

**MILRC** *Media Law Resource Center*  
**MEDIA LAW LETTER**

---

Associate Edition 2014 Issue 4

---

**MLRC**

**MLRC Annual Dinner 2014.....03**  
*Privacy and the Press: Hugh Grant and Katie Couric*

**INTERNATIONAL MEDIA LAW**

**Australia: New Australian Law May Have a Profound Impact on Newsgathering and Reporting.....06**  
*Journalists May Face Penalties for Reporting on National Security*  
National Security Amendment Bill (No 1) 2014

**Argentina: Supreme Court of Argentina Rules Google Not Liable for Search Results.....08**  
*Valuable Precedent for Freedom of Expression on the Internet*  
María Belén Rodríguez c. Google s/daños y perjuicios

**Forum Panel Examines Right to Be Forgotten..... 10**  
*Controlling Data, Forgetting Data: What U.S. Lawyers Need to Know About the Right to Be Forgotten*

**INTELLECTUAL PROPERTY**

**9th Cir.: Court Grants Rehearing En Banc in Controversial "Innocence of Muslims" Copyright Case.....12**  
*Panel Ordered Takedown of Video*  
Garcia v. Google

**7th Cir.: Writing On A 'Clean Slate': Court Sketches Legal Framework Governing Trademark Claims Based On Fictional Products In Expressive Works.....13**  
Fortres Grand Corp. v. Warner Bros. Entm't Inc.

**S.D.N.Y.: TVEYES Not Dimmed By Claims of Infringement for Complete Copying.....19**  
*Media Monitoring Service Held to Be Fair Use*  
Fox News Network, LLC v. TVEyes, Inc.

**S.D.N.Y.: Dow Jones Awarded \$5 Million in Hot-News Misappropriation Case.....21**  
*Defendant Was Copying and Pasting from Dow Jones's Journalists*  
Dow Jones & Co v. Real-Time Analysis & News Ltd.

**INTERNET**

**The SAVE Act: Will Congressional Efforts to Stem Sex Trafficking Undermine Section 230?.....23**  
H.R. 4225, S. 2536

**California's New Consumer Comment Law Leaves Questions and Potential Loopholes.....30**  
*Law Responds to Efforts Requiring Consumers Waive Right to Comment on Business Goods and Services*  
Assembly Bill No. 2365

**FIRST AMENDMENT**

**U.S. Supreme Court to Decide "True Threats" Case Involving Online Speech.....33**  
*Is Proof of Subjective Intent Required to Convict?*  
Elonis v. U.S.

**E.D. Ky.: Libertarian Senate Candidate Not Entitled to Participate in TV Debate.....36**  
*"First Amendment Is Not a Rule of Quantity at any Cost"*  
Libertarian National Committee v. Holiday

**A VIEW FROM THE INSIDE**

**Responding To Take-Down Requests.....39**  
*Requests Tend to Fall into Several Recurring Categories*

*MLRC Annual Dinner 2014*

## Privacy and the Press: Hugh Grant and Katie Couric



On Wednesday, November 12, 2014, over 650 MLRC members and friends gathered for MLRC's Annual Dinner at the Grand Hyatt in New York where Katie Couric interviewed famed English actor Hugh Grant about his recent campaign to regulate the UK tabloid press.

Hugh Grant achieved international recognition after his performance in *Four Weddings and a Funeral*. Other successful films include *Notting Hill*, *Bridget Jones Diary* and *About A Boy*. His films have earned more than \$3 billion from theatrical releases worldwide. His awards include a Golden Globe, a BAFTA, The Peter Sellers Award for Comedy, Best Actor at The Venice Film Festival and an Honorary César.

Over the past three years, Grant has devoted much of his time to the Hacked Off campaign. Hacked Off was formed in the wake of the phone-hacking scandal in the UK and advocates on behalf of victims of press abuse and in favor of new regulations for newspapers to achieve "a free and accountable press" in the UK.

Grant testified before the Leveson Inquiry which investigated the role of the press and police in the UK phone-hacking scandal. While lauding England's rich history of investigative journalism, he has forcefully condemned the aggressive UK tabloid press for "bribing police, emasculating Parliament, and enjoying the competitive sycophancy of five successive governments."

Katie Couric is Global Anchor of Yahoo News. She joined Yahoo News in November 2013 and reports on live world events, anchors groundbreaking interviews with major newsmakers and is the host of the digital series World 3.0 and Now I Get It.

To many she is best known as the co-anchor of NBC News' Today show from 1991 to 2006. In 2006 she became the first solo female anchor of a national nightly news broadcast, as Anchor and Managing Editor of the CBS Evening News with Katie Couric (2006-2011). From 2012-13 Katie was the host of the eponymous syndicated daytime talk show, Katie and she also served as a special correspondent for ABC News. Over the past two decades, she has covered the most important news stories around the world. Her 2008 interview with Republican vice presidential candidate Sarah Palin is considered one of the most impactful political interviews in recent memory.

### Interview Highlights

**Katie Couric:** You've been an outspoken advocate for examining the role of the press, its impact on society, and I'm wondering, did your interest in this whole arena pre-date the News of the World hacking scandal? When did you become so passionate about this topic?

**Hugh Grant:** I started getting ugly about this issue before the News of the World went out of business....



...The newspapers, particularly the tabloid newspapers in Britain, are so powerful in terms of getting politicians elected that no one dare--has ever dared, particularly in the last 40, 50 years, to take them on, so as a result, the normal things that keep a newspaper behaving decently, the criminal law, civil law, and a code of practice, were all routinely ignored.

\* \* \*

**Hugh Grant:** I do laugh when my opponents in the British tabloid press sometimes say, "Well, you're just doing this cause we uncovered you with that hooker." Well, I mean, that took about as much investigative journalism as finding out that someone had landed on the moon. [Laughter] It was disagreeable, the press storm, but I totally understood that. The only place I would take issue in that whole thing was when they go after your family who really were innocent. But things that happened to me, I've never complained about that, except maybe I think breaking into my flat was perhaps pushing it.

**Katie Couric:** And that in fact happened after this incident, right?

**Hugh Grant:** Yeah, and it was a common tactic then of some of the tabloids.

\* \* \*

**Katie Couric:** How is the British and the U.S. press different, other than the fact that maybe there's not this degree of competition? But just in terms of sensibility, practices, what have been your observations?

**Hugh Grant:** People go to journalism school here. It's a profession, like being a doctor or a dentist, or even a lawyer, and they take their job really seriously. They actually want to get things right. That's unheard of in a British newspaper. [Laughter] ... Now, your tabloids, generally speaking – and again correct me if I'm wrong – seem to me more like the National Inquirer level, where people know it's a bit of a joke, probably Elvis is probably not on the moon, but [Laughter] the danger of the British ones is that they purport to be, in the news section, serious, objective news, when they're very clearly not, so I think that's the big difference.

\* \* \*



**Katie Couric:** A child of a U.S. vice president is arrested or seen at a party doing drugs. Is that a legitimate story in your view?

**Hugh Grant:** No, I would say not. I would say not. How does that make the president a worse president? And I think if you subject your top politicians and your leaders to that kind of scrutiny really, let's face it, because it's selling a story rather than it's in the public interest, you're just going to get a smaller and smaller pool of people who are going to put their hand up and say, "I want to do public service. I want to go into politics."

\* \* \*

**Katie Couric:** What was your reaction when you heard about the nude photos scandal? Jennifer Lawrence talked about it in a Vanity Fair cover story recently and said hacking of her nude pictures was a sex crime. What was your reaction to that? And I'm also curious, Hugh, to know how you feel that the digital space has contributed to this kind of journalism, in your view. Because now everyone with an iPhone and a computer can write about anything and it's basically there for everyone to see online.

**Hugh Grant:** Well, I think a sort of tabloid obsession with celebrity has created a world in which the poor old celebrity, which I still think is a diminishing term – the poor old actor or singer – suddenly is no longer a human being, but they're someone it's perfectly fine to just take pictures of across a restaurant or bar and smash all over the Internet to make you look good or get some tragic thumbs up from your followers, and so I think that's sort of the progression of that. I think it begins with a tabloid culture, celebrity obsession, and then spreads. You know, the Internet must do what it wants.

# New Australian Law May Have a Profound Impact on Newsgathering and Reporting

By Peter Bartlett and Sam White

The Australian government has recently introduced a raft of new legislation aimed at strengthening national security in response to perceived threats of terrorism in our region. One of these laws – the *National Security Amendment Bill (No 1) 2014* (Cth) (Bill) – is likely to have a negative effect on newsgathering, reporting and free press generally in Australia.

The Bill has been criticised on a number of bases since it was first introduced to Parliament on 16 July 2014. One common criticism has been concerning the new specie of ‘special intelligence operation’ (SIO) that is created and protected under the Bill’s Schedule 3. This article focuses on the introduction of SIOs and the impact they are likely to have on journalists reporting on national security issues.

The Bill passed through Parliament on 2 October 2014 and is currently waiting for Royal Assent, which is the final stage before it is enacted into law.

## The New Law

The Bill has been criticised for, amongst other things, making journalism a crime. See, e.g., Submission of Blueprint for Free Speech to the Parliamentary Joint Committee on Intelligence and Security in respect of the [National Security Legislation Amendment Bill \(No 1\) 2014](#), p 2.

Schedule 3 of the Bill creates new crimes aimed at protecting the covert nature of SIOs. It states that ‘*a person commits an offence if the person discloses information... [that] relates to a special intelligence operation.*’ Sec. 35P (1). This person could be a journalist. The penalty for the offence is up to 5 years imprisonment, and up to 10 years imprisonment if the

disclosure of the information ‘*intends to... or will endanger the health or safety of any person or prejudice the effective conduct of an SIO.*’ Section 35P (2).

On this point, it is important to note that restrictions on reporting of certain information in order to preserve national security is not a novel concept in Australia. Section 79 of the *Crimes Act* (Cth) creates an offence for disclosure of ‘official secrets.’ Unlike the ‘official secrets’ provision in the Crimes Act, however, one key criticism of the Bill is the vague and imprecise scope of the kind of operation that might be granted SIO status and therefore become ‘unreportable.’

According to the Bill, an operation becomes an SIO when an application by the Director-General, a senior position holder or an employee of the Australian Security and Intelligence Organisation (ASIO) is granted by the Defence Minister. Sec. 35B. An SIO can be authorised for up to 12 months. Sec. 35D(1)(d). In granting an SIO application, the Minister is to have regard for whether there are reasonable grounds to believe that a number of matters set out in the Bill apply to the operation in question. Sec. 35C(2). The power to grant SIO status, however, ultimately remains at discretion.

## Impact on Newsgathering and Reporting

It is accepted that the media plays a crucial role in a healthy democracy – acting as a check on government and scrutinising acts of government agencies. It also, more recently, has had the function of informing the public about any planned acts of terrorism. A major concern for critics of the Bill is the penalty that may be

(Continued on page 7)

**A major concern for critics of the Bill is the penalty that may be imposed on journalists for reporting on matters of national security, and ultimately fulfilling the role the media should play in a democracy.**

*(Continued from page 6)*

imposed on journalists for reporting on matters of national security, and ultimately fulfilling the role the media should play in a democracy.

The scope of operations that could be considered an SIO is broad enough that many stories that have been reported on in the past might not have been reported on had the Bill been in effect at the time of reporting.

One example given in submissions to Parliament was the reporting on the Australian Government's phone tapping of the then Indonesian President's wife's phone. See Media, Entertainment & Arts Alliance (MEAA) submission to the Parliamentary Joint Committee on Intelligence and Security Inquiry into the *National Security Legislation Amendment Bill (No. 1)* 2014. This story exposed thousands of breaches of privacy and misuse of information on the part of the Australian Government. It is a clear example of the important expository role the media plays in Australia.

Not only is the scope of operation that could be considered an SIO dangerously broad under the Bill, it is also so imprecise that it is difficult for journalists to know for certain whether or not what they are reporting on is (or could become) an SIO. This uncertainty is likely to have a chilling effect, as journalists will be discouraged from reporting on stories of public concern for fear they might be disclosing information that relates to an SIO, and thus committing an offence.

While the Bill may be aimed at criminalising certain aspects of whistleblowing, submissions made to

Parliament raised concerns that the practical effect of the Bill will be to restrict legitimate reporting on security issues while encouraging 'unfiltered disclosures' of covert information. See Guardian Australia submission to the Parliamentary Joint Committee on Intelligence and Security Inquiry into the *National Security Legislation Amendment Bill (No. 1)* 2014.

Australia is a signatory to the International Covenant on Civil and Political Rights, which sets out a freedom of expression at Article 19. However, Australia does not have an entrenched right to freedom of expression in its Constitution. This removes one avenue to challenge laws like the Bill that might be available in other liberal democracies.

### Conclusion

Clearer guidance should be offered on the scope of an SIO to limit the Bill's indirect and unintended influence on reporting and newsgathering. If Parliament proposes that reporting on SIOs is to be limited by the Bill, the scope of that limitation should clearly be drawn so that journalists, and indeed members of the public looking to have their say, have a more certain understanding of what can and cannot be published.

*Peter Bartlett and Sam White are lawyers with Minter Ellison, Melbourne, Australia.*

## Legal Issues Concerning Hispanic and Latin American Media 2015

March 9, 2015 | University of Miami

[Registration and full schedule](#)

# Supreme Court of Argentina Rules Google Not Liable for Search Results

## *Valuable Precedent for Freedom of Expression on the Internet*

By Eduardo Bertoní

In an important ruling, the Supreme Court of Argentina recently issued a decision on the liability of search engines for linking to defamatory and/or unlawful websites. [María Belén Rodríguez c. Google s/ daños y perjuicios](#), Case No. 99.613/06 (Oct. 28, 2015).

The court rejected the theory of strict liability for search engine results. Instead the search engine must have actual knowledge of the defamatory or infringing content based on notice from a judicial official, except in cases involving clearly illegal content such as child pornography.

### Background

In 2006, Argentinian model María Belén Rodríguez sued Google claiming that searches of her name returned links to and thumbnail photographs from pornographic websites. She alleged the search results falsely portrayed her as a prostitute and the thumbnails used her image without permission. A lower court ordered Google to pay damages of approximately \$6,000 U.S. on the basis that Google was responsible for the harm caused by the third party sites which were not parties to the case.

Although the damages were modest, hundreds of similar lawsuits are pending in Argentina against Google and other search engines seeking to hold them liable for search results and content on third party websites.

I wrote a “[friend of the court](#)” amicus brief to the Supreme Court addressing the issue of intermediary liability of search engines and referring the Court to international standards in this area.



**María Belén Rodríguez sued Google claiming that searches of her name returned links to and thumbnail photographs from pornographic websites**

### Court Ruling

The Court held that a strict liability regime for search engines would be contrary to freedom of expression. And search engines have no legal obligation to monitor the content they transmit. The Court extended this analysis to the thumbnails (the miniature images in online searches). Those would also be the

*(Continued on page 9)*



*(Continued from page 8)*

responsibility of whoever produced the images and the content, and not the responsibility of the intermediary that simply indexes them.

The search engine is only responsible when it has “actual knowledge” of unlawful content. But such knowledge should be based on notice from a competent authority (a judge or tribunal, for example), and not merely upon a user’s complaint to the search engine. The Court noted that search engines do not have to act as judges to determine whether content is defamatory.

However the search engine may be held responsible in cases in which the content is “explicitly unlawful,” a standard which, in the Court’s judgment, would be useful for clear cases like child pornography, and a list of other examples, including hate speech.

More clarification will be needed to determine whether and how notice applies in these situations, however, this does not detract from the Supreme Court’s approach in resolving the core issue, particularly the Court’s respect for freedom of expression.

In addition, the Court noted that preliminary measures to remove content should be limited to exceptional cases, given that restrictions and limitations on freedom of expression carry a strong presumption of unconstitutionality.

The case was resolved by a majority, not unanimously. Judges Ricardo Lorenzetti and Juan Carlos Maqueda dissented in part and their opinions will need to be analyzed in greater depth. In their dissent, for example, they would have held Google responsible for the thumbnails based on violation of rights to image. They also contemplated the possibility of preventive court measures to remove or block links that are clearly detrimental to personal rights.

In conclusion, while some of the issues covered in this ruling will need clarification in the future – like the standard on actual knowledge – in general the decision is, without a doubt, a valuable precedent for freedom of expression on the Internet.

*Eduardo Bertoni is Global Clinical Professor at New York University School of Law and Director of the CELE, the Center for Studies on Freedom of Expression at University of Palermo School of Law in Argentina.*

## UPCOMING EVENTS

**Legal Issues Concerning Hispanic and Latin America Media**

March 9, 2014 | Miami, FL

**Legal Frontiers in Digital Media**

May 14-15, 2015 | Palo Alto, CA

**MLRC London Conference**

September 28-29, 2015 | London, England



Left to right: Mark Stephens, Joaquín Muñoz, David Price, Matthew Leish and Adam Holland.

## MLRC Forum Panel Examines Right to Be Forgotten

This year MLRC's pre-dinner Forum focused on the troublesome issue of the EU's Right to Be Forgotten, which has taken center stage since the European Court of Justice's landmark decision in [Google Spain v. AEPD](#). That decision requires search engines to remove name-based search results where the information appears "to be inadequate, irrelevant or no longer relevant, or excessive in relation to the purposes of the processing at issue."

The well-attended program, titled "Controlling Data, Forgetting Data: What U.S. Lawyers Need to Know About the Right to Be Forgotten," was generously underwritten by Sheppard Mullin and Prince Lobel.

Brought together, for the two-hour discussion, was a distinguished panel of experts, including: internationally renowned privacy and free expression law expert, Mark Stephens; the Spanish lawyer who represented Mario Costeja González in the *Google Spain* case, Joaquín Muñoz; Google attorney and search engine specialist closely involved with Google's response to the decision, David Price; Assistant General Counsel of the *New York Daily News*, Matt Leish; and Internet watchdog from the Berkman Center's Chilling Effects Project, Adam Holland. The session was moderated by Pat Carome of WilmerHale.

Although the reasoning behind the decision is something of an enigma to American lawyers, who are used to the principle that true information in the public domain is public forever, Mr. Muñoz conveyed a common sentiment among Europeans – that people want control over what is said about them and the visibility of that information.

He acknowledged that the decision was vague and that clearer rules should be promulgated. The vagueness of the C.J.E.U. decision that Google must now comply with was underscored by Google's David Price, "It's like being dropped into a pasture with an electric fence at night – without knowing where the fence is."

Mark Stephens, looking ahead to new proposals pending in the European Parliament, was very critical of the EU's apparent desire to impose its privacy rules on the rest of the world, dubbing it an "unseemly race to the bottom."

(Continued on page 11)



**Forum moderator Pat Carome**

*(Continued from page 10)*

Matt Leish voiced concerns shared by many U.S. media outlets, including problems with a rule that would allow the subject of news coverage to control how they are presented.

Adam Holland called attention to the difficulty in evaluating the impact of the CJEU's decision absent transparent data about how the decision is being invoked and implemented, while recognizing that the nature of the decision poses challenges in how to gather such data without undermining the ruling.

Mr. Muñoz expressed his belief that the *Google Spain* decision required search engines to erase search results world-wide, and not just on versions of their services directed at the EU (as Google is currently doing). As the panel observed, in the United States, the First Amendment serves as a strict bar against laws

that would demand the erasure of information or links to information on the Internet; moreover, laws such as the SPEECH Act may prevent enforcement of foreign judgments in the United States. But it remains to be seen whether companies like Google, which have assets, personnel, and business interests within remote jurisdictions, will be subject to penalties for providing uncensored search results on U.S.-oriented websites accessible in the EU.

The panel ended with a discussion of echoes of a right to be forgotten in the United States, including California's new "Eraser" law and a case pending before the Second Circuit where a plaintiff claimed that the media's truthful report of her arrest became defamatory when her arrest record was expunged under Connecticut state law.

## MEDIA LIBEL LAW 2014-15



"For all lawyers who need to delve into libel law outside their home states, MLRC's Media Libel Law is an indispensable resource. It's the required first stop and often the last needed in divining quickly and accurately how libel law is applied in every state."

**Floyd Abrams, Cahill Gordon & Reindel**

Pricing and more information at [www.medialaw.org](http://www.medialaw.org)

# Rehearing En Banc in Controversial “Innocence of Muslims” Copyright Case

The Ninth Circuit recently granted Google’s petition to rehear en banc a controversial panel decision ordering Google to remove a YouTube video on the ground that an actress who appeared in the video had a copyright interest in her contribution to the work. [Garcia v. Google Inc.](#), No. 12-57302 (Nov. 12, 2014), ordering rehearing of [Garcia v. Google, Inc.](#), No. 12-57302, slip op. at 4, 14 (9th Cir. Feb. 26, 2014).

The plaintiff Cindy Lee Garcia alleged she was paid \$500 to appear in a desert adventure video which afterwards was dubbed to include inflammatory statements about Islam without her knowledge. The short video referred to as “Innocence of Muslims” provoked violent demonstrations in Egypt and other Arab countries and Garcia and other cast members received death threats.

Garcia served a takedown notice on Google under the Digital Millennium Copyright Act, 17 U.S.C. § 512, and then sued for copyright infringement after the request was denied. A divided Ninth Circuit panel ordered Google to remove the video from YouTube. Chief Judge Alex Kozinski held that Garcia was likely to succeed on her infringement claim because her performance had a “minimal degree of creativity” and was entitled to an injunction because the death threats against her constituted irreparable harm.

For more background on the case see [“Ninth Circuit Orders Take-Down of ‘Innocence of Muslims’ Video in Novel and Controversial Application of Copyright Law.”](#) *MediaLawLetter*, March 2014.

Due to the interest in the case, the [Ninth Circuit has created a web page](#) collecting parties’ filings and amicus briefs.

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

March 9, 2015 | University of Miami

**LEGAL ISSUES  
CONCERNING  
HISPANIC  
AND LATIN  
AMERICAN MEDIA**

Speaker: Patricia Janiot  
*Senior Anchor, CNN en Español*

Cross Border Libel, Privacy  
and Newsgathering Issues

José Diaz-Balart  
*Anchor, Noticiero Telemundo  
and Host, MSNBC's The Daily  
Rundown*

Cross Border Licensing  
and Distribution

National Security and Justice  
for Journalists in Latin America

# *Writing On A 'Clean Slate'*

## Seventh Circuit Sketches Legal Framework Governing Trademark Claims Based On Fictional Products In Expressive Works

**Lisa J. Kohn and Andrew J. Thomas**

What trademark claims, if any, arise when a make-believe product in a fictional work has the same name as a trademarked product in the real world?

The U.S. Court of Appeals for the Seventh Circuit recently helped to answer this question when it affirmed the dismissal of trademark infringement and unfair competition claims brought by an Indiana software company against Warner Bros. Entertainment based on references to a fictional product in the 2012 film *The Dark Knight Rises*. [\*Fortres Grand Corp. v. Warner Bros. Entm't Inc.\*](#), 763 F.3d 696 (7th Cir. 2014). This decision, issued by a three-judge panel and written by Judge Daniel Manion, clarifies how the core infringement standard for trademark law—the “likelihood of confusion” test—should be applied when a plaintiff alleges that the name of a fictional product in an expressive work creates the potential for consumer confusion as to the source of the plaintiff’s product.

While this decision offers guidance in navigating a relatively uncharted area of trademark law, the Court of Appeals stopped short of addressing the significant free speech issues implicated by this case, which were highlighted by the district court’s dismissal below. As a

result, questions linger regarding the First Amendment protections afforded to content creators under the standard set forth in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

### Background

Fortres Grand sells software. Since 2000, it has marketed and sold a computer program branded with the descriptive name “Clean Slate,” for which it obtained a federal trademark registration in 2001. Fortres Grand’s Clean Slate is a program that “wipes away any user changes to a shared computer” so that clients such as libraries, schools, and hotels can “keep public computers functioning properly and free of private data.” *Fortres Grand*, 763 F.3d at 699.

In July 2012, Warner Bros. released *The Dark Knight Rises*, the third and final chapter of director Christopher Nolan’s “Batman” motion picture trilogy. The film takes place in the fictional metropolis of Gotham City and tells the story of the DC Comics hero Batman and his alter ego, billionaire industrialist Bruce Wayne. One of the characters in the film, Selina Kyle (aka Catwoman), attempts to obtain a software program that will erase her



**Above, the fictional “clean slate” software from “Dark Knight Rises.” Below, plaintiff’s software.**

*(Continued on page 14)*

(Continued from page 13)

criminal history from every computer database in the world. The term “clean slate” is used four times in the film to refer to this fictional software, which the film portrays as having been developed by a fictional company called Rykin Data.

In September 2012, Fortres Grand filed suit against Warner Bros. in the Northern District of Indiana, asserting claims for trademark infringement under Section 32 of the Lanham Act, false designation of origin under Section 43(a) of the Lanham Act, and unfair competition under Indiana state law. In addition to alleging traditional trademark infringement, Fortres Grand advanced a reverse confusion theory, arguing that Warner Bros. had saturated the market with its use of the name “clean slate” in its blockbuster film and on promotional websites.

Under the theory of reverse confusion, the senior user of a mark is injured when a junior user floods the market with a trademark similar or identical to that of the smaller senior user, such that “the public comes to assume that the senior user’s products are really the junior user’s or that the former has become somehow connected to the latter.” See *Johnny Blastoff, Inc. v. Los Angeles Rams Football Co.*, 188 F.3d 427, 436 (7th Cir. 1999).

The district court dismissed Fortres Grand’s complaint for failure to state a claim under both the traditional and reverse confusion theories of infringement. *Fortres Grand Corp. v. Warner Bros. Entm’t, Inc.*, 947 F. Supp. 2d 922, 931 (N.D. Ind. 2013). The district court held that the “obvious problem” with Fortres Grand’s reverse confusion argument was that “Warner Bros.’ ‘clean slate’ software only exists in the fictional world of Gotham; it does not exist in reality.” *Id.* at 928.

The court stressed that “although the hallmark of trademark infringement is protecting against consumer confusion,” the Lanham Act protects only against

mistaken purchasing decisions “and not against confusion generally.” *Id.* at 930. In analyzing the potential for consumer confusion, the district court held that the relevant comparison was between the parties’ real world products – i.e., Fortres Grand’s “Clean Slate” software and Warner Bros.’ motion picture *The Dark Knight Rises*. It concluded that no consumer, “reasonable or otherwise,” would believe that the fictional “clean slate” software was connected to Fortres Grand because the fictional software “does not exist in reality.” *Id.*

Taking a step further, the district court also found that Warner Bros.’ use of the phrase “clean slate” was protected by the First Amendment. *Id.* at 934. The district court applied the two-part test first articulated by the Second Circuit in *Rogers v. Grimaldi*, which evaluates whether the use of a mark (1) bears some artistic relevance to the underlying work, and (2) explicitly misleads as to the source or content of the work. See *Rogers*, 875 F.2d at 999-1000.

Applying this test, the district court found that Warner Bros.’ use of “clean slate” was artistically relevant to *The Dark Knight Rises* and did not explicitly mislead consumers that Fortres Grand was somehow affiliated with the film. 947 F. Supp. 2d at 932. The district court therefore found that Warner Bros.’ use of “clean slate” was protected by the First Amendment, rejecting the argument advanced by Fortres Grand that *Rogers* has no application to cases alleging reverse confusion. *Id.* at 934.

**This decision clarifies how the core infringement standard for trademark law—the “likelihood of confusion” test—should be applied when a plaintiff alleges that the name of a fictional product in an expressive work creates the potential for consumer confusion as to the source of the plaintiff’s product.**

### No Likelihood of Confusion

At the start of the Seventh Circuit’s opinion, Judge Manion stressed the requirement that the plaintiff’s pleadings must include a plausible claim of consumer confusion in order to survive a motion to dismiss. The

(Continued on page 15)

(Continued from page 14)

court noted that, while it would accept all well-pleaded facts as true, “allegations of consumer confusion in a trademark suit . . . cannot save a claim if they are implausible.” *Fortres Grand*, 763 F.3d at 700. Accordingly, Fortres Grand would need to “plausibly alleg[e] that Warner Bros.’ use of the words ‘clean slate’ is ‘likely to cause confusion’” in order to survive a motion to dismiss. *Id.* This approach tracks the path marked by the Seventh Circuit a year earlier in *Eastland Music Grp., LLC v. Lionsgate Entm’t, Inc.*, 707 F.3d 869, 871 (7th Cir. 2013), where the court applied a robust plausibility standard to a trademark claim at the pleading stage and thereby avoided deciding whether to adopt the *Rogers* First Amendment defense in the Seventh Circuit.

As the court explained, a plausible claim of “likelihood of confusion” from the plaintiff requires more than a mere description of “general confusion ‘in the air.’” 763 F.3d at 700. Rather, “only ‘confusion about origin, sponsorship, or approval of . . . goods’ supports a trademark claim.” *Id.* at 700-01. In a traditional claim of trademark infringement, this confusion as to origin occurs when a junior user’s product is mistakenly believed to have originated with a senior user.

However, the reverse confusion scenario involves the consumer’s mistaken belief that the *senior* user’s product has originated from (or is affiliated with or sponsored by) the *junior* user. As such, the court held that “[t]o state a claim for infringement based on reverse confusion, Fortres Grand must plausibly allege that Warner Bros.’ use of the words ‘clean slate’ in its movie . . . has caused a likelihood that consumers will be confused into thinking that Fortres Grand’s Clean Slate software ‘emanates from, is connected to, or is sponsored by [Warner Bros.]’” *Id.* at 701-02 (citation omitted).

The court then turned to the Seventh Circuit’s multi-factor “likelihood of confusion” test in order to assess the potential that such confusion might plausibly occur.

The factors comprising this test include, “[1] the degree of similarity between the marks in appearance and suggestion; [2] the similarity of the products for which the name is used; [3] the area and manner of concurrent use; [4] the degree of care likely to be exercised by consumers; [5] the strength [or “distinctiveness”] of the complainant’s mark; [6] actual confusion; and [7] an intent on the part of the alleged infringer to palm off his products as those of another.” *Id.* at 702.

The court assessed Fortres Grand’s claim in light of the first six factors, given that the seventh factor is irrelevant in cases of reverse confusion where the junior user is not trying to profit from the senior user’s brand. *Id.* at 702 n.7.

Among these factors, the “similarity of the products” prong presented the court with its most novel legal question. As the court acknowledged, “[t]here is little

authority on how to treat the ‘similarity of the products’ factor when one of them is fictional.” *Fortres Grand*, 763 F.3d at 702. Fortres Grand argued that the proper product to compare to its software is the make-believe software in *The Dark Knight Rises* made by the fictional Rykin Data Corporation.

The court rejected this argument, affirming the lower court’s conclusion that the proper product comparison was between Fortres Grand’s software and Warner Bros.’ motion picture. As the court noted, this approach makes sense in light of the Supreme Court’s emphasis on confusion about the origin, sponsorship, or approval of the “tangible product sold in the marketplace.” *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31 (2003).

In support of this conclusion, the court relied on two factually similar cases. In *Ocean Bio-Chem, Inc. v. Turner Network Television, Inc.*, 741 F. Supp. 1546 (S.D. Fla. 1990), the court considered the made-for-television movie *Incident at Dark River*, in which a child died after exposure to pollution from a fictional company called “Starbrite Batteries.” In dismissing a

**The district court also found that Warner Bros.’ use of the phrase “clean slate” was protected by the First Amendment.**

(Continued on page 16)

(Continued from page 15)

claim for trademark infringement brought by the manufacturer of “Star Brite” cleaners and polishes, the court held that it “must compare the parties’ *ultimate* products: those that Ocean markets under the Star Brite name *and the movie itself*.” *Id.* at 1557 (emphasis added).

Similarly, *Davis v. Walt Disney Co.*, 393 F. Supp. 2d 839 (D. Minn. 2005), concerned the Disney Channel’s broadcast of *Up, Up and Away*, another made-for-television movie about a family of suburban superheroes who unearth and upend the misdeeds of an environmental software company called “Earth Protectors.” The court found no likelihood of confusion between plaintiff’s environmental organization “Earth Protector Licensing Corp.” and Disney’s fictional use of the term “Earth Protectors.” *Id.* at 845.

After determining that the appropriate comparison was between Fortres Grands’ software and Warner Bros.’ movie, the court nonetheless held that “that does not end the product comparison question.” *Fortres Grand*, 763 F.3d at 703. While a movie and desktop management software are certainly very different products, the court observed that “[t]he fact that the products at issue may be ‘very different’ is not dispositive of the issue of the similarity of the products in determining the existence of a likelihood of confusion between products. The question is ‘whether the products are the kind the public attributes to a single source.’” *Id.* (citing *McGraw-Edison Co. v. Walt Disney Prods.*, 787 F.2d 1163 (7th Cir. 1986)).

For example, in *McGraw-Edison*, the senior user McGraw-Edison made electrical fuses bearing the “TRON” trademark, while the junior user Disney made videogames and toys and licensed telephones bearing the “TRON” trademark (styled after its *Tron* movie). There, the Seventh Circuit held that the product comparison factor favored *McGraw-Edison* because “‘utilitarian electrical products’ could be confused as

originating from the same source as ‘entertainment-based’ products powered by electricity when both are labeled ‘TRON.’” *See* 787 F.2d at 1169.

In the current case, the court noted, “Warner Bros., unlike Disney, does not sell any movie merchandise similar to Fortres Grand’s software which also bears the allegedly infringing mark.” *Id.* Left only to compare the similarity of a movie and a desktop software program, the court held that Fortres Grand could not plausibly allege that these products are related in the minds of consumers such that there would be confusion as to their origin, and that this factor therefore favored Warner Bros.

Noting Fortres Grand’s argument that the lower court had relied too heavily on the product comparison prong in its “likelihood of confusion” analysis, the court nonetheless held that “its allegation of reverse confusion is just as implausible in light of the other factors.” *Id.* at 704. As to the “area and manner of concurrent use” factor, the court held that while both the film and software could be downloaded from the Internet, Warner Bros.’ movie was first and primarily released in movie theaters. This factor favored Warner Bros. because its “use of the mark is not a traditional use in the marketplace, but in the dialogue of its movie and in extensions of its fictional universe,” so confusion is therefore unlikely. *Id.*

The “degree of consumer care” factor also favored Warner Bros. because purchasers of computer security software are discerning and skeptical and therefore less likely to be confused as to product origin. Furthermore, the “strength of the plaintiff’s mark” factor also weighed against Fortres Grand, given that the phrase “clean slate” has extensive historical origins and its descriptive usage in a film is therefore unlikely to cause confusion as to origin. *Id.* Additionally, while Fortres Grand alleged that “Internet chatter” regarding whether the fictional product in *The Dark Knight Rises* could

**The court noted that, while it would accept all well-pleaded facts as true, “allegations of consumer confusion in a trademark suit . . . cannot save a claim if they are implausible.”**

(Continued on page 17)



(Continued from page 16)

possibly exist is evidence that the “actual confusion” factor is satisfied, the court held that a reverse confusion claim requires evidence of actual confusion that Fortres Grand’s software “emanates from, is connected to, or is sponsored by” Warner Bros., and that even “unusually gullible” consumers would not be deceived into believing this. *Id.*

Concluding its likelihood of confusion analysis, the court acknowledged the similarity between the name of “Clean Slate” software and references to a product called “the clean slate” in *The Dark Knight Rises*, but concluded that “juxtaposed against the weakness of all the other factors, this similarity is not enough.” *Id.* at 705. The court therefore found that Fortres Grand’s reverse confusion claim is “too implausible to support costly litigation” and affirmed the lower court’s dismissal of the complaint. *Id.* (citing *Eastland Music*, 707 F.3d at 871).

As a final note, the Seventh Circuit commented that Fortres Grand’s real complaint is that Warner Bros.’ use of the phrase “clean slate” in its film has tarnished Fortres Grand’s mark by associating it with the illegal software referenced in the movie. *Id.* at 705. Under certain circumstances, the owner of a famous mark may state a claim under a theory of trademark dilution by tarnishment, at least where the mark is used on a real-world product. *See* 15 U.S.C. § 1125(c) (“the owner of a *famous* mark ... shall be entitled to an injunction against another person who ... commences use of a mark ... that is likely to cause ... dilution by tarnishment of the *famous* mark” (emphasis added)).

However, given that Fortres Grand’s mark is relatively unknown, the Seventh Circuit held that “it would not be appropriate to use a contorted and broadened combination of the ‘reverse confusion’ and ‘related products’ doctrines to extend dilution protection to non-famous marks which are explicitly excluded from such protection by statute.” *Fortres Grand*, 763 F.3d at 705.

## Dismissal at the Pleading Stage

The *Fortres Grand* decision is notable in that it reinforces the growing trend of courts dismissing at the pleading stage infringement claims based on the use of trademarks in expressive works. The Seventh Circuit recently endorsed this approach in *Eastland Music*, 707 F.3d at 871, upholding the dismissal on a Rule 12(b)(6) motion of a trademark infringement claim by a rap duo called “Phifty-50” against the producers of the motion picture *50/50*. The *Eastland* court held that the complaint “fails at the threshold: it does not allege that the use of ‘50/50’ as a title caused any confusion about the film’s source – and any such allegation would be too implausible to support costly litigation.” *Id.* at 872.

Other decisions dismissing at the pleading stage claims based on the use of trademarks in expressive works include *Louis Vuitton Mallatier S.A. v. Warner Bros. Entertainment Inc.*, 868 F. Supp. 2d 172 (S.D.N.Y. 2012); *Stewart Surfboards, Inc. v. Disney Book Group LLC*, 2011 U.S. Dist. LEXIS 155444 (C.D. Cal. May 11, 2011); *Gottlieb Dev. LLC v. Paramount Pictures Corp.*, 590 F. Supp. 2d 625 (S.D.N.Y. 2008); and *Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962 (C.D. Cal. 2007).

**Fortres Grand could not plausibly allege that these products are related in the minds of consumers such that there would be confusion as to their origin.**

## First Amendment Defense Remains an Open Question in the Seventh Circuit

While the Seventh Circuit’s opinion broke new ground in clarifying how the “likelihood of confusion” test applies to alleged infringement by a fictional product, the court stopped short of addressing the district court’s significant holding that Warner Bros.’ descriptive use of the words “clean slate” is shielded by the First Amendment. Given that Fortres Grand’s complaint “fail[ed] at the threshold,” the court held that it need not consider possible constitutional defenses to trademark enforcement. *Id.*

(Continued on page 18)

(Continued from page 17)

As previously discussed, the district court applied the two-part test first articulated *Rogers v. Grimaldi*, 875 F.2d 994, to hold that Warner Bros.' use was protected by the First Amendment. The *Rogers* framework has been adopted by the Sixth, Ninth, and Eleventh Circuits, but has not yet been either endorsed or rejected in the Seventh. The *Rogers* test has been applied to claims under both Section 32 and Section 43(a) of the Lanham Act and to claims based on the alleged use of protected marks in both the title and the body of expressive works. See, e.g., *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, 683 F.3d 1095, 1100 (9th Cir. 2008); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901-02 (9th Cir. 2002).

Judge Simon of the district court described *Rogers*

as “one of the beacons used to navigate the murky boundary between trademark law and the First Amendment.” *Fortres Grand*, 947 F. Supp. at 931. While the Seventh Circuit stopped short of treading into this “murky boundary” in the course of its opinion, the district court opinion continues to lend support to *Rogers*' application as a defense to trademark enforcement.

On November 12, plaintiff filed a cert petition with the U.S. Supreme Court.

*Andrew H. Bart, A. J. Thomas, Lisa Kohn, and Kate Spelman of Jenner & Block LLP represented defendant Warner Bros. Entertainment Inc. Phillip Barengolts and Elisabeth K. O'Neill of Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP and Christopher R.*

*Putt of May Oberfell Lorber represented plaintiff Fortress Grand Corporation.*

---

**The *Fortres Grand* decision is notable in that it reinforces the growing trend of courts dismissing at the pleading stage infringement claims based on the use of trademarks in expressive works.**

## UPCOMING MLRC EVENTS

**Legal Issues Concerning  
Hispanic and Latin America Media**

March 9, 2014 | Miami, FL

**Legal Frontiers in Digital Media**

May 14-15, 2015 | Palo Alto, CA

**MLRC London Conference**

September 28-29, 2015 | London, England

# TVEYES Not Dimmed By Claims of Infringement for Complete Copying

## *Media Monitoring Service Held to Be Fair Use*

By Judith A. Endejan

Fair Use Analysis

Following in the footsteps of [Author's Guild, Inc. v. HathiTrust](#), 755 F.3d 87 (2d Cir. 2014) and [Author's Guild, Inc. v. Google, Inc.](#), 954 F.Supp.2d 282 (S.D.N.Y. 2013), the Southern District of New York again found that wholesale copying of copyrighted works that are indexed and excerpted for commercial use does not violate federal copyright law. On September 9, 2014, Judge Alvin K. Hellerstein held that TVEyes' wholesale copying of television broadcast was protected by the fair use doctrine. [Fox News Network, LLC v. TVEyes, Inc.](#), 2014 WL 4444043.

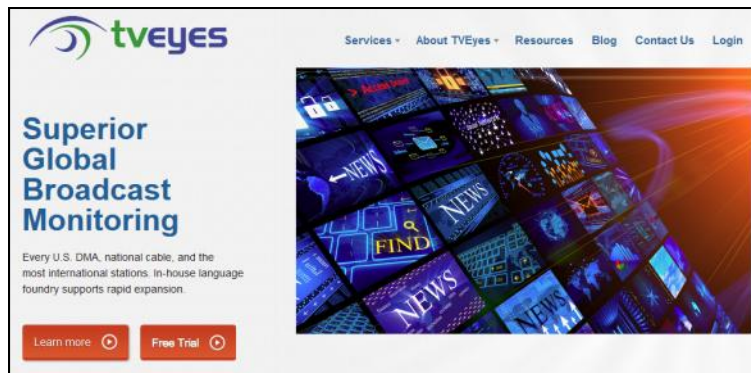
The court engaged in the four factor fair use analysis but found that the pivotal factor was the first factor which requires courts to consider “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.” 17 U.S.C. § 107(1). The Court found that TVEyes service was transformative because it serves a new and different function from the original work. The Court found TVEyes service to be no different than the service at issue in both *Author's Guild* cases.

### Background

TVEyes monitors and records all content broadcast by more than 1,400 television and radio stations 24 hours a day, 7 days a week. It then transforms this content into a searchable database for its subscribers who pay \$500 a month for this service, which is not available to the general public. All TVEyes subscribers must agree to limit use of downloaded clips to internal purposes and may not reproduce, publish, rebroadcast or otherwise publicly display the clips.

Entities such as the United States Army, the White House and local and state police departments purchase the service to track news coverage of particular events.

Fox News Network, LLC (“Fox News”) sued TVEyes claiming copyright infringement. The central issue before the Court was whether TVEyes' product was protected by fair use. Fox News claimed that because TVEyes provided its subscribers with video clips of Fox News content, the fair use doctrine did not apply.



**TVEyes monitors and records all content broadcast by more than 1,400 television and radio stations 24 hours a day, 7 days a week**

In the *HathiTrust* case, the Second Circuit found that wholesale scanning of books into a digital library was protected by fair use because it created only a “full text searchable database that is quintessentially transformative use [and] the result of a word search is different in purpose, character, expression, meaning and message from the page and the book from which it is drawn.” In the second *Author's Guild* case, Google created a digital library index of all the words scanned in each book allowing only a snippet view of the page in which a search word appears.

The Court found that the TVEyes service was clearly transformative because its subscribers gain access through the searchable database not only to the news that is presented, but to the presentations themselves “as colored, processed, and criticized by commentators and as abridged, modified, and enlarged by news broadcasts.” In addition, TVEyes creates a database of *everything* that television channels broadcast 24

(Continued on page 20)

(Continued from page 19)

hours a day 7 days a week, which is otherwise unobtainable. The clips that Fox News claimed infringed are integral to the TVEyes service “of monitoring and reporting on all the news and opinions presented by all television and radio stations.”

The fact that TVEyes is a commercial company did not alter the fair use finding. The second factor (“value of the materials used”) did not weigh for or against the finding of fair use. The third factor (“the amount and substantiality of the portion used”) also did not tip the balance for or against a fair use finding because TVEyes had to copy *everything* in order to enable its transformative purpose because the essence of TVEyes is to establish a fully reliable, all inclusive service. The fourth factor, (“affect of the use upon the potential market”) did not apply because “economic harm caused by transformative uses does not factor into the fair use analysis.”

The Court addressed Fox News’ failure of proof with respect to economic harm. In essence, Fox News could not prove that viewers used TVEyes as a substitute for watching Fox News channels thereby losing revenues. The Court also analyzed the public benefit from the TVEyes service, which has a number of beneficial uses such as political campaign monitoring, monitoring of media coverage for military purposes, and police monitoring for ongoing crimes. On balance, because TVEyes uses the material for an altogether different purpose, it is not a substitute for the actual Fox News product. The Courts then rejected claims of

hot news misappropriation and general misappropriation, finding them preempted by the Copyright Act.

The Court’s finding was limited to that portion of the TVEyes service that indexes and clips services for its subscribers. It did not decide the issue of fair use for all of TVEyes services such as features that allow subscribers to save, archive, download, email and share clips of Fox News’ television programs. It also refused to make such a finding with respect to the date and time search function that allows subscribers to search for television clips by date and time instead of by key word or term.

---

**The TVEyes decision adds to the growing body of law that finds that wholesale copying of copyrighted works is allowable when put to a new use that does not replace, or substitute for, the original work.**

The *TVEyes* decision adds to the growing body of law that finds that wholesale copying of copyrighted works is allowable when put to a new use that does not replace, or substitute for, the original work. Key factors are the limitations that the copier put in place to limit the use of the copyrighted work, and the use’s socially beneficial purpose (i.e. education or law enforcement).

However, this provides cold comfort to the copyright owner that must stand by and watch other entities benefit from the sweat and money expended to create the work in the first place. Perhaps these cases mean that copyright protection only goes so far.

*Judith A. Endejan is a partner at Garvey Schubert Barer in Seattle, WA. Fox News Network was represented by Dale Cendali, Kirkland & Ellis LLP, New York. TVEyes was represented by Todd Anten, Jessica Rose and Andrew H. Schapiro, Quinn Emanuel Urquhart & Sullivan LLP, New York.*

## Legal Issues Concerning Hispanic and Latin American Media 2015

March 9, 2015 | University of Miami

[Registration and full schedule](#)

# Dow Jones Awarded \$5 Million in Hot-News Misappropriation Case

By Jay Conti and Craig Linder

When *The Wall Street Journal* in 2013 broke the news that Twitter Inc. was about to set a price range for its hotly anticipated initial public offering, the first people in the world to find out were subscribers to Dow Jones's DJ Dominant newswire, a real-time news feed that includes first access to scoops and analysis from Wall Street Journal/Dow Jones journalists around the world.

The second people to hear the news were subscribers to a website and squawk service called Ransquawk, a London-based company that blasts out real-time news relevant to traders and others without engaging in substantive reporting, analysis, or commentary.

Ransquawk's audio service broadcast a word-for-word copy of Dow Jones's Twitter IPO news, attributed to "Source: Newswires", just *two seconds* after the news appeared on DJ Dominant. Ransquawk's text service published a headline about the news within a minute of Dow Jones's report. In fact, Ransquawk's squawk and headline both appeared before Dow Jones published the Twitter IPO news on Dow Jones Newswires, on WSJ.com, or anywhere else in the world.

After investigating the service, it became clear this is a company with a business model as simple as it is illegal: Ransquawk was systematically copying and pasting the work of Dow Jones's journalists on a daily basis without any permission to do so, and then selling that content to the same customers Dow Jones targets. Despite our attempts to resolve the matter short of litigation, Ransquawk not only made no effort to cease its misappropriation of the hot news that Dow Jones's journalists broke, it actively sought to frustrate efforts by Dow Jones's outside counsel at Patterson Belknap Webb & Tyler LLP to monitor Ransquawk's activity (for additional information, see [this blog post](#)).

That left litigation as the only practical option. In January 2014, Dow Jones sued Real-Time Analysis & News Ltd. (as

Ransquawk is formally known) in federal court in Manhattan alleging hot-news misappropriation and tortious interference with contractual relationships. The complaint details dozens of instances during a single thirty-day period in which Dow Jones had observed Ransquawk copying Dow Jones's scoops within moments of their publication on DJ Dominant. The complaint also highlighted Ransquawk's extensive business connections to New York.

Dow Jones properly served Ransquawk in London pursuant to the Hague Convention, but Ransquawk decided to not appear in the litigation. Instead, the company's chief executive told a Reuters reporter that defending the case "would bankrupt us as a company."

Following a hearing on May 14, Judge Jesse Furman entered a default judgment against Ransquawk on liability and issued a permanent injunction barring Ransquawk from disseminating Dow Jones-originated news prior to Dow Jones's own publication of that news on WSJ.com, Barrons.com, MarketWatch.com, or in a print version of any Dow Jones publication. The injunction also barred Ransquawk from attempting to induce subscribers to Dow Jones's services from violating their subscription agreements by providing Ransquawk with news from those services.

Judge Furman referred Dow Jones's request for damages from Ransquawk to an inquest before a magistrate judge. In a report issued on September 15, Magistrate Judge Gabriel W. Gorenstein noted that the Court was "not able to find any cases specifically discussing the proper measure of damages for 'hot news' misappropriation claims arising under New York law."

Analogizing to a misappropriation of trade secrets claim, the Court noted that a plaintiff's damages "are typically calculated based on 'the revenue plaintiff would have made

(Continued on page 22)

**Ransquawk was systematically copying and pasting the work of Dow Jones's journalists on a daily basis without any permission to do so.**

(Continued from page 21)

but for the defendant’s wrongful conduct,’ or alternatively ‘the profits unjustly received by the defendant.’” The Court noted, however that in cases in which it is difficult to assess the amount of profits at issue—as in this case—courts have determined “a plaintiff can recover the value of a ‘reasonable royalty’—an amount that attempts to approximate ‘what the parties would have agreed to as a fair licensing price at the time that the misappropriation occurred.’”

Dow Jones submitted evidence noting that if each of the estimated 15,000 Ransquawk customers paid the monthly rate to get access to the DJ Dominant wire (\$249), it would total \$3.735 million per month.

Here, Judge Gorenstein said that Dow Jones’s claimed damages of \$3.735 million for each month that Ransquawk misappropriated Dow Jones’s news was a “reasonable royalty”, and “reflects Dow Jones’s actual damages with ‘reasonable’ certainty.” As such, he awarded the full \$5 million in damages that Dow Jones sought in the complaint.

Judge Furman, in an October 7 order, adopted the report and recommendation approving both Judge Gorenstein’s methodology and the \$5 million damages award. [Dow Jones & Co v. Real-Time Analysis & News Ltd.](#) This decision provides a helpful precedent for future hot news misappropriation actions in which it is difficult to calculate damages with precision. In addition, the \$5 million award sends a strong message to any would-be content thieves that such violations are costly.

The Ransquawk suit is the latest example in Dow Jones’s ongoing effort to aggressively protect its journalists’ work: In 2010, Briefing.com paid a “[substantial amount](#)” and admitted liability in resolving Dow Jones’s claims that it engaged in copyright infringement and hot-news misappropriation. Similarly, in 2012, Cision AB (Sweden) and Cision US Inc. paid a “[significant sum](#)” to resolve Dow Jones’s copyright-infringement assertions stemming from Cision’s unauthorized use of content from Dow Jones’s publications in its services.

*Jay Conti is Deputy General Counsel and Chief Compliance Officer, and Craig Linder, Counsel, at Dow Jones & Company, Inc. Bob LoBue of Patterson Belknap represented Dow Jones in the Ransquawk, Briefing.com and Cision matters.*



**MEDIA LAW RESOURCE CENTER, INC.**

**520 Eighth Avenue, North Tower, 20 Floor**

**New York, NY 10018**

**BOARD OF DIRECTORS**

Lynn B. Oberlander, Chair  
 Marc Lawrence-Apfelbaum;  
 Karole Morgan-Prager  
 Gillian Phillips;  
 Kenneth A. Richieri  
 Mary Snapp;  
 Susan E. Weiner  
 Kurt A. Wimmer  
 Samuel Fifer (DCS President)

**STAFF**

**Executive Director**

George Freeman

**Deputy Directors**

Dave Heller, Jeff Hermes

**Staff Attorney**

Michael Norwick

**Production Manager**

Jake Wunsch

**MLRC Administrator**

Debra Danis Seiden

**Assistant Administrator:**

Andrew Keltz

**MLRC Institute/WSJ Free Speech Fellow**

Dorianne Van Dyke

# The SAVE Act: Will Congressional Efforts to Stem Sex Trafficking Undermine Section 230?

By Jeff Hermes

Two bills directed at stopping the online advertisement of sex trafficking are currently making their way through Congress with the same title: the “Stop Advertising Victims of Exploitation Act of 2014,” or “SAVE Act.” The House version, [H.R. 4225](#), was introduced in March of this year and passed the House on May 20th by a vote of 392-19. The Senate version, [S. 2536](#), was introduced on June 26 of this year and is still sitting in committee. Both versions have raised concerns among media and civil liberties because of their potential impact on Section 230 of the Communications Decency Act, including the possibility of imposing monitoring requirements for at least some types of third party content.

## Background

**The SAVE Act, in both versions, is the latest in a long series of government efforts to address the use of the Internet to facilitate sex trafficking, particularly with respect to underage victims.**

The SAVE Act, in both versions, is the latest in a long series of government efforts to address the use of the Internet to facilitate sex trafficking, particularly with respect to underage victims. Websites carrying classified advertisements, most notably Craigslist and Backpage.com, came under the scrutiny of state regulators because of their use by prostitution rings. While Craigslist eventually shut down the adult services sections of its various sites in response to government pressure, Backpage.com has so far refused, citing its immunity to state-law liability for third-party content under Section 230.

In response, several states passed laws targeting Backpage.com’s activities. Backpage.com’s invocation of Section 230 was vindicated in a series of federal district court decisions in 2012 and 2013, enjoining the state laws as inconsistent with federal law and in violation of the First

Amendment. *See Backpage.com, LLC v. Hoffman*, No. 13-cv-03952 (D.N.J. Aug. 20, 2013); *Backpage.com, LLC v. Cooper*, 939 F. Supp. 2d 805 (M.D. Tenn. 2013); *Backpage.com, LLC v. McKenna*, 881 F. Supp. 2d 1262 (W.D. Wash. 2012).

In July of 2013, with two anti-Backpage.com laws stricken and the writing on the wall as to a third, forty-seven state attorneys general sent a letter to Congress citing the problem of online advertisements for sex trafficking and asking that Section 230 to be amended. Specifically, the attorneys general asked that the words “or state” be added to 47 U.S.C. § 230(e)(1), so that it would read “Nothing in this section shall be construed to impair the enforcement of ... any other Federal *or state* criminal statute.” Granting the request would have allowed state governments to legislate around Section 230 at will by criminalizing particular online content.

(Continued on page 24)

(Continued from page 23)

Fortunately, Congress did not take up this invitation to grant the states broad new legislative authority that would extend far beyond the issue of sex trafficking. However, it did consider federal approaches to the problem of online advertising for sex trafficking, which arguably would carve out certain online content from Section 230's protection.

### The House Bill (H.R. 4225)

The House version of the SAVE Act is a relatively straightforward amendment to 18 U.S.C. § 1591, the federal law that currently criminalizes sex trafficking. The bill would add "advertising" to the list of trafficking-related offenses as follows (additions in bold):

18 U.S.C. § 1591

(a) Whoever knowingly—

(1) in or affecting interstate or foreign commerce, or within the special maritime and territorial jurisdiction of the United States, recruits, entices, harbors, transports, provides, obtains, **advertises** or maintains by any means a person; or

(2) benefits, financially or by receiving anything of value, from participation in a venture which has engaged in an act described in violation of paragraph (1),

knowing, or, **except where, in an offense under paragraph (2), the act constituting the violation of paragraph (1) is advertising**, in reckless disregard of the fact, that means of force, threats of force, fraud, coercion described in subsection (e)(2), or any combination of such means will be used to cause the person to engage in a commercial sex act, or that the person has not attained the age of 18 years and will be caused to engage in a commercial sex act, shall be punished as provided in subsection (b).

See H.R. 4225, 113th Congress, 2d Sess., § 2(a, b) (last updated May 20, 2014). Violations of the statute are punishable by fines and prison terms of at least 10 years, increased to 15 years if the victim was under 14 years old or if the victim was compelled to engage in commercial sexual activity. 18 U.S.C. § 1591(b).

The term "advertising" is not defined, and thus it is not clear whether it would include services like Backpage.com that host third party advertisements. Although Backpage.com spurred the introduction of the bill and can be presumed to be one of its intended targets, it is ambiguous as to whether the drafters of the bill intended website hosts to be subject to direct liability for advertising under § 1591(a)(1), or only subject to indirect liability under § 1591(a)(2) when receiving a benefit as a result of another party's advertising.

The insertion beginning "except where..." (in bold face above) might help to resolve this ambiguity. This amendment was included in H.R. 4225 in response to concerns that the bill would put too strict a burden on online intermediaries, by imposing a recklessness standard that could result in a *de facto*

(Continued on page 25)



(Continued from page 24)

monitoring obligation for third party content. The added clause limits advertising-related liability under § 1591(a)(2) to circumstances where the defendant has actual knowledge that the victim was either underage or compelled to participate (this would still represent a narrowing of Section 230, but not one that imposes a monitoring obligation). The added clause would be meaningless, however, if intermediaries could be subjected to the same penalties under a recklessness standard via § 1591(a)(1).

### The Senate Bill (S. 2536)

The Senate version of the SAVE Act takes a different approach. Instead of amending existing legislation to include advertising offenses, the Senate bill would create a new Section 1591A in Title 18 to address these activities. Perhaps in recognition of the constitutional issues raised by state laws on this topic, the text of the bill states that the new section “should be liberally construed to effectuate its remedial purposes to the full extent permitted by the First Amendment to the Constitution of the United States, *including the commercial speech doctrine.*” S. 2536, 113th Congress, 2d Sess., § 2(4) (last updated June 26, 2014) (emphasis added).

**By recognizing state felony offenses as predicate crimes, the Senate bill would also grant states a degree of much-desired power to limit the reach of Section 230.**

#### Advertising Liability

The new § 1591A would make it unlawful to:

- (A) knowingly sell, commercially promote, place, or maintain an adult advertisement, or any series of adult advertisements in a medium whose predominant purpose or use is to facilitate commercial transactions; and
- (B) act with reckless disregard of the fact that the adult advertisement, or the series of adult advertisements, facilitates or is designed to facilitate—
  - (i) an offense under ... section 1591(a) in which the person recruited, enticed, harbored, transported, provided, obtained, or maintained has not attained the age of 18 years at the time of such offense; or
  - (ii) an offense in violation of any provision of State law prohibiting felony offenses relating to child pimping, child prostitution, child sexual abuse, assault on children, or the sex trafficking of children.

18 U.S.C. § 1591A(b)(1) (as proposed by S. 2536, § 3(a), as of June 26, 2014; further references to § 1591A in this article will likewise be to the section proposed in the June 26 version of S. 2536).

The Senate bill thus eliminates the distinction between direct and indirect liability apparently present in the House version, and applies a recklessness standard in all cases with respect to the criminal nature of the goods or services advertised. Violators are subject to a fine, imprisonment up to 10 years, or both. 18 U.S.C. § 1591A(b)(2).

By recognizing state felony offenses as predicate crimes, the Senate bill would also grant states a degree of much-desired power to limit the reach of Section 230. This power would, however, be indirect

(Continued on page 26)

(Continued from page 25)

and limited; states could not regulate online advertising directly or extend the reach of the statute beyond “adult advertisements,” but might modify their felony laws to expand the scope of related adult advertisements covered by the federal statute.

### Range of Advertising Covered

As discussed above, the defendant need have no actual knowledge of the unlawful nature of the goods or services advertised. This is reinforced by the definitions of “advertisement” and “adult advertisement” in the new section:

The term adult advertisement means any advertisement that ... is designed, in whole or in part, to induce a **lawful or unlawful** commercial exchange for—(i) a sexual act or sexual contact ... ; (ii) sexually explicit conduct ... ; (iii) a commercial sex act ... ; or (iv) the goods or services of an adult escort or erotic performer involving any commercial exchange described in clause (i), (ii), or (iii).

...

The term advertisement includes any written or verbal statement, illustration, or depiction in any medium which is designed, in whole or in part, to induce a **lawful or unlawful** commercial exchange of a good or service for money, property, or another item of value, including another good or service.

**The definition of an “adult advertisement” sweeps broadly in terms of the subject matter that triggers the “reckless disregard” standard.**

18 U.S.C. § 1591A(a)(1, 2) (emphasis added). Although the interaction of the subsections is not entirely clear, it appears that possessing a subjective belief that one is “selling, commercially promoting, placing, or maintaining” an advertisement for apparently lawful adult goods or services is sufficient to trigger an obligation to avoid “reckless disregard” of the fact that the goods or services are in fact unlawful.

The definition of an “adult advertisement” sweeps broadly in terms of the subject matter that triggers the “reckless disregard” standard. For example, § 1591(a)(1)(iv) extends the definition to “the goods ... of an ... erotic performer involving any commercial exchange described in clause ... (iii).” Clause (iii) refers to “commercial sex acts,” defined by reference to 22 U.S.C. § 7102(4) as “any sex act on account of which anything of value is given to or received by any person.” Thus, “adult advertisements” would appear to include not only solicitations for sexual