sandra Baron Staff Attorneys Maherin Gangat David Heller Michael Norwick Production Manager Jacob Wunsch MLRC Administrator Debra Danis Seiden MLRC Fellow Lindsey Davis MLRC Institute Fellow Dorianne Van Dyke

# Photographic Memory: Docudrama's Recreation of Photograph Not a Copyright Infringement

#### By Lincoln D. Bandlow

There is no question that copyright protection applies to photographs. Indeed, although in many instances a photographer is simply capturing spontaneous events as they unfold, the photographer is still contributing original copyrightable expression by doing such things as choosing the precise time to take the photograph, the lighting to use, the angle and direction of the camera, etc. The copyright granted to a photograph, however, has been described as being "thin," that is, the copyright in the photograph protects the work solely from verbatim or near verbatim copying of

the precise image captured by the photographer.

Under this "thin"

copyright, what if someone recreates or simulates the captured events in а photograph and then recreates in some way the image captured by a prior photograph? For example, everyone knows the famous photograph taken after the end of World War II of a soldier dipping a nurse in the middle of the street and planting a kiss on her. If someone hires actors. dresses them as a soldier and



The photos at issue: left, Harney's original; right, still from Sony's *Who is Clark Rockefeller?* 

a nurse, puts them in the middle of a crowded street and snaps a picture that mirrors in some ways that famous photograph, would that infringe the copyright in the original photograph? In <u>Harney v. Sony Pictures Television, Inc.</u>, the First Circuit appears to suggest that such recreation may not infringe the copyright in the original photograph. The holding is an important one for the producers of docudramas who seek to depict well-known events that were captured in photographs.

#### Background

*Harney* related to a photograph taken by Donald Harney, who had been a freelance photographer for over twenty years.

In 2007, Harney was on assignment for a Boston newspaper tasked with capturing images of people in and around the Beacon Hill section of Boston. He spotted a person who identified himself as Chris Rockefeller along with the man's daughter, Reigh, as they left a church service. He got Rockefeller's permission to photograph them for the newspaper and Harney snapped a photograph ("the Photo") of the blond daughter wearing a pink coat and riding piggyback on Rockefeller's shoulders as they exited the church. The Photo was then published on the front page of the paper that month, with a caption about Clark Rockefeller

and his daughter celebrating Palm Sunday.

It turns out the caption was incorrect - because "Clark Rockefeller" was actually Christian Karl Gerhartsreiter, a German who was attempting to hide his identity. Moreover, a vear after this somewhat randomly snapped Photo was taken, it became the subject of intense national attention after Gerhartsreiter abducted that same daughter during a parental visit and was being sought by law enforcement. Thus, without

Harney's knowledge or consent, the Photo was used in FBI

"Wanted" posters and was widely distributed by the media as it reported on the abduction story. Harney did not object to these particular uses at the time of her abduction because he did not want to impede the investigation regarding the missing child.

Even after Gerhartsreiter was found and the daughter was safely returned to her mother, however, the Photo remained a subject of public fascination due to the "bizarre saga of Gerhartsreiter" who turned out to be much like the main character in the film "Catch Me If You Can" – he was a *(Continued on page 10)* 

### Page 10

January 2013

# MLRC MediaLawLetter

#### (Continued from page 9)

professional imposter who had passed himself off as part of the Rockefeller family, a descendant of British royalty, a Wall Street investment advisor and a rocket scientist. In addition, he was suspected of being involved in a twenty-year -old homicide that had been committed in California. During the time that there continued to be a great public interest in Gerhartsreiter and the Photo, Harney licensed the Photo for use in multiple media outlets, such as *Vanity Fair* magazine.

In 2010, Sony Pictures Television, Inc. ("Sony") released a ninety-minute long made-for-television docudrama titled *Who is Clark Rockefeller*? (the "Movie") which retold "in dramatic fashion Clark Rockefeller's story and the search for Clark and Reigh." The Movie included references to the iconic Photo that was such a great focus of not only the abduction events, but also the later inquiry into the fascinating made-up life of Gerhartsreiter. The Movie, however, did not use the actual Photo. Rather, Sony recreated the Photo by using the actual actors who were in the Movie playing the roles of "Clark" and his daughter Reigh and then capturing a new image.

This recreated version of the Photo ("the Image") appeared in the Movie for about forty-two seconds in five scenes demonstrating the Photo's use during the manhunt. First, the Image was shown as part of the FBI Wanted poster. Second, the Image was shown during a scene in a law enforcement briefing room. Finally, the Image was shown in scenes depicting television news reports about the abduction. In addition, the Image appeared for less than one second in one of the twenty-two television commercials promoting the Movie.

There were certainly shared features between the Photo and the Image. Both depicted "a young blond girl wearing a long pink coat and light-colored tights riding piggyback on a man's shoulders. The pair are smiling in both photographs, and they are looking straight at the camera at roughly the same angle. Although Gerhartsreiter and Reigh are closer to the camera in the Photo than the actors are in the Image, both pictures show only the father's upper body. In both, the father is holding papers in his left arm with the text of the first page facing the camera." There were also minor differences:

Reigh's coat was darker pink than the coat on the actress in the Image and it had buttons that were higher on the garment; Gerhartsreiter wore a dark tweed jacket while his actor counterpart had a solid tan jacket.

There were also some significant differences. The

background in the Photo was a leafless tree, a church spire, and a bright blue sky. In the Image, however, nearly all of the background was dark leaves on the branches of a tree, with only bits of a white-grey sky peeking through in spots. The paper held in the Photo was clearly a church service program; in the Image, the writing is not legible and its text did not resemble the program in the Photo. In the Photo, Reigh is holding a palm leaf in her left hand; in the Image, the child actor has both hands by her sides, resting on her legs.

#### **Copyright Lawsuit**

Harney saw the Movie and brought an action against Sony Sony moved for summary for copyright infringement. judgment, asserting that there was no similarity in protectable expression and, if there was, the use of the Image in the Movie was a protected fair use. The district court granted the motion, holding that the Image was not substantially similar to Harney's photograph because when the Photo and the Image were compared, "they share the factual content" of the scene captured by the Photo, "but not Harney's expressive elements." The district court concluded that the "limited sharing" between the works was "not enough to establish substantial similarity and copyright infringement." The district court held that because it did not meet the threshold to constitute infringement, the court did not need to reach Sony's fair use argument. The First Circuit affirmed.

On appeal, Harney asserted that the court had "over dissect[ed]" the Photo and had "overlook[ed] significant aspects of its originality and protected expression." The First Circuit disagreed. It first noted that it is "permissible to mimic the non-copyrightable elements of a copyrighted work. Copyright protection 'extend[s] only to those components of a work that are original to the author,' and a work that is sufficiently 'original' to be copyrighted may nonetheless contain unoriginal elements." The First Circuit quoted the recent holding by the U.S. Supreme Court in Golan v. Holder, 132 S.Ct. 873, 890 (2012) that "every idea, theory, and fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication." Accordingly, Courts must evaluate the substantial similarity question by undertaking a "close consideration of which aspects of the plaintiff's work are protectible and whether the defendant's copying substantially appropriated those protected elements."

(Continued on page 11)

January 2013

Page 11

#### (Continued from page 10)

Thus, the First Circuit described a two-prong inquiry. First, the Court "dissect[s]" the plaintiff's work to "separat[e] its original expressive elements from its unprotected content." Then, the plaintiff's work and the allegedly infringing work must be "compared holistically to determine if they are 'substantially similar, but giving weight only to the *protected* aspects of the plaintiff's work as determined through the dissection." That being said, the First Circuit cautioned that courts should not "lose sight of the forest for the trees" when making these determinations and must be "careful not to over -dissect the plaintiff's work, causing it to ignore the plaintiff's protectable expression." Moreover, courts "should take pains not to focus too intently on particular unprotected elements at the expense of a work's overall protected expression."

### News Photography and Copyright

The First Circuit then noted that applying these principles "to news photography, which seeks to accurately document people and events, can be especially challenging." This was so because creators typically "have no copyright in the 'reality of [their] subject matter," and in particular, "the news photographer's stock-in-trade is depicting 'reality." As set forth in the introduction to this article, the First

Circuit readily acknowledged that courts have long "recognized originality in the photographer's selection of, *inter alia*, lighting, timing, positioning, angle, and focus" and that photographers typically "make choices about one or more of those elements even when they take pictures of fleeting, on-the-spot events." Moreover, additional original elements can be present in a photograph where a photographer does not take a subject "as is," but "arranges or otherwise creates the content by, for example, posing her subjects or suggesting facial expressions."

Although the Court noted it was not a perfect comparison, it pointed out that one way to separate the protected wheat from the unprotected chaff regarding a photograph was to liken it to "the separation drawn by copyright law between protected expression and unprotected ideas." Thus, where a photographer is "uninvolved in creating his subject, that subject matter—whether a person, a building, a landscape or

The Court noted that the subject matter that the photographer did not create could be seen as being equivalent to "facts" that are, like ideas, not entitled to copyright protection and are free for all to use.

something else—is equivalent to an idea that the law insists be freely available to everyone." On the other hand, "the choices made by the photographer to generate a particular image depicting that subject matter, however, ordinarily transform 'the idea' of the subject into a protectible expressive work." As another way to analyze the issue, the Court noted that the subject matter that the photographer did not create could be seen as being equivalent to "facts" that are, like ideas, not entitled to copyright protection and are free for all to use.

Thus, in reviewing the extent of copyright protection that applied to the Photo, the Court held that because "neither the subject matter of the [Photo] nor its arrangement are attributable to the photographer," the Court was required to first "look closely to identify the expressive choices in the plaintiff's work that qualify as original." After that inquiry is complete, the Court then had to "consider whether any

> reasonable jury focusing solely on those original elements could find that the defendant's work is substantially similar to the plaintiff's."

> Sony argued that no such finding could be reached, emphasizing that it copied "only the bare minimum of the elements needed to conjure up the original" for the purpose of depicting the Photo's prominent role in Gerhartsreiter's story. According to Sony, the only similarity between the Photo and the

Image was "essentially the [unprotectible] idea of a young girl atop her father's shoulders," with the other details being either significantly altered or omitted entirely. Taking out these unprotectible elements, Sony asserted that there was no substantial similarity in the expressive protectable elements and thus no infringement.

Harney, of course, disagreed and asserted that the Photo "captivated the public's imagination" because of "its haunting depiction of the lie that was Clark Rockefeller's life," and he argued that "[t]he works are substantially similar because Sony took the expressive heart from Harney's Photograph." He pointed out Sony's admission that it intended to replicate the Photo and the "numerous elements" copied in the Image, including "the angle from which the picture was taken, the pose, the wardrobe, and even the color and type of Reigh's coat and the paper Rockefeller has clenched to his chest in his *(Continued on page 12)* 

## Page 12

January 2013

# MLRC MediaLawLetter

### (Continued from page 11)

right hand." Harney classified the alleged differences as peripheral and asserted that they "made no change to what these works express about the Rockefeller story."

The First Circuit then set out to conduct its dissection, but first made it clear that "Harney undisputedly produced an original, expressive work" and that there were "multiple ideas creatively expressed through the Photo's combination of images." Moreover, those ideas were "expressed with artistic flair: the framing of Gerhartsreiter and Reigh against the backdrop of the church reflects a distinctive aesthetic sensibility, and Harney's artistry also is reflected in the shadows and vibrant colors in the Photo—perhaps the result of his use of an electronic flash and professional editing software. Positioning the pair in the middle of the frame as they look straight into the camera, and at a close distance, also involves aesthetic judgments that contribute to the impact of the photograph."

Having acknowledged that there was no question that the Photo was a work protected by copyright, however, the First Circuit pointed out that the work consisted primarily of facts that Harney had not role in creating, "including the central element of the Photo: the daughter riding piggyback on her father's shoulders." Harney argued, however, that ordinary dissection analysis was not appropriate because

Sony had copied the Photo's expression of the purported "Rockefeller Story" and not simply the factual content of his photograph.

The First Circuit was not persuaded. First, precedent required that the unprotected elements be dissected out of the work. Thus, courts were required to first "catalog the protectible and unprotectible elements of the Photo." Second, the Court found that Harney was seeking to "enlarge the scope of his copyright protection by attributing to the Photo an idea—Gerhartsreiter's deception—that is not discernible from the image itself and did not originate with him." That idea itself was not protectable. Moreover, the Photo "may be understood as an expression of that idea only when we take into account the subsequent events that revealed the falsity underlying the specific father-daughter relationship that Harney randomly documented." Harney argued that photographers should not be penalized if they are "fortunate

According to Sony, the only similarity between the Photo and the Image was "essentially the [unprotectible] idea of a young girl atop her father's shoulders," with the other details being either significantly altered or omitted entirely.

enough to have once obscure works suddenly become important due to their relevance to changing circumstances" and he warned that rejecting copyright protection for photographs whose significance the photographer "could not have foreseen ... when he snapped the shutter [would cause] every stock photograph ever taken [to] enter[] the public domain."

The Court noted its sympathy for Harney's concern about the protection afforded to spontaneous photography, which by its nature consists primarily of "[i]ndependently existing facts" and the importance of granting copyright protection to "fleeting images of newsworthy persons or events" to encourage freelance photographers to continue creating new images. The Court did not agree, however, that applying ordinary dissection analysis would deny copyright protection for such photography. The Court acknowledged that Harney created an original protectible image that "may not be

> reproduced in its entirety without his permission unless the copier is able to prove fair use." Moreover, it noted that original components of the photograph could not be copied "if an ordinary observer would view the resulting image as substantially similar to his original.

> Moreover, although it was true that "the *value* of an image can change over time along with observers' attitudes toward its subject matter" and that a photographer certainly could benefit from

the added interest in his photograph (as Harney did through the payments from *Vanity Fair* and other publications), this new interest did not change any of the purported original expression in the work. "In short, we do not see how subsequent events can fortuitously transform unoriginal elements of a visual work into protectible subject matter."

Thus, the Court agreed with the district court's application of the dissection analysis and its recitation of the unprotected and protected elements of the Photo. Harney could not protect the "piggyback pose of Gerhartsreiter and Reigh, their clothing, the items they carried, or the Church of the Advent shown with bright blue sky behind it." What was protectable, however, was "the framing of Gerhartsreiter and Reigh against the background of the church and blue sky, with each holding a symbol of Palm Sunday" along with "the tones of the Photo: the bright colors alongside the prominent *(Continued on page 13)* 

January 2013

# Page 13

#### (Continued from page 12)

shadows" and the "placement of the father and daughter in the center of the frame, with only parts of their bodies depicted."

The First Circuit held, however, that "almost none of the protectible aspects of the Photo are replicated in the Image." The Image did not have the Palm Sunday symbols, it did not have the church in the background and did not "recreate the original combination of father-daughter, Beacon Hill and Palm Sunday." Although there was "first glance" similarity, that was primarily due to the "piggyback pose" that was not Harney's creation and was "arguably so common that it would not be protected even if Harney had placed Gerhartsreiter and Reigh in that position." Moreover, the Photo and the Image were "notably different in lighting and coloring, giving them aesthetically dissimilar impacts" with the Photo having "vivid colors and distinct shadows" while the Image was "washed out" and "far less attractive or

evocative." In addition, the Image did not copy the placement of Gerhartsreiter and Reigh in the frame, which the Court noted could be an original element yet the Court gave the caveat that "locating the subject of a photograph in the middle of a frame is 'an element of minimal originality and an insufficient basis, without more, to find substantial similarity.""

The First Circuit specifically

addressed two other cases addressing the alleged infringement of distinctive photographs. First, in *Leigh v. Warner Bros., Inc.*, 212 F.3d 1210, 1214 (11<sup>th</sup> Cir. 2000), the plaintiff had taken a photograph of a statue known as the "Bird Girl" that appears on the cover of the book *Midnight in the Garden of Good and Evil*. Warner Bros. then created still photos of a replica of the statue for use in promoting a movie based on the book. In holding that the issue of substantial similarity was a jury question, the Eleventh Circuit relied on the works sharing "a number of expressive elements:

distinctive lighting and angle, hanging Spanish moss bordering their tops, the statue close to center of the frame, and monochromatic shading." With the Photo and the Image, however, "the important differences in lighting and backdrop render the photos aesthetically more dissimilar than similar, notwithstanding the common positioning of the father and daughter within the frame."

"The question of infringement is governed not merely by whether the copy mimics the plaintiff's work, but also, more importantly, by whether the similarity arises from protected elements of the original."

In Mannion v. Coors Brewing Co., 377 F. Supp. 2d 444 (S.D.N.Y. 2005), plaintiff created a three-quarter-length portrait of basketball star Kevin Garnett, with a background of clouds. The defendants' photo depicted the torso of a muscular black man, not Garnett, also shot against a cloudy backdrop. In each photo, "the subject is wearing a white t shirt and white athletic pants, and large amounts of jewelry. The lighting, pose and angle are similar." Moreover, the plaintiff had "orchestrated the scene" of his photograph by telling his subject how to dress and pose. Finally, the defendants had "recreated much of the subject that Mannion had created and then, through imitation of angle and lighting, rendered it in a similar way." Although there were differences (one photograph was black and white, and the other was color; the jewelry was not identical; and one t-shirt appeared more tightly fitted), the Court in Mannion determined that a reasonable jury could find substantial

similarity. The First Circuit found that the facts in its case were distinguishable from *Mannion* because "Harney happened upon Gehartsreiter and Reigh. Unlike Mannion, he did not 'create' his subject by 'orchestrat[ing] the scene.""

The First Circuit conceded that the Image and the Photo were similar and that Sony had indeed intended as much. The Court held, however, **that** "the question of infringement is governed not merely by whether the copy mimics the

plaintiff's work, but also, more importantly, by whether the similarity arises from protected elements of the original." No such similarities were present between the Photo and the image: "Sony copied little of Harney's original work —only the placement of Gerhartsreiter and Reigh in the photograph—and no jury could conclude that the similarity resulting solely from that copying is substantial. Moreover, given the differences in background, lighting and religious detail, a reasonable jury comparing the entirety of the two works could not conclude that the ordinary observer would 'regard their aesthetic appeal as the same."

Although the Court noted that photographers may be frustrated with the limited copyright protections often afforded to their works, this limitation related to the essence of copyright protection and was a constitutional requirement. The objective of copyright protection is not to reward labor, it *(Continued on page 14)* 

Page 14

January 2013

# MLRC MediaLawLetter

#### (Continued from page 13)

is to promote the progress of science and useful arts. That is accomplished by assuring "authors the right to their original expression, but encourage[ing] others to build freely upon the ideas and information conveyed by a work." Thus, summary judgment in favor of Sony was affirmed (and the First Circuit, like the district court, did not address the fair use arguments made by Sony).

There is no question that *Leigh*, *Mannion* and now *Harney* all addressed claims where a defendant had recreated images captured in a photograph, yet they ended up with different results. The distinction, however, is nothing new to copyright law. Although photographs have long since been

acknowledged as being copyrightable works, the extent of that copyright has always been tied to the amount of original contributions to the work supplied by the photographer. When that contribution is minimal, the protection will be minimal. Simply recreating the unprotectible facts and ideas reflected in a photograph, particularly a photograph taken in a more "spontaneous" context, is unlikely to give rise to copyright infringement liability.

Lincoln D. Bandlow is a partner at Lathrop & Gage LLP in Los Angeles, California. Plaintiff was represented by Andrew D. Epstein, and Barker, Epstein & Loscocco, Boston, MA. Defendant was represented by Bruce P. Keller and Michael J. Beam, Debevoise & Plimpton LLP, New York.

Media Law Resource Center University of Miami School of Communication and School of Law

# March 11, 2013 | University of Miami

LEGAL ISSUES CONCERNING HISPANIC AND LATIN AMERICAN MEDIA Cross Border Libel Issues for a Digital World

Privacy and Newsgathering in Latin America

Cross-Border Compliance Issues

Anti-Piracy and Digital Copyright Law Cross Borders

Keynote Address: Manny Garcia, *El Nuevo Herald* 

Lunch Address: Emilio Romano, President of Telemundo

January 2013

# Hobbit Poaching Is Not Allowed: TRO Granted To Prevent Release Of "Age Of Hobbits"

By Judith A. Endejan

"What is a hobbit? I suppose hobbits need some description nowadays, since they have become rare and shy of the Big People, as they call us."

- "The Hobbit," J.R.R. Tolkien

In <u>Warner Brothers Entertainment, et. al v. The Global</u> <u>Asylum, Inc.</u> (No. 12-9547PSG) Judge Philip Gutierrez of the U.S. District Court for the Central District of California had no problem recognizing Mr. Tolkien's "hobbit" when he

granted a temporary restraining order ("TRO") in favor of Warner Brothers' enjoining the release of "Age of Hobbits" on December 10, 2012. This movie was produced by the Global Asylum, Inc. ("Asylum") that produces "mockbusters" which are cheaper parodies of major films with similar titles. "Age of Hobbits" was scheduled for release on December 11, 2012, three



days before the release of plaintiffs' film, "The Hobbit."

Judge Gutierrez provided a thoughtful, detailed analysis of a trademark infringement claim. The court ruled that plaintiffs established a likelihood of success on their trademark infringement claim, rendering an analysis of trademark dilution claim unnecessary. The plaintiffs first proved their "protectable interest" in the hobbit marks

because they are federally registered and have an established secondary meaning demonstrated by evidence of consumer association and extensive marketing. The court then analyzed the second element of trademark infringement using the Ninth Circuit's eight -factor test for determining if "a likelihood of confusion exists." *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9<sup>th</sup> Cir. 1979). The court first found that Hobbit marks fall into the category of "fanciful or arbitrary, entitled to the strongest trademark protection." Asylum argued that the term "Hobbit" is not fanciful because it was used in the middle ages but provided no evidence to support that assertion. The court consulted the Oxford English Dictionary that has two definitions of "hobbit", one of which refers to Tolkien's hobbits. The second ,"hobbet", means "seed basket" with no obvious



connection to Tolkien's little people. The court noted that both Asylum's film and "The Hobbit" are feature length films in the fantasy genre scheduled for release within three days of each other and marketed with posters prominently displaying the term "hobbit". The court found, not surprisingly, that the marks are overwhelmingly similar and related. The plaintiffs

further established an actual confusion level connecting the movie "The Hobbit" with "Age of Hobbits."

The court rejected Asylum's claim that it had no intent to deceive the public. Asylum claimed that its reference to "hobbit" was to a human subspecies that was recently discovered in Indonesia. Scientists named this group *Homo Floresiensis* but nicknamed them "hobbits" because they resembled Tolkien's hobbits as described in his novel. Given that fact, the court rejected Asylum's claim that its movie *(Continued on page 16)* 

# Page 16

January 2013

# MLRC MediaLawLetter

#### (Continued from page 15)

about these creatures was unconnected to Tolkien's fictional hobbits. The court quickly grasped that Asylum's intent was to capitalize on the media attention that the release of "The Hobbit" would receive. For instance, it scheduled the "Age of Hobbits" release three days before "The Hobbit's" release. The court balanced all of the factors and found that there was "a likelihood of confusion" between "Age of Hobbits" and "The Hobbit" (duh).

The court rejected Asylum's two defenses. The first, derived from *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) recognizes a First Amendment interest that protects use of a trademarked title for an artistic work. Because Asylum asserted that the full title in no way relates to Tolkien's Hobbits, it failed the *Rogers* test that requires the use of the mark and the title to at least have some artistic relevance to the underlying work.

The court, again, concluded that Asylum's title is explicitly misleading because plaintiffs established the "likelihood of confusion" based on the *Sleekcraft* factors.

Asylum also asserted a fair use defense claiming that the term "hobbit" is generic but it presented no evidence to support that claim. In fact, consumers specifically associate the term "hobbit" with the Tolkien works and the species that was featured in the Asylum film was dubbed "hobbits" specifically by reference to the Tolkien characters.

Judge Guitierrez also balanced the likelihood of irreparable injury and the hardships to both parties. Because the plaintiffs had contacted Asylum several months before bringing suit in an effort to avoid litigation any harm to Asylum it assumed when it continued to produce and distribute the film because Asylum was on notice that a preliminary injunction may be sought. Finally, the court concluded that the public interest in not being deceived or confused weighed in favor of the plaintiffs. Thus the TRO was issued, with a hearing set for January 28, 2013 to determine whether the TRO should become permanent.

The bottom line: don't mess with the "little people" with a case that was too cute by far.

Judith A. Endejan is a partner at Graham & Dunn in Seattle, WA. Plaintiff was represented by Andrew J. Thomas and Farnaz Alemi, Jenner & Block, Los Angeles, CA. Defendant was represented by Scott Meehan, Malibu, CA.



# *MediaLawLetter* Committee

Michael Berry, Co-Chair Russell T. Hickey, Co-Chair Dave Heller, Editor Robert D. Balin Michael Berry Katherine M. Bolger Robert J. Dreps Judith Endejan Rachel E. Fugate Michael A. Giudicessi Charles J. Glasser Karlene Goller Shelley M. Hall Russell T. Hickey David Hooper Leslie Machado Michael Minnis Deborah H. Patterson Bruce S Rosen Indira Satyendra

January 2013

Page 17

# 2013 MLRC/Southwestern Law School 10th Annual Media and Entertainment Law Conference

On January 17, 2013, MLRC members and friends gathered in Hollywood, California at the Loews Hollywood Hotel for the tenth annual MLRC/Southwestern Law School Biederman Institute Conference on Media and Entertainment Law Issues. The Conference included sessions on copyright protection, international production and distribution, and right of publicity.



### TV Everywhere: Copyright Protection Nowhere or Somewhere?

Left to right: Michael D. Scott (Southwestern Law School), Richard L. Stone (Jenner & Block LLP), R. David Hosp (Fish & Richardson P.C.), Michael H. Page (Durie Tangri LLP)



**Rights (and Wrongs) of Publicity: The Evolving Law of Misappropriation** Left to right: Robert C. O'Brien (Arent Fox LLP), Vineeta Gajwani (Electronic Arts Inc.), Rebecca Sanhueza (Time Inc.), Bruce E.H. Johnson (Davis Wright Tremaine LLP), Brid Jordan (Reynolds Porter Chamberlain LLP)

### **RETURN TO TABLE OF CONTENTS**

# Page 18

January 2013

# MLRC MediaLawLetter



### Rights (and Wrongs) of Publicity: The Evolving Law of Misappropriation

Left to right: Nathan Siegel (Levine Sullivan Koch & Schulz, LLP) Robert C. O'Brien (Arent Fox LLP), Vineeta Gajwani (Electronic Arts Inc.), Rebecca Sanhueza (Time Inc.), Bruce E.H. Johnson (Davis Wright Tremaine LLP), Brid Jordan (Reynolds Porter Chamberlain LLP)



**Content Without Borders: Issues in International Production and Distribution** Left to right: F. Jay Dougherty (Loyola Law School), Shelly Tremain (NBCUniversal), Laine R. Kline (Fox International Productions), Tim Suter (Perspective Associates)

All photos by Liz Reinhardt/Southwestern Law School

January 2013

Page 19

# **Conference Sponsors**

Chubb Group of Insurance Companies Davis Wright Tremaine LLP Doyle & McKean, LLP Hiscox Inc. Katten Muchin Rosenman LLP Kelley Drye &Warren LLP Leopold Petrich & Smith Sidley Austin LLP

# **Conference Planning Committee**

Sandra S. Baron, Media Law Resource Center, Inc. David Cohen, ABC Maherin Gangat, Media Law Resource Center, Inc. David Halberstadter, Katten Muchin Rosenman LLP Steven G. Krone, Southwestern's Biederman Institute Tamara Moore, Southwestern's Biederman Institute Kelli L. Sager, Davis Wright Tremaine LLP Alisa D. Shudofsky, NBCUniversal

Full conference program can be <u>accessed here</u>. Additional materials from conference panels can be <u>accessed here</u>.



REPORTS FROM ALL FIFTY STATES, THE FEDERAL COURTS OF APPEALS, U.S. TERRITORIES, CANADA, AND ENGLAND

EDITED BY THE MEDIA LAW RESOURCE CENTER, INC



Now available from MLRC and Oxford University Press

# MEDIA LIBEL LAW 2012-13

Media Libel Law 2012-13 (November 2012) is a comprehensive survey of defamation law, with an emphasis on cases and issues arising in a media context.

# www.medialaw.org

# Iowa Expands Definition of "Media Defendant," Retains Libel Per Se Cause of Action

### By Leita Walker and Chuck Tobin

On January 18, the Iowa Supreme Court reversed a trial court's holding in a libel case that a self -publishing company was "not the *New York Times*, or any other media entity," instead holding that the company was a "media defendant" entitled to First Amendment protections against presumed falsity, fault, and damage. <u>Bierman v. Weier</u>, No. 10-1503, 2013 WL 203611, slip op. at 7-8 (Iowa Jan. 18, 2013).

While the Court ended the case against the publisher, it declined to abrogate libel *per se* entirely, holding that claims against the company's co -defendant, a private individual, should proceed to trial.

### **Background and District Court Proceedings**

*Bierman* arose out of the book *Mind, Body, and Soul*, authored by defendant Scott Weier and published by defendant Author Solutions, Inc. ("ASI"). The book described Scott's renewed relationship with God and resulting worldview after a messy divorce. Plaintiffs were Beth Weier, Scott's ex wife, and her father, Gail Bierman, who claimed that the book defamed them by, among other things, accusing Gail of

molesting Beth during her childhood and by stating that Beth suffered from mental illness as a result. Plaintiffs alleged libel, false light invasion of privacy, and intentional infliction of emotional distress.

After discovery revealed that only about thirty copies of the book had been distributed, and that plaintiffs could point to no one who thought less of them after reading the book, defendants separately moved for summary judgment. ASI's primary arguments were that plaintiffs had failed to show both fault and damage and that, because Author Solution was a member of the media, these elements could not be presumed against it. It also argued that the false light and emotional distress claims failed. With regard to false light in particular, ASI argued that plaintiffs were required to show

We must now decide whether we should continue to recognize libel per se and the distinction between media and nonmedia defendants, and if so, where ASI belongs.

actual malice but could not do so.

Plaintiffs brought a cross motion for summary judgment, seeking, among other things, a final determination that the statements were libelous *per se*. (Plaintiffs' argument relied in part on an earlier, preliminary finding by the district court that the statements were libelous *per se*, issued in connection with a temporary injunction against further distribution of the book in a proceeding that took place prior to ASI's participation in the lawsuit.)

On September 15, 2010, the district court granted plaintiffs' motion—finding that the statements were libelous *per se*—and denied defendants' motions. With regard to ASI in particular, the district court held—in jaw-dropping language to any First Amendment advocate—that ASI was not a media defendant and that the case should proceed to

trial against both defendants with the common law presumptions of falsity, fault, and damage applying against them. Specifically, the district court stated,

"ASI is not the *New York Times*, or any other media entity. Rather it is a business which contracts to publish documents for private authors. And while its authors may, in some

instances have first amendment rights, the rights retained by ASI have nothing to do with the First Amendment. . . . Accordingly, . . . the only element the Plaintiffs would have to prove is publication."

*Id.* at 7-8 (quoting district court). The district court went onto hold that, even in the absence of these presumptions, plaintiffs had demonstrated fact issues on each element of their libel claim sufficient to proceed to trial. Likewise, it held that issues of fact precluded summary judgment on the false light claim.

(Continued on page 21)

# MLRC MediaLawLetter

January 2013

#### (Continued from page 20)

The district court, however, granted summary judgment to ASI on the emotional distress claim, concluding plaintiffs had failed to show its conduct was sufficiently outrageous. The district court denied Scott's motion for summary judgment on all claims.

#### **Issues on Appeal**

Defendants applied for leave to pursue an interlocutory appeal, which the Supreme Court granted. ASI's appeal was supported by a coalition of amici curiae comprised of most of the largest media outlets that report the news in Iowa: Michael G. Gartner; Big Green Umbrella Media, Inc.; Lee Enterprises, Incorporated; Hearst Television, Inc.; SourceMedia Group; The Associated Press; Gannett Co., Inc.; The Iowa Newspaper Association; The Iowa Broadcasters Association; and The Iowa Freedom of Information Council. The amici briefing reinforced ASI's

arguments that it was a media defendant under U.S. Supreme Court case law and that the common law presumptions imposed against ASI violated the the U.S. and Iowa constitutions. The amici alternatively jointed the defendants in arguing for the abolition of the distinction between media/non-media

defendants, asking Iowa to follow the lead of many other states and abandon libel *per se* as a cause of action.

More than two years later—having held the case over once for supplemental briefing and re-hearing—the Court issued a 54-page opinion authored by Justice Edward Mansfield. It began by noting that whatever the state of First Amendment law after *Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749 (1985), Iowa law had historically viewed media defendant status as significant. *Bierman*, slip op. at 9; *see also id.* at 14-19 (charting state precedent). It then set forth its view of the task before it:

> We must now decide whether we should continue to recognize libel *per se* and the distinction between media and nonmedia defendants, and if so, where ASI belongs.

Id.. at 10. Ultimately, it answered "yes" to the first question,

noting its desire to retain libel *per se* "at this time," and then placed ASI squarely in the media defendant camp.

#### Retention of Libel Per Se

With regard to federal law, the Court rejected the argument that the media/nonmedia distinction is untenable after *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310 (2010), as well as the argument that punishing speech merely because it is false (in the absence of scienter or harm) is unconstitutional after *United States v. Alvarez*, 132 S. Ct. 2537 (2012). The Court pointed to *Dun & Bradstreet* as explicitly approving presumed damages in private-plaintiff, private-concern, non-media cases. *Bierman*, slip op. at 20.

It noted that six Justices in *Dun & Bradstreet* "declined to draw a First Amendment line based on defendants' media status" but stated that "this does not render Iowa's decision to honor such a distinction unconstitutional." *Id.* at 21; *see also id.* at 24 (stating that *Citizens United* does not suggest "that

> anything prevents a state from affording more protection to media defendants in libel cases . . . than the federal constitutional minimum").

> With regard to *Alvarez*, defendants had argued that the case stood for the principle that speech cannot be punished simply because it is false (which is what

libel *per se* essentially does). *Alvarez*, they argued, established a "falsity plus" standard: speech can be punished if it is false and knowingly so, or if it is false and causes actual harm. "The problem with this argument," according to the Court, however, was that the plurality in *Alvarez* "specifically highlighted defamation as a traditional area where the law was constitutional." *Id.* at 22.

Turning to the Iowa Constitution, the Court rejected the argument that language that "[e]very person may speak, write, and publish his sentiments on all subjects, being responsible for the *abuse* of that right," Iowa Const. Art. I, Sec. 7 (emphasis added), prohibits libel *per se*. The Court noted that the Iowa Constitution expressly allows for criminal libel and thus found it "difficult to see why it would not tolerate libel *per se* as well." *Id*. at 25-26.

Finally, the Court declined to abrogate libel *per se* on public policy grounds. It stated that libel *per se* is useful "in (Continued on page 22)

any other libel *per* established case over if it is fals

"Finally we must decide

whether to abrogate libel

per se on policy grounds."

# Page 22

### January 2013

### (Continued from page 21)

an area where it is often difficult for a plaintiff to prove actual damages." *Bierman*, slip op. at 29. It was also skeptical of the view that the Internet is "a great equalizer," stating that "We are not persuaded . . . that the Internet's ability to restore reputations matches its ability to destroy them." *Id.* at 30. With regard to the media/nonmedia dichotomy, the Court suggested that lesser protection for nonmedia defendants was justified by the possibility that such "individuals may have fewer incentives to self-police the truth of what they are saying." *Id.* at 36.

### Two-part Test for the "Media"

Having decided to retain libel *per se*, the Court turned to the issue of whether ASI was a media defendant immune to the presumptions of the libel *per se* doctrine.

In answering this question affirmatively, the Court established the following test applicable to defendants that, while they do not "report news,"

nevertheless claim to be "media defendants":

A person or entity like ASI whose regular practice is to (1) receive written materials prepared by a number of

different third parties and (2) make finished products from the materials that are designed to be more suitable and accessible for the public to read should be considered a publisher and a media defendant for purposes of our case law.

*Id.* at 41. The plaintiffs had acknowledged that if ASI were either a traditional publisher or a just a contract printer, it could not be found liable without proof of negligence, and the Court rejected their claim that because ASI's involvement in publishing Scott's book fell somewhere in the middle it was in a "no man's land" where strict liability was allowedd. at 42.

Having determined that ASI was a media defendant, and that the First Amendment therefore precluded the presumptions of falsity, fault, and damage, the Court reviewed the record and found it "devoid of evidence that anyone changed his or her opinion of the [plaintiffs] after

"We are not persuaded ... that the Internet's ability to restore reputations matches its ability to destroy them."

reading the book." *Id.* at 46. It therefore concluded that ASI was entitled to summary judgment on plaintiffs' libel claims.

ASI's co-defendant was not so lucky: as a non-media defendant, the libel *per se* presumptions applied against him, and the Court held that Plaintiffs' claims against him should proceed to trial.

### Concurring, Dissenting Opinions, and Other Items of Note

The Court decided a number of other issues, including:

• Although libel *per se* presumptions may not apply where the statements at issue involve matters of public concern, Scott's statements about his ex -wife and father-in-law did not fit that bill. *Id.* at 44. The defendants had characterized the book as discussing religious beliefs, mental health, and unprosecuted child abuse. But the Court rejected this

> characterization, holding that "this approach would broaden the 'public concern' category so it covers virtually anything." *Id.* at 45.

• Not only should Iowa retain the libel *per se* doctrine, but the challenged statements were, in fact, libelous *per se*.

Defendants had argued that because extrinsic facts, inducement, and innuendo were needed to understand who Scott was talking about (the book never used Gail's name and only used Beth's a few time), the statements were merely libelous *per quod*. The Court largely glossed over this argument, finding that "it does not take speculation or guesswork to put two and two together" and that plaintiffs had "shown the existence of a fact issue as to whether the challenged statements were 'of and concerning' them." *Id.* at 50.

• The Court also held that ASI was entitled to summary judgment on plaintiffs' false light claims. In so holding, it made clear that such claims require a showing of actual malice and seemingly applied this element of fault irrespective of the status of the defendant.

(Continued on page 23)

January 2013

### (Continued from page 22)

Justice David Wiggins concurred specially, stating that "the majority bypassed an important opportunity to articulate a test or factors that would assist our courts and attorneys in identifying a media defendant in future litigation. *Id.* at 55 (Wiggins, J., concurring specially).

And finally, Justice Daryl Hecht was joined by Justice Brent Appel in concurring in part and dissenting in part on the ground that Scott was also entitled to summary judgment on the plaintiffs' libel claims. Justice Hecht wrote that he

found the media/nonmedia dichotomy unsound and unsupported by the state constitution, especially when its text

stated "every person" had the rights to speak and print their sentiments on all subjects. The dissent further concluded that "libel *per se* is a doctrinal relic that is not worth preserving." *Id.* at 59 (Hecht, J., concurring in part, dissenting in part).

Mike Giudicessi, a partner at Faegre Baker Daniels in Des Moines, and Leita Walker, a senior associate in the firm's Minneapolis office, represented Author Solutions, Inc. Chuck Tobin, Drew Shenkman and Christine Walz, with Holland & Knight's Washington, D.C. office, along with Sharon K. Malheiro and Jeffrey D. Ewolt, of David, Brown, Koehn, Shors & Roberts, in Des Moines, represented the amici curiae in support of the appeal of Author Solutions, Inc.



Page 24

# MLRC MediaLawLetter

# Seventh Circuit Affirms Dismissal of Privacy Suit Against Joan Rivers

# Documentary Scene Not Private, Use Was Incidental

The Seventh Circuit this month affirmed dismissal of privacy and misappropriation claims against comedian Joan Rivers and the producers of the documentary "Joan Rivers –A Piece of Work." *Bogie v. Rivers, et al.*, No. 12-1923 (7<sup>th</sup> Cir. Jan. 17, 2013) (Hamilton, Bauer, Flaum, JJ.).

The plaintiff appeared in a 16 second portion of the documentary that showed plaintiff speaking to Rivers backstage after a performance at a Wisconsin casino. Plaintiff alleged that she was filmed without consent and that it was offensive to have captured their conversation. Plaintiff also alleged that the use of the scene was "commercial"

within the meaning of Wisconsin's misappropriation law.

The Seventh Circuit held that plaintiff failed to state either claim and rejected her argument that dismissal before discovery was premature.

#### Background

The 2010 documentary "Joan Rivers: A Piece of Work" follows the star's performances over the course of a year. The trigger for the lawsuit was a performance where Rivers told a Helen Keller joke and was heckled by an offended audience member who had a deaf son. The plaintiff, who had no role in that exchange, was invited backstage after the show to get an autograph. She was filmed exchanging a few words with Rivers, including expressing her own anger at the heckler. Plaintiff alleged this portrayed her as insensitive. The district court dismissed the complaint for failure to state a claim.

#### Appeal

On appeal, the Seventh Circuit first held that the district court was correct in viewing the documentary in ruling on the motion to dismiss since plaintiff had attached a copy to her claim. On the merits, the Court held there was no reasonable expectation here where plaintiff visited a celebrity backstage but in the presence of security and other personnel. This was not a "private dressing room or the like." And the plaintiff had failed to plead any other facts to suggest otherwise.

The Court looked at the casino setting and other cases that found that such a locale did not attract a general expectation of privacy. *See, e.g., Harris v. City of Seattle,* 2003 WL 1045718, at \*5 (W.D. Wash. March 3, 2003) (teacher filmed playing slot machine); *People for the Ethical Treatment of Animals v. Bobby Berosini, Ltd.,* 895 P.2d 1269, 1282 (Nev. 1995) (no expectation of privacy over backstage filming).

Moreover, plaintiff failed to allege facts to support the offensiveness element of the claim. She argued that the media intrusion was offensive because 1) she did not consent; 2) defendants had a profit motive; and 3) the video captured an embarrassing moment for plaintiff.

The Seventh Circuit addressed each point in detail. First, the Court called lack of consent "a makeweight of sorts" since it made the claim theoretically possible, but without more factual detail it failed to support the offensiveness element. Second, the defendants' profit motive was not relevant to the offensiveness element, though it could be relevant to a misappropriation claim.

Third, the fact that defendants filmed an embarrassing moment could "not convert the filming itself into a highly offensive intrusion."

Lastly, the misappropriation claim failed as a matter of law because the documentary was protected under the newsworthiness / public interest exception under Wisconsin law and the use of plaintiff's image was merely incidental.

The Court cited one movie review which called the documentary a universal story that "speaks to aging in a culture obsessed with youth." The Court also referenced *Borat* and *Tonight Show* funny headline litigations to illustrate the broad nature of the newsworthiness exception. Finally, the brief 16 second clip in an 82 minute film was incidental and minimal as a matter of law.

Plaintiff was represented by Mark Allen Seidl, Seidl & Stingl, S.C., Wausau, WI. Defendants were represented by Autumn Nero, Perkins Coie LLP, Chicago; and David Edwin Jones and Michael J. Mohr, Perkins Coie LLP, Madison, WI.

January 2013

Page 25

# **Univision Wins Texas SLAPP Law Appeal**

### **By Chip Babcock**

In the first appellate decision on the merits of the Texas Anti-SLAPP statute the Dallas Court of Appeals has ruled in favor of the Univision Television Group and its local station KUVN reversing a trial court which had refused to rule on the network's motion to dismiss but rather had ordered substantial discovery. <u>Avila & Univision Television Group</u>, <u>Inc. v. Larrea</u> (Dec. 18, 2012). The appeals court had previously stayed discovery and, in an opinion authored by Justice Doug Lang, ordered that the Plaintiff's defamation case be dismissed. The matter was remanded to the trial court for a mandatory award of the defendants' attorney's fees.

The suit resulted from a two part series about an attorney who allegedly had hired a woman to pass out his business cards outside the county jail. A city official was quoted as saying that this practice violated a city ordinance after reviewing the woman's activities which had been captured by a hidden camera. The broadcast also reported on the complaints of two clients who alleged substandard conduct by the lawyer who, on camera, denied the allegations. The lawyer claimed defamation.

The Defendants filed a motion to dismiss under the new Texas Citizens Participation Act . They argued that the Act applied because the news broadcasts related to their exercise of the right of free speech and right to petition. They further asserted that the Plaintiff was a public figure and produced evidence from which a court could make that determination. Finally defendants asserted that there was no evidence of the elements of the Plaintiff's cause of action for defamation. The day prior to the hearing Plaintiff filed a response arguing that the Act was only intended to apply to "David v Goliath [sic] scenarios involving the First Amendment" and not to "a large corporation ... against an ordinary citizen." The Plaintiff also provided an affidavit in which he purported to lay out "clear and specific evidence a prima facie case for libel" as the statute requires.

The trial judge heard argument and rejected the Plaintiff's effort to introduce evidence at the hearing as the statute clearly indicates that the motion is to be determined by affidavits. He took the matter under advisement after noting that the statute gave him thirty days to make a decision after which the motion is deemed denied by operation of law.

On the thirtieth day the trial court entered an order which neither granted nor denied the motion but noted the "irony" of a big corporation taking advantage of this statute which had been designed for citizens being prosecuted by moneyed interests. He granted discovery on the issues of falsity and "actual malice" and reset the hearing on the motion to dismiss.

Univision appealed arguing that the motion had been denied as a matter of law. The Plaintiff moved to dismiss the appeal claiming that the appellate court was without jurisdiction because all the statute required was that the district judge "rule" within thirty days which he did. The Court of Appeals denied the motion to dismiss and explained that the statute "clearly states that the court must "rule on" a motion to dismiss …within 30 days… only two options are described (in the statute): "to dismiss" the legal action or "not to dismiss" it.

The plaintiff also argued that the Court lacked jurisdiction because Univision had not met its burden of showing "by a preponderance of the evidence" that the Act applied. The Court had little difficulty finding that the matter related to a matter of public concern and raised free speech issues.

Next the Plaintiff argued that he had provided "clear and specific" evidence of each element of his claim. The Court disagreed and relied upon a line of Texas cases that hold that on falsity the issue is not whether a news report of an allegation is true but whether the allegation was made and accurately reported. Plaintiff, the court said, "does not demonstrate that the record shows appellants reported any allegations inaccurately."

The Plaintiff also argued that an internet summary of the broadcasts had the headline: "Lawyer in Dallas Defrauding the Undocumented?". The Court found that this headline "was phrased as a question and was not posed in a manner that suggested otherwise". It was not therefore "an objectively verifiable fact." Likewise the Court found that describing the Plaintiff's handling of a case as a "nightmare" for the family was a non-actionable opinion.

The Court ducked the question of what "clear and specific evidence", as used in the statute, means holding that there was no evidence of falsity.

Plaintiff has filed a motion for rehearing which is pending. Univision was represented by Chip Babcock, David Moran and Andrew Graham of Jackson Walker LLP.

The Plaintiff was represented by Cynthia Hollingsworth, a former Justice of the Dallas Court of Appeals.

Page 26

January 2013

MLRC MediaLawLetter

# Ninth Circuit Finds That SLAPPing Superman Can Be Subject to Immediate Review in Federal Courts

#### By Judith A. Endejan

On January 10, 2011 in *DC Comics v. Pacific Pictures Corporation et al.*, (No. 11-56934) the Ninth Circuit held that the denial of an anti-SLAPP motion can be immediately reviewed in federal courts. The underlying case involves the rights to the Superman character created in the mid-1930's by Jerome Siegel and Joseph Shuster. These two conveyed exclusive rights to Superman to the plaintiff, DC Comics. This conveyance has been the subject of bitter financial disputes and frequent litigation between DC and Siegel, Shuster and their heirs for several decades.

The current case involves the heirs' (the defendants) attempts to terminate the transfer of Superman's copyright to DC, which sued the defendants under California law for intentional interference with contractual relations, intentional interference with perspective economic advantage and violation of California's unfair competition law. The defendants filed a motion to strike DC's intentional interference and unfair competition claims under California's anti -SLAPP statute, Cal. Civ. Pro. Code § 425.16.

#### **Denial of anti-SLAPP Motion Is Appealable**

At issue was whether a denial of the anti-SLAPP motion was "a final decision" immediately reviewable under the collateral order doctrine. That doctrine applies to decisions that (1) are conclusive and (2) resolve important questions separate from the merits and (3) are effectively unreviewable on appeal from a final judgment in the underlying action.

The California anti-SLAPP statute specifically permits an immediate appeal in state court from the denial of an anti-SLAPP motion to strike but the question was not settled in federal court.

Relying on *Batzel v. Smith*, 333 F.3d 1018, 1025-26 (9<sup>th</sup> Cir. 2003) the court said that the denial order satisfied the first two "collateral order" criteria. The *DC* case focused on the third criteria, namely whether the denial of an anti-SLAPP motion would "effectively be unreviewable on appeal from a final judgment." The court concluded that California's anti-SLAPP statute was "in the nature of immunity rather than a defense against liability." Because federal law allows the immediate appeal of orders pertaining to immunities, the Ninth Circuit found that this rule should apply equally to immunities created by state law, such as the denial of an anti-SLAPP motion. The court found:

Unlike a defense against liability, an mmunity from suit would be significantly imperiled if we did not permit an immediate appeal, in that it is "effectively lost if a case is erroneously permitted to go to trial."

Judge Stephen Reinhard wrote the unanimous ruling that now establishes the same anti-SLAPP appeal rights in a federal forum as in a California state forum. He noted that this result is necessary "especially so given the particular public interest that the anti-SLAPP statute attempts to vindicate. It would be difficult to find a value of a 'higher order' than the constitutionally-protected rights to free speech and petition that are at the heart of California's **asit** APP statute."

Judith A. Endejan is a partner with Graham & Dunn in Seattle, WA. Plaintiffs in this litigation are represented by Jonathan D. Hacker, O'Melveny & Myers LLP, Washington, D.C.; Daniel M. Petrocelli, Matthew T. Kline, and Cassandra L. Seto, O'Melveny & Myers LLP, Los Angeles, CA. The defendants are represented by Toberoff & Associates, P.C., Malibu, CA; and Kendall Brill & Klieger LLP, Los Angeles, CA.

### **RETURN TO TABLE OF CONTENTS**

January 2013

# Maine Supreme Judicial Court Intervenes on 24-Hours Notice to Stop Secret Jury Selection in "Zumba" Prostitution Case

Decisive Action to Enforce and Apply Press-Enterprise I

#### By Sigmund D. Schutz and Benjamin S. Piper

The "Zumba" prostitution scandal in Maine has already made national and international news for its mix of alleged prostitution by a Zumba dance instructor at her studio and elicit videotaping and meticulous recordkeeping naming 150 or so "johns" (66 of whom have already been outed) – all in the picturesque coastal town of Kennebunk, Maine. We now add to that mix a whirlwind First Amendment battle ending in a victory for the public's right to access jury selection in criminal cases in Maine. <u>In Re Maine Today Media, Inc.</u>

The sequence of events that led Maine's highest court to issue an extraordinary order halting secret jury selection midcourse and then ordering that remaining jury selection take place in public began on Friday, January 18 when the trial justice, Nancy Mills, issued an "Order Concerning Media Coverage During Trial." Justice Mills deserves credit for taking steps to consider and allow print and broadcast media access, but the order referred to space limitations at the nineteenth-century York County Courthouse in Alfred, Maine that might leave "little, if any, room for the public or the media" to attend jury selection during the trial of the alleged Zumba prostitute's alleged male business partner and videographer, Mark Strong, Sr.

After a three-day weekend, on Tuesday January 22, Justice Mills began jury selection, but completely excluded the news media and the public. No motion had been made by the prosecution or defense to close jury selection to the public, no advance notice had been provided, and no written findings had been made. As disconcerting, jury selection was conducted by individual voir dire in the Judge's chambers, leaving the courtroom – with a 110 person capacity – empty.

Within a few hours, counsel for the *Portland Press Herald / Maine Sunday Telegram* filed an objection with Justice Mills pointing out that the First Amendment requires that jury selection take place in public, with closure subject to the strict scrutiny test set out in *Press-Enterprise Co. v. Superior Ct. of Cal., Riverside Cty.*, 464 U.S. 501 (1984) ("*Press-Enterprise I*"). The Supreme Court re -affirmed and applied that same test, albeit in a Sixth Amendment challenge, in *Presley v. Georgia*, 558 U.S. 209 (2010).

In light of the reference to space limitations expressed in the Court's January 18 Order, the *Press Herald* argued that the Supreme Court's reasoning in *Presley* essentially forecloses the possibility that jury selection could ever be done in secret solely due to space limitations. The First Circuit U.S. Court of Appeals put the point this way in *Bucci v. United States*, 662 F.3d 18, 26 (1st Cir.2011), "Even if the courtroom were completely filled with prospective jurors, it would not likely justify the closure. . . alternative methods of increasing the available public seating, such as splitting the venire, must be adopted if reasonable."

The Maine SJC's subsequent opinion reveals that Justice Mills initially agreed to open jury selection to the public after receiving the *Press Herald's* objection, but the defendant then "expressed concerns about the ability to draw an impartial jury" and, therefore, Justice Mills proceeded with closed jury selection by individual voir dire in chambers.

That evening, counsel alerted by e-mail the Clerk of the Maine Supreme Judicial Court ("Maine SJC"), the court's information officer, as well as the prosecution and defense attorneys that an emergency motion for relief from closure of jury selection would be filed in the morning.

On the morning of January 23, counsel received an e-mail from the court's information officer at about 8:30 a.m. saying, "You may want to wait for the trial court's ruling this morning around 9." If that was cause for hope, it proved unfounded: Justice Mills went on the record at about 9:15 a.m. to state her reasons for closing jury selection to the public. She explained that the case had attracted "extraordinary and unprecedented media coverage," that jurors had been told that their answers would be confidential, and that confidentiality would allow "probing questions" and "candid answers."

Within minutes, the *Press Herald* filed an appeal along with a motion for a temporary restraining order or, in the *(Continued on page 28)* 

## Page 28

January 2013

# MLRC MediaLawLetter

#### (Continued from page 27)

alternative, a writ of mandamus with the Maine SJC. A few hours later, the Chief Justice of the Maine SJC disclosed that she had some knowledge of Justice Mills' January 18 order, but had no input into that order and would be "fair and impartial regarding the pending matter." The *Press Herald* consented immediately.

The *Press Herald* took further steps to perfect its claim for immediate relief by filing motions with the trial judge to intervene for the limited purpose of objecting to closure and for a stay to permit the Maine SJC to resolve the case on the merits. Justice Mills acted swiftly to deny these motions, writing that intervention would "unduly delay and potentially prejudice the rights of the original parties" and that intervention "will interfere with the parties' right to a fair and impartial jury." The Clerk's office faxed those decisions to the *Press Herald's* counsel shortly after 5:00 p.m the same day, January 23.

The following morning, the *Press Herald* filed a renewed appeal and a renewed motion with the Maine SJC for a temporary restraining order and other relief. At 10:16 a.m. – about 24 hours after the *Press Herald* first appealed – the entire Court voted 6-1 to issue an "Urgent Order" staying jury selection while the Court considered the appeal. Foreshadowing things to come, a footnote indicated that the lone dissenting Justice "strenuously objects to intervention in the trial process."

At 1:48 p.m., the Court released its decision, vacating the denial of the motion to intervene, vacating the order barring the public from the entirety of the voir dire process, but allowing the trial court to exercise "its considerable discretion to prevent the dissemination of sensitive juror information." In Re. MaineToday Media, Inc., 2013 ME 12, A.3d . The Court rejected the trial judge's reasons for closing proceedings to the public, finding that "the trial court exercises substantial discretion over the mode and conduct of voir dire, [but] a generalized concern that juror candor might be reduced if voir dire is conducted in public is insufficient pursuant to Press-Enterprise to bar the public or media from the entirety of the process." Id., ¶7. The decision alters jury selection in Maine, where trial judges often conduct extensive individualized voir dire "with the practical effect that the public [is] excluded from the voir dire process." Id. ¶4. With respect to the two days of jury selection that had already taken place in secret, the Court wrote that the court should provide "appropriately redacted transcripts." Id. ¶9.

The dissenting Justice argued that the Court should not have "involve[d] itself in the trial process to direct how the trial court should conduct voir dire and jury selection" and, instead, that the case should have been resolved in the usual course (the typical appeal in Maine takes about one year between filing briefs and a final decision) with the remedy being release of transcripts of jury selection if the *Press Herald* prevailed. *Id.* ¶ 11 (Alexander, J., dissenting). The Court gave the *Press Herald*, the State and the defendant 12 minutes to ask for reconsideration (until 2:00 p.m.), and set a deadline for filing any motions for reconsideration of 4:00 p.m. No one took the Court up on that offer.

The Maine SJC's opinion disapproves of individualized voir dire practices in Maine, but does not plow new ground when it comes more broadly to the First Amendment right to attend jury selection - that is well-settled. What is more unusual, if not unprecedented, is that the Court halted jury selection mid-stream, and all seven Justices engaged and issued a final decision on appeal within about 24 hours. The SJC hurdled past nearly all of the procedural steps set out in Maine's Rules of Appellate Procedure. The SJC's decision to proceed straight to a final decision reflects, on the one hand, the need to correct a clear violation of the First Amendment and, on the other hand, the need to avoid delay of the underlying criminal trial. Of concern, also, may have been a desire on the Court's part to put a lid on a First Amendment controversy and to advance the cause of public confidence in the criminal justice system, the principle underlying the public's right to attend all phases of any criminal trial in the first place.

The relevant orders and decisions by the Maine courts can be found here: <u>www.courts.state.me.us/news\_reference/</u><u>high\_profile/strong.shtml</u>. A video of Justice Mills' statement of reasons for closing jury selection to the public can be found here: <u>www.pressherald.com/news/mills-maine-zumba-</u><u>mainetoday-media-jury-selection-prostitution-</u><u>kennebunk.html</u>

Sigmund D. Schutz and Benjamin S. Piper of Preti Flaherty, LLP in Portland, ME were counsel of record for MaineToday Media, Inc., publisher of the Portland Press Herald / Maine Sunday Telegram. At one point Mr. Schutz and Mr. Piper were simultaneously camped out at the Maine SJC's clerk's office in Portland, ME, and the York County Clerk's Office in Alfred, ME, respectively. Ben Piper's father and the firm's managing partner, Jonathan S. Piper, provided strategic advice and encouragement.

January 2013

Page 29

# Judge Denies NYT Access to DOJ's Legal Memos About Drone Strikes

### By David McCraw

While decrying the "Alice -in-Wonderland nature" of government secrecy, a federal judge in New York has dismissed a FOIA suit brought by The New York Times seeking disclosure of Justice Department memoranda analyzing the legality of targeted killings abroad by the U.S. government.

"I can find no way around the thicket of laws and precedents that effectively allow the Executive Branch of our Government to proclaim as perfectly lawful certain actions that seem on their face incompatible with our Constitutions and laws, while keeping the reasons for their conclusion a secret," Judge Colleen McMahon of the Southern District of New York wrote in her January 3 decision (<u>New York Times</u> <u>Co. v. United States DOJ</u>, 2013 U.S. Dist. LEXIS 979).

Her decision spent pages cataloguing the various ways in which the targeted killings appear to violate U.S. law before concluding that exemptions in FOIA for

classified information and deliberative documents provided a legal basis for DOJ to keep its analyses secret. The "Alice-in-Wonderland nature of this pronouncement is not lost on me," she wrote.

The Times brought the FOIA lawsuit after the radical cleric Anwar al-Awlaki

and his son, both U.S. citizens, were killed by drone strikes in Yemen in 2011. The Times sought all DOJ memoranda discussing the legality of targeted killings outside of war zones.

DOJ acknowledged that it had one responsive memorandum that was sent to Department of Defense but asserted that it could be legally withheld under FOIA's exemptions for national security materials and intra- and inter -agency deliberations. DOJ declined to say whether any other legal memoranda exist, claiming that to do so would jeopardize national security – a so-called "Glomar response." In fact, in October of 2011, The Times wrote about one such memo, citing confidential sources ("Secret U.S. Memo Made Legal Case to Kill a Citizen," Charlie Savage, October 8, 2011).

After The Times filed its suit in December 2011, the American Civil Liberties Union filed a similar FOIA action

seeking the same legal memoranda as well as other documents pertaining to targeted killings. Judge McMahon's decision also dismissed the ACLU's suit, with the exception of a request for two unclassified documents, for which DOJ was given permission to provide a further factual basis for withholding.

Much of the argument turned on whether legal analysis could be properly classified. The Times and the ACLU argued that legal analysis did not fall within the scope of information that could be designated secret under Executive Order 13256, which sets out the Executive Branch's power to classify, or laws pertaining to the intelligence services. The classification laws should be read to cover military plans and intelligence activities and methods, not lawyers'

interpretation of domestic and international law, the plaintiffs said in their briefing.

But the court ruled that there was "no reason why legal

analysis cannot be classified pursuant to E.O. 13526 if it pertains to matters that are themselves classified." The judge also rejected the plaintiffs' arguments that the government had waived the benefit of classification when senior officials, including President Obama and Attorney General Eric Holder, had publicly discussed the drone strikes and

defended their legality. Judge McMahon focused on a speech made by Holder at Northwestern University during which he claimed that the strikes comported with due process. She concluded that the Holder speech was not a waiver because it did not provide the "actual reasoning that led the Government to conclude that the targeted killing of a suspected terrorist complies with the law of war, or accords a suspect due process of law, or does not constitute assassination."

In a version of the court's decision released on January 2, Judge McMahon wrote, "It lies beyond the power of this Court to conclude that a document has been improperly classified." The statement, which cited no precedent and is at odds with decisions by the Second Circuit and other federal courts, quickly prompted criticism from press and civil-*(Continued on page 30)* 

The Times brought the FOIA lawsuit after the radical cleric Anwar al-Awlaki and his son, both U.S. citizens, were killed by drone strikes in Yemen in 2011.

### Page 30

January 2013

# MLRC MediaLawLetter

#### (Continued from page 29)

liberties groups. The next day, Judge McMahon issued a corrected decision, and the sentence had disappeared. The decision now says, "It lies beyond the power of this Court to declassify a document that has been classified in accordance with proper procedures on the ground that the court does not think the information contained therein ought to be kept secret."

In addition to challenging classification, the plaintiffs also argued that the memoranda should be public under FOIA's "working law" doctrine, which holds that a document setting out the rules or policies under which an agency acts cannot be

withheld as deliberative material. That argument was also rejected because, according to the court, there was no proof of "explicit adoption" of any memorandum by the Executive Branch.

While the case was pending, the Second Circuit issued a wide-ranging decision clarifying the "working law" doctrine (*Brennan Center v. U.S. Department of Justice*, 697 F.3d 1984

(2d Cir. 2012)), and Judge McMahon had the parties file supplement briefs, but *Brennan* ultimately played little part in the District Court's analysis.

The court's public decision, which ran some 70 pages, addressed only matters that were disclosed in the public record. A second opinion, which is itself classified, deals with materials provided by the government *ex parte* and *in camera*. The court said in a footnote that it had submitted a draft of the public decision to the FBI in advance so that the agency could screen the decision for inadvertent disclosures

of classified material.

Early in the decision, Judge McMahon chided the administration for being unwilling to share its legal reasoning, no matter what FOIA requires. "More fulsome disclosure of the legal reasoning on which the administration relies to justify the targeted killing of individuals, including United States citizens, far from any recognizable 'hot' field of battle, would allow for intelligent discussion and assessment of a tactic that (like torture before it) remains hotly debated," she said.

The Times announced that it intends to appeal, as did the

ACLU. "This ruling denies the public access to crucial information about the government's extrajudicial killing of U.S. citizens and also effectively greenlights its practice of making selective and selfserving disclosures," Jameel Jaffer of the ACLU said.

A FOIA case brought by the California First Amendment Coalition seeking the same legal memoranda is

currently pending in the Northern District of California.

The Times was represented by David McCraw, assistant general counsel, and Nabiha Syed and Steve Gikow, First Amendment Fellows at The Times. The ACLU was represented by Eric Ruzika, Joshua Colangelo-Bryan, and Colin Wicker of Dorsey & Whitney and Jameel Jaffer, Hina Shamsi, and Nathan Wessler of the ACLU. The Department of Justice was represented by AUSA's Sarah Normand, Elizabeth Shapiro, and Amy Powell.

MEDIA LIBEL LAW 2012-13

REPORTS FROM ALL FIFTY STATES, THE FEDERAL COURTS OF APPEALS, U.S. TERRITORIES, CANADA, AND ENGLAND

EDITED BY THE MEDIA LAW RESOURCE CENTER, INC



Now available from MLRC and Oxford University Press

# MEDIA LIBEL LAW 2012-13

Media Libel Law 2012-13 (November 2012) is a comprehensive survey of defamation law, with an emphasis on cases and issues arising in a media context.

### www.medialaw.org

d little part in The Times general coun 70 pages, Amendment in the public represented b

Early in the decision, Judge

McMahon chided the

administration for being unwilling

to share its legal reasoning,

no matter what FOIA requires.

January 2013

# Maryland State Education Board Reaffirms Legal Notice Advertising Law

#### By Drew Shenkman and Eric Lieberman

The Maryland State Board of Education recently reversed the Baltimore County School Board's decision to approve a new elementary school site because it violated Maryland's newspaper notice requirement. In *Dunloy Townhome Condominium, Inc. v. Baltimore County Board of Education,* the State Board remanded the case to the County Board "so that it may publish legally sufficient notice and conduct a new site selection hearing to cure the defect."

At issue in the case was a homeowners' association challenge to a vote of the Baltimore County School Board approving the site of a new elementary school on grounds that notice of the meeting where the vote was taken was not been published in a newspaper of general circulation in the county, as Maryland law requires. A newspaper of general circulation is defined specifically within the Maryland Code.

In defense of the challenge to the vote, the school board asserted that its press release announcing the meeting, posted on the school system's website, along with numerous news reports on the controversy over the site, constituted substantial compliance with the law.

In the proceeding before the State

Board, the Maryland-Delaware-District of Columbia Press Association (MDDC) and the *Washington Post* submitted comments stressing the importance of the Maryland law requiring that notice of school site-selection meetings be published at least ten days prior in a newspaper of general circulation in the county. The State Board accepted MDDC and the *Post's* submission as part of the record over the school board's objection, and rejected the County's various arguments as to why it substantially complied with the notice requirements without actually publishing the notice in a newspaper of general circulation.

The State Board's decision noted that the notice requirement serves several purposes—not only the inform the public of the date, time, and place of the hearing—but also to inform the public of the exact issue before the board, ensuring that all citizens have the opportunity to meaningfully participate in the government process. The decision underscores the importance of strict compliance with the law noting that it "accomplishes all of [the purposes behind the requirement] in an effective and fair way because the statute assures all members of the public that legal notice of the hearing will be published in the prescribed manner. This puts the members of the public on a level playing field. They know where they need to look for notice that the government might act on something that matters to them. News coverage, internet traffic, emails, and the like fail to provide this same finality because they exist for a different reason and the public has not been told to look to these sources for notice." Because the school board acknowledged that it did not properly publish the notice of the hearing in a newspaper of general circulation in the county, the State Board reversed

> the decision and remanded the case so that the board may publish legally sufficient notice and conduct a new hearing.

Around the country, newspapers are facing increased challenges to wellestablished legal systems that recognize newspapers are the surest means of

providing the public with vital information about the operation of local government. This decision is therefore an important reminder of the public interest in the vitality of the newspaper industry.

Eric Lieberman, Vice President and Counsel, The Washington Post, Chip McCorckle, law student at New York University, and Drew E. Shenkman and Charles D. Tobin, Holland & Knight LLP, Washington D.C., for Amici Curiae Washington Post Media and the Maryland-Delaware-District of Columbia Press Association; Alan P. Zukerberg, Law Office of Alan P. Zukerberg, Esq., Baltimore, MD, for Dunloy Townhome Condominium, Inc. et al.; Andrew W. Nussbaum, Nussbaum Law, LLC, Clarksville, MD, and Margaret-Ann Howie, General Counsel, Baltimore County Public Schools, Towson, MD, for Baltimore County Board of Education.

This decision is an important reminder of the public interest in the vitality of the newspaper industry.

# **California Attorney General Cracks Down on Apps That Fail to Comply With Privacy Law**

#### **By Daniel Rockey**

California led the way on privacy for websites when it enacted the California Online Privacy Protection Act (Cal. Bus. & Prof. Code §§ 22575 -22579) in 2004, the first law in the country to require websites to post a privacy policy. (Cal OPPA requires "an operator of a commercial Web site or online service that collects personally identifiable information through the Internet about individual consumers residing in California who use or visit its commercial Web site or online service" to post a privacy policy that complies with specified requirements. Cal. Bus. & Prof. Code § 22575(a) and (b). The privacy policy must be "conspicuously" posted, and in the case of an online service, "reasonably accessible ... for consumers of the online service." Cal. Bus. & Prof. Code § 22575(a) and § 22577(b)(5).)

California is leading the way once again with mobile applications. California Attorney General Kamala Harris made waves in February 2012 when she announced an agreement with the leading operators of mobile application platforms to improve privacy protections. The <u>agreement</u> included Amazon, Apple, Google, Hewlett-Packard, Microsoft, Research In Motion, and later Facebook.

A key underpinning of that agreement was the conclusion by Harris that Cal OPPA, which by its terms applies to "a commercial Web site or online service that collects personally identifiable information through the Internet about individual consumers," applies not only to websites but mobile applications as well, notwithstanding their relative dearth of virtual real estate.

#### A Shot across the Bow

Harris upped the ante again in October 2012, when she issued a slew of "non -compliance letters" to a hundred app developers, putting them on notice that they were in violation of Cal OPPA for collecting Personally Identifiable Information ("PII") without conspicuously posting a privacy policy in their applications. Among those receiving noncompliance letters were Fortune 500 companies United and Delta Airlines, and online restaurant reservation site Opentable. The letters made clear the State of California's position that an operator of a mobile application is an "online service" within the meaning of Cal OPPA and must comply with all of its provisions. The letters went on to warn the notified companies that violators of Cal OPPA are subject to civil penalties of up to \$2,500 per violation which, the Attorney General made clear, applies to "each copy of the unlawful app downloaded by California consumers."

#### First Lawsuit Filed

For most companies, these warnings were enough. But according to the Attorney General, one major company failed to heed them. On December 6, 2012, the Attorney General filed the first lawsuit seeking to enforce Cal OPPA against a mobile app developer. The complaint alleges that Delta Airlines, through its "Fly Delta" app, collects various categories of PII from users of the app, including a user's full name, telephone number, email address, frequent flyer account number and PIN code, photographs, and geo-location information, but fails to include an in-app privacy policy, and that as a result, "[u]sers of the Fly Delta application do not know what personally identifiable information, or to whom that information is shared, disclosed, or sold."

The complaint alleges that this practice violates not only Cal OPPA, but the California Unfair Competition Law (Bus & Prof. Code § 17200 *et seq.*), and seeks a permanent injunction prohibiting further violations, civil penalties of \$2,500 "for each violation," and the recovery of the state's attorneys fees and costs. Interestingly, the complaint attempts to preempt the argument that Delta is in compliance by virtue of posting a privacy policy on its website at <u>www.delta.com</u> by alleging that the policy relates only to the website and not the Fly Delta app, is not "reasonably accessible to consumers within the app," and in all events, fails to identify certain categories of PII collected through the app (i.e., geo-location data and photographs).

(Delta's <u>current policy</u> on its website, effective January 7, 2013, expressly applies to the "Fly Delta App" and includes *(Continued on page 33)* 

January 2013

#### (Continued from page 32)

detailed disclosures concerning the information collection by the App, including geo-location information and photographs.)

The stakes for Delta are high. The complaint alleges that the Fly Delta App has been downloaded "millions of times" without a compliant privacy policy, a figure apparently borne out by third party analytics companies. *See, e.g.*, xyo.net (estimating that the Fly Delta app has been downloaded 1,270,000 times on the Android platform and 514,000 times on the iPhone).

#### What Should You Do To Comply?

If you were among the companies who received noncompliance letters in the fall, you have undoubtedly taken action to comply and can stop reading. If not, and you have an app that may not be compliant, what should you do? First, don't panic. Cal OPPA has a built -in grace period. An operator violates its provisions only if it fails to post a compliant policy within 30 days "after being notified of noncompliance." Cal. Bus & Prof. Code §22575(a). But don't wait to be contacted by the Attorney General before acting, as the courts have yet to define what constitutes notice of a violation for purposes of the statute. (It is possible that the government could take the position that the notice requirement is not limited to an official notification letter and may extend to consumer complaints, or notification by employees or service providers.)

You have decided you need to comply. Where do you start? The Attorney General recently released a set of guideline for companies to use in addressing privacy with respect to mobile applications. Notably, the guidelines, captioned "Privacy On The Go: Recommendations For The Mobile Ecosystem," are not intended to be definitive interpretations of legal requirements and, by their terms, "in many places offer greater protection than afforded by existing law." Accordingly, while the guidelines do not have the force of law, they are a useful tool in understanding what the AG considers adequate disclosure and industry best practices.

The guidelines are premised on two key principles: Surprise Minimization; that is, aligning data collection with consumers' reasonable expectations, and Shared Accountability (i.e., between hardware manufacturers, operating system developers, mobile telecommunications carriers, advertising networks, and mobile app developers). The guidelines include specific recommendations for app developers, app platform providers and ad networks, but all of the recommendations are premised on the following directives.

**First, Be Transparent.** This includes making your data collection practices known *before* data is collected, making your privacy policy clear, concise and easily accessible, and updating your privacy policy regularly to keep pace with changes in your practices.

Second, Limit Data Collection. More specifically, avoid or minimize the collection of personally identifiable data for uses not related to your app's basic functionality and avoid or limit the collection of sensitive information, such as protected health data, financial account numbers and precise geolocation data.

Third, Limit Data Retention. Companies should limit the retention of PII to the period necessary to support the intended function or to meet legal requirements and should adopt processes for ensuring the secure disposal of data when it is no longer needed.

Fourth, Give Users Access. It is recommended that companies develop mechanisms to give users access to the personally identifiable data that the app collects and retains about them.

**Fifth, Use Security Safeguards.** All companies should adopt security safeguards to protect personally identifiable data from unauthorized access, use, disclosure, modification, or destruction, including limiting access to data on a need-toknow basis and encrypting data in transmission or storage.

**Finally, Be Accountable.** This includes tasking an individual within the company with responsibility for evaluating your privacy policy when the app is changed or updated, and training all employees with access to PII in your company's privacy practices and policies.

Mobile should be a part of every company's media strategy, and offers tremendously effective new strategies for reaching the right consumers at the right time. Just make sure that you consider data privacy and security in developing and implementing that strategy, and what you need to do to be compliant, every step of the way.

Daniel Rockey is senior counsel in the San Francisco office of Bryan Cave.

# **California Issues Important Ruling on Labor Speech Rights of Unions on Private Property**

Ralphs Grocery Could Lead to a Review of the Issue by the U.S. Supreme Court

#### By Linda Auerbach Allderdice

The California Supreme Court recently issued its decision in Ralphs Grocery Company v. United Food and Commercial Workers Union Local 8. Although the ruling resolved a longstanding dispute between a supermarket owner and the labor union that picketed on private property in front of the only customer entrance to the store, the decision has wide-ranging implications for retail store owners and other commercial property interests.

While the decision in Ralphs Grocery ultimately allowed labor-related picketing and handbilling on private property under authority of specific California statutes, the court

rejected the union's argument that it was picketing at a "public forum" and, therefore, should be allowed on the private property. The standard for a "public forum" was established in the court's landmark decision issued over thirty years ago in Robins v. Prunevard Shopping Center, in which the court noted that the "public is invited to visit for the purpose of patronizing the many businesses" spread out over 16 acres of "walkways, plazas, and buildings that contain 65 shops, 10 restaurants and a

cinema." As the court held in Pruneyard, "The California Constitution broadly proclaims speech and petition rights. Shopping centers to which the public is invited can provide an essential and invaluable forum for exercising those rights." In Ralphs Grocery, the court declined to adopt an expansive interpretation of a "public forum," finding that the privately-owned, single-purpose, stand alone retail store was not a "public forum" such that the property owner could not exclude persons from its premises.

By ultimately allowing the picketing, the court's opinion seemingly provides greater protections for labor-related speech under the California statutes. That said, Ralphs

Grocery also suggests that commercial property owners may be able to limit expressive activity as long as the site where the activity takes place does not otherwise meet the test of a "public forum" and the expressive activity does not deal with labor union disputes or economic action by labor unions. Given the court's heightened protection of "labor speech," this California case may be ripe for review by the U.S. Supreme Court.

#### **Ralphs' Dispute with the Union**

Ralphs Grocery Company owned and operated a

The majority and concurring opinions in Ralphs Grocery limited their rulings to speech that involves collective bargaining rights and labor disputes. The ruling steered clear of any other form of expressive speech activity.

warehouse-style grocery store in Sacramento, California under the name Foods Co. that was located in a retail development with restaurants and other stores. Customers entered Foods Co. only through one entrance that was accessible from a 15-foot-wide paved walkway extending outward from the store. The walkway ended at a driving lane that bordered a public parking lot used by customers of Foods Co. and the other retail stores.

In 2007, when Foods Co. first opened for business, union agents from the United Food and Commercial Workers Union, Local 8 picketed the store because of its labor dispute with Foods Co. Although picketing was conducted by four to eight agents five days a week and eight hours a day, customers could freely access the store. In January 2008, Ralphs informed the union about its regulations governing speech activities at its Foods Co. stores. The regulations excluded such activities within 20 feet of the store's entrance, restricted it to certain times and days, and barred union distribution of literature or signs larger than a certain size. The union ignored the regulations and (Continued on page 35)

January 2013

#### (Continued from page 34)

continued to picket within the restricted area. Ralphs asked the Sacramento Police Department to remove the agents but the police declined to intervene without a court order.

### **Ralphs Files for Injunctive Relief**

In April 2008, Ralphs filed a complaint in the Sacramento Superior Court alleging that the union trespassed on its private property by using the 15-foot walkway as a forum for expressive activity without complying with the store's speech regulations. Ralphs sought injunctive relief to stop the union's conduct. The union responded with a two-prong argument. First, that California's Moscone Act, Code of Civil Procedure section 527.3, permitted peaceful picketing on a privately-owned walkway in front of a retail store during a labor dispute. Second, that Ralphs had failed to meet the strict procedural requirements for injunctions against union

picketing under Labor Code section 1138.1.

The trial court ruled that California's Moscone Act violated the First and Fourteenth Amendments to the U.S. Constitution because the Act favored union speech over other types of speech. After an evidentiary hearing, however, the trial court declined to issue an injunction. It found that Ralphs had failed to meet the stringent requirements of Labor Code section 1138.1, which the trial court

applied under California precedent, and that Ralphs had failed to establish that its speech regulations were "reasonable time, place and manner restriction" under guidelines that had traditionally been applied to public forum shopping centers.

Reversing the trial court, the California Court of Appeals directed the lower court to issue a preliminary injunction. First, the court determined that Ralphs' speech regulations were appropriate because the "entrance area and apron" of Foods Co. did not meet the test for a "public forum" under the California Constitution. Accordingly, Ralphs could not only limit what speech was allowed in front of its store, but also could "exclude anyone desiring to engage in prohibited speech." Next, the Court of Appeals decided that because the Moscone Act and Section 1138.1 provided greater protections to "labor speech" than other speech, both violated the First and Fourteenth Amendments to the U.S. Constitution. The California Supreme Court then granted the union's petition for review.

### The California Supreme Court Ruling

1. The "Public Forum" Test is Upheld, but Allows Unions to Picket and Handbill on Private Property under the California Statutes

In the 1979 landmark case *Robins v. Pruneyard Shopping Center* ("*Pruneyard*"), the California Supreme Court ruled that portions of a privately owned shopping center could constitute a "public forum" in which individuals were entitled to engages in speech and other expressive activity. Because of the "public character of the shopping center," allowing speech rights under reasonable regulations would not significantly interfere with the mall owner's normal enjoyment of its private property rights. *Pruneyard* 

> distinguished common areas in a shopping center from the areas outside individual store's customer entrances and exits, finding that the latter were not the same as a public forum. *Ralphs Grocery* continued this doctrine, finding that in order for an area within a shopping center to constitute a public forum, it "must be designed and furnished in a way that induces shoppers to congregate for purposes of entertainment, relaxation, or

conversation, and not merely to walk to or from a parking area, or to walk from one store to another, or to view a store's merchandise and advertising displays."

The favorable ruling upholding *Pruneyard* standards for "public forum" speech protections, finding that Foods Co. did not meet that test, did not end the court's analysis, as it found that the Union's conduct was still protected by California's statutes.

2. The Moscone Act and Section 1138.1 Protect Union Speech on Private Property and Withstand Scrutiny under the Constitution

The Moscone Act, which was patterned after federal labor law, was passed in 1975 in order to promote collective bargaining and other peaceful concerted activities, and to prevent courts from issuing injunctive relief against labor (Continued on page 36)

Because the laws did not restrict speech by entities other than unions and the union's speech did not occur in a public forum, the laws did not violate federal constitutional protections for free speech.

### Page 36

January 2013

# MLRC MediaLawLetter

#### (Continued from page 35)

organizations for communicating information about a labor dispute, engaging in peaceful picking or assembling peaceably to further such goals. Section 1138.1, passed in 1999, established stringent requirements for the issuance of an injunction against labor picketing handbilling or other expressive activity by a union. A property owner seeking an injunction against labor activity must prove a threat of unlawful acts by the union; substantial and irreparable injury to its property; that the property owner will suffer greater damage if the injunction is not granted than the union will suffer if it is; that no adequate remedy at law exists; and, finally, that law enforcement is "unable or unwilling to furnish" adequate protection. The courts strictly enforce these requirements, making it virtually impossible to obtain injunctive relief to stop labor activity.

In its *Ralphs Grocery ruling*, the California Supreme Court construed the Moscone Act and Section 1138.1 as applying only to labor disputes and concluded that they shielded peaceful union picketing from judicial interference in labor disputes. It further ruled that, because the laws did not restrict speech by entities other than unions and the union's speech did not occur in a public forum, the laws did not violate federal constitutional protections for free speech.

The court then focused on whether the content-based distinction between

labor-related speech and other speech was "justified" by "legitimate concerns that are unrelated to any 'disagreement with the message' conveyed by the speech." Here, the court said the distinction made by the state statutes were so justified. The court found that

The state law under which employees and labor unions are entitled to picket on the privately owned area outside the entrance to a shopping center supermarket is justified by the state's interest in promoting collective bargaining to resolve labor disputes, the recognition that the union picketing is a component of the collective bargaining process, and the understanding that the area outside the entrance of the targeted business often is "the most effective point of persuasion."

The court further found that the Moscone Act and Section

1138.1 were justified as laws protecting labor-related speech in the context of a statutory system of economic regulation of labor relations. As such, they did not violate the federal Constitution by singling out labor-related speech for "particular protection or regulation." Accordingly, the court reversed the Appellate Court and held that the state laws afford both substantive and procedural protections to peaceful union picketing on a private sidewalk outside a targeted retail store during a labor dispute, and such union picketing may not be enjoined on the ground that it constitutes a trespass. The Moscone Act and section 1138.1 do not violate the federal Constitution's free speech or equal protection guarantees on the ground that they give speech regarding a lab or dispute greater protection than speech on other subjects.

#### A Glimpse of Future Battles

The majority opinion by Justice Kennard was joined by five other Justices, while Chief Justice Cantil-Sakauye and Justice Liu issued separate concurring opinions. In her concurring opinion, the Chief Justice expressly noted that "labor activity with an objective other than communicating labor's grievances and persuading listeners exceeds the right to engage in peaceful picketing within the meaning of the Moscone Act." But she expanded her definition of labor activities that should

lose protection beyond acts of violence or intimidation, noting that "[s]peech or conduct directed toward interference with the owner's business by means other than persuasion of patrons to labor's position also falls outside the rights enunciated in the law."

For example, the Chief Justice would allow labor to conduct its otherwise statutorily protected activities "at the entrance of a business but not to enter a business to do so" and that labor could not use outsized signs or excessive noise to interfere with a business at the entrance. The Chief Justice recognized that owners had the right to articulate "rules and policies" in order to balance the protections accorded to labor under the state laws, and that law enforcement may be the first line of protection in carrying out these new rules.

(Continued on page 37)

allow labor to conduct its otherwise statutorily protected activities "at the entrance of a business but not to enter a business to do so" and that labor could not use outsized signs or excessive noise to interfere with a business at the entrance.

The Chief Justice would

January 2013

Page 37

#### (Continued from page 36)

Justice Liu was of the opinion that the Moscone Act and section 1138.1 were not as much speech regulations as they were economic regulations, and sought to curb judicial practices that unfairly limited labor speech as opposed to favoring labor speech over other types of expressive conduct.

Finally, Justice Chin issued a concurring and dissenting opinion, agreeing that the privately owned walkway was not a "public forum" and disagreeing with the majority's view that labor speech could be given greater rights or protection than other speech. He noted that the majority opinion set up the potential situation whereby labor picketers would have the right to picket on private property at a store entrance while other persons engaged in speech activities that did not fall within the protection of the Moscone Act could not. Justice Chin warned that "Today's opinion places California on a collision course with federal courts," noting that only the U.S. Supreme Court can definitively resolve the disagreement" between the California decision and clear federal precedent finding content-based speech restrictions to violate the federal Constitution.

#### **Implications for Private Owners of Commercial Property**

First, given the strong diverging opinions, and the invitation by dissenting Justice Chin to seek Supreme Court review, it is entirely possible that the decision will be reviewed by the nation's highest court. At a minimum, future litigation will shape the contours of the labor speech rights of unions on private property. Unions will undoubtedly press the envelope in asserting rights to picket and handbill on private property. Second, not only may there be a direct challenge to the decision, there may also be challenges under federal labor laws. This is especially true in light of the numerous references to federal labor laws as providing the standards for assessing the conduct. It does not appear that a direct challenge to the court's jurisdiction was made by way of an argument that the National Labor Relations Board had primary jurisdiction over the dispute, or that National Labor Relations Act would preempt state regulations. For example, the NLRB recently ruled in favor of unions unfurling large banners outside entrances or parading around with inflatable rafts, although both practices were called into question by the California Chief Justice's concurring opinion.

Finally, it is clear those issuing the majority and concurring opinions in Ralphs Grocery limited their rulings to speech that involves collective bargaining rights and labor disputes. The ruling steered clear of any other form of expressive speech activity. In fact, dissenting Justice Chin noted that "labor picketers, but no one else, have the right to engage in speech activities on that property." Accordingly --at least for now - private commercial property owners apparently can restrict non-labor union speech on sidewalks adjacent to their facilities and on any other property that is not "designed and furnished in a way that induces shoppers to congregate for purposes of entertainment, relaxation, or conversation," but rather is merely intended to allow shoppers "to walk to or from a parking area, or to walk from one store to another, or to view a store's merchandise and advertising displays."

Linda Auerbach Allderdice is a partner with the Los Angeles office of Holland & Knight LLP.

# Legal Issues Concerning Hispanic and Latin America Media

# University of Miami, March 11, 2013

MLRC's first conference on Hispanic and Latin America Media is designed to provide lawyers from North America and Latin America a unique opportunity to meet and educate one another on the issues that arise in cross-border content creation, newsgathering, and distribution. Page 38

January 2013

# MLRC MediaLawLetter

# **Revisiting the 2003 Ethics Corner: Surreptitious Taping by Lawyers**

### By Bruce E. H. Johnson

Almost a decade ago, in the October 2003 issue of the MLRC *MediaLawLetter*, Memphis ethics expert Lucian Pera (who also serves as an Elvis fetishist and Tennessee media lawyer when the occasions warrant) warned members of the MLRC media bar about "surveillance ethics" risks arising from legal uncertainties about the scope of potential ethics liability problems caused by inconsistent treatment by state bar opinions of legal but surreptitious taping by lawyers.

Lucian discussed the ethics dangers for lawyers becoming involved in any secret recording activities, or advising and counseling their clients about the benefits of secret recording of conversations – in those US jurisdictions where such oneparty consent is sufficient to keep the lawyer or client out of jail.

In his October 2003 summary, Lucian reviewed an ABA opinion from 1974 (ABA Formal Opinion 337), which not

surprisingly – given that President Nixon had resigned the day before, forced by a United States Supreme Court decision ordering production of secret White House tapes which established illegal activities relating to the Watergate burglary – dealt harshly with the merits of lawyers' hidden taping of conversations and ruled that

such actions were unethical. The ABA said that such secret recording, even if technically legal in the applicable jurisdiction, was inherently deceitful and thus a violation of the lawyer's duty to avoid "conduct involving dishonesty, fraud, deceit, or misrepresentation."

Then in 2001, the ABA suddenly changed its mind. In ABA Formal Opinion 01-422 (June 24, 2001), the ABA ruled "that the act of otherwise lawful secret taping was not, in and of itself, deceitful." The reason for this change of mind? According to Lucian, the major factors were the ABA's decision to eliminate the old Model Code concept that lawyers must avoid the "appearance of professional impropriety" and the mixed reaction by state and local ethics opinion writers to the 1974 opinion. But the ABA's change of mind had not solved the risks for lawyers considering whether to undertake or advise about covert audio recordings.

What is the current status of legal ethics law on the subjects of hidden taping by lawyers, or of lawyers' advice about such secret taping?

Currently, he concluded in his 2003 summary, "the treatment of secret taping by lawyers is a patchwork affair across the jurisdictions."

In the wake of the 2001 ethics opinion, Lucian wrote, "the only activity in this area has shown a movement toward the ABA position." He observed that Oregon and Tennessee had recently approved secret taping, and that Alaska had just adopted an ethics opinion that followed the ABA's newest position, withdrawing several prior contrary rulings.

But Lucian also saw the patchwork in process. In 2003, Virginia stuck to its ban on such activities in Legal Ethics Opinion 1765 (June 13, 2003) and the Association of the Bar of the City of New York, in Formal Opinion 2003-2, called the 2001 ABA ruling "an overcorrection" and asserted that such secret taping "smacks of trickery and is improper as a routine practice" but suggested that New York lawyers may secretly tape conversations if they are in "pursuit of a

generally accepted societal good."

Given that this month marks the 100<sup>th</sup> birthday of Richard Nixon on January 13, 1913, it may be timely to revisit Lucian's analysis.

What is the current status of legal ethics law on the subjects of hidden taping by lawyers, or of lawyers' advice about such secret taping?

First, as Nixon proved, the cover-up can be worse than the underlying crime. Thus, in a 2009 Vermont case, *In re PRB Docket No. 2007-046*, Vt. No. 2008-214 (Nov. 25, 2009), the Vermont Supreme Court ruled that two lawyers violated the ethics rule against knowingly making false statements when one of them lied to a witness who asked if they were recording a conversation with him, and the other failed to correct the lie.

Second, there may be a "public interest" exception to any rule governing surreptitious recording. For example, a New York bar ethics opinion in 2007 generally prohibited any "dissemblance" in gathering evidence, except in certain narrow categories of investigations, such as discrimination testers, trademark/copyright testers, and undercover investigators posing as consumers, tenants, home buyers, or *(Continued on page 39)* 

January 2013

#### (Continued from page 38)

job seekers. *See* New York County Lawyers' Ass'n Comm. on Professional Ethics Op. 737 (May 23, 2007).

Third, the most significant decision since Lucian's 2003 article, and the most recent change of heart is an Ohio ethics opinion, Opinion 2012-1, which was issued on June 8, 2012. In this opinion, taking a viewpoint that was in accordance with Lucian's analysis of the trends among bar regulators, Ohio's Board of Commissioners on Grievances and Discipline reversed its 1997 advisory opinion relying on the old ABA opinion and concluding that surreptitious recording was generally unethical. In its 2012 opinion, the Ohio Board was sharply critical of unethical practices arising from lawyers' surreptitious activities, noting that lying about the recording, using deceitful tactics to join a conversation, or relying on secret recording to commit a crime or fraud, could

still constitute lawyer misconduct. The act of recording, however, was not *per se* unethical.

The Board also noted that exactly half the states allow surreptitious recording by lawyers, at least in some situations. The case law was now more consistent, it determined, in requiring misconduct beyond the recording itself. The Ohio opinion included a list, which showed that thirteen jurisdictions have determined that such recording is not per se unethical, ten states have determined that surreptitious recording is both

unethical and illegal for lawyers, nine states have ruled that surreptitious recording is unethical but allowed in certain circumstances, four states have adopted a case-by-case rule, and thirteen states have expressed no opinion on this ethics question. (The Board cited a recent law review article in compiling its listing: Carol M. Bast, *Surreptitious Recording by Attorneys: Is it Ethical?* 39 St Marys L J 661 (2008).)

Even with the changes since 2001, a lawyer's decision to secretly record a client's conversation presents special risks. As the Ohio opinion noted, "[a] lawyer's duties of loyalty and confidentiality are central to the lawyer-client relationship, and recording client conversations without consent is not consistent with these overarching obligations."

Finally, since 2001 and especially since 1974, a new risk has emerged. Lawyers have become increasingly involved in multijurisdictional activities, which involve lawyers crossing

Lawyers have become increasingly involved in multijurisdictional activities, which involve lawyers crossing borders to handle cases and to provide advice, sometimes in person and sometimes electronically. How do these developments affect the ethics issues?

borders to handle cases and to provide advice, sometimes in person and sometimes electronically. How do these developments affect the ethics issues?

For example, what should lawyers do about those jurisdictions that require the consent of all parties to a conversation or communication? Most states (and the federal government) have adopted a one-party approach, which effectively allows such recording with the consent of only one of the parties to the conversation. But (as many media lawyers know) there are thirteen "all -party consent" jurisdictions, which make all such surreptitious recording illegal, which means that the dispensations offered by the 2001 ABA ruling likely would not be available because the secret recording is a crime that runs afoul of these restrictive state laws. These states are: California, Connecticut, Delaware, Florida, Illinois, Maryland, Massachusetts,

Montana, Nevada, New Hampshire, Oregon, Pennsylvania, and Washington.

Cross-border activities raise additional problems. Generally, the situs of the lawyer's recording should determine whether a surreptitious recording is legal, but conflict of law principles on the subject of legal ethics remain unclear (the ABA Commission on Ethics 20/20 is developing proposals that may clarify choice of law for legal ethics determinations, and plans to report its proposed amendments to the ABA in the future) and are further

complicated by recent amendments to state multijurisdictional practice rules, which in effect enable a lawyer from one state to practice law temporarily in another state, subject to the latter's disciplinary authority. In those situations, which law controls? The law where the lawyer is a bar member or the law where the lawyer happens to be undertaking a surreptitious recording, or both?

In fact, inconsistent state laws on surreptitious recording can present some complications – for example, California makes it a crime to record or eavesdrop on any confidential communication, including a private conversation or telephone call, without the consent of all parties to the conversation. *See* Cal. Penal Code § 632. By its terms, the statute applies to all "confidential communications" -- and in *Kearney v. Salomon Smith Barney, Inc.*, 39 Cal. 4th 95 *(Continued on page 40)* 

Page 40

January 2013

# MLRC MediaLawLetter

#### (Continued from page 39)

(2006), the California Supreme Court held that a call that is placed from a brokerage firm in Georgia to clients in California is governed by the California all-party consent rules of Section 632. Similar choice-of-law rulings could entangle lawyers in future cases which would impose the restrictive view even on lawyers sitting in one-party consent states.

In his 2003 summary, Lucian Pera reminded readers that he had some suggestions for "a careful lawyer in a

jurisdiction that does or may prohibit lawyers from secretly taping" and is concerned about these risks. These suggestions were:

(1) Secret taping shouldn't be your idea; it should be your client's;

(2) Make sure the client understands that, as a lawyer,

you can't do this, and why you can't;

(3) Advise the client clearly on where the limits of the law are for surveillance;

(4) Advise the client directly about the risks and benefits of taping;

(5) Script only with great caution, if at all; and

(6) Be very, very careful with less-sophisticated clients.

Notwithstanding his Elvis fetish, Lucian is a smart guy. (Coincidentally – or not – Nixon also had a well-known encounter with The King, who wanted the President to name him "Federal Agent -at-Large" for the Bureau of Narcotics and Dangerous Drugs.)

A decade later, Lucian's summary remains good advice.

Bruce Johnson is a partner in the Seattle office of Davis Wright Tremaine LLP, and a founding member of the DCS Ethics Committee.

# **MLRC UPCOMING EVENTS**

LEGAL ISSUES CONCERNING HISPANIC AND LATIN AMERICA MEDIA

March 11, 2013, Miami, FL

MLRC STANFORD DIGITAL MEDIA CONFERENCE

May 16-17, 2013, Palo Alto, CA

**MLRC LONDON CONFERENCE** 

September 23-24, 2013, London, England

**MLRC ANNUAL DINNER & FORUM** 

November 13, 2013, New York, NY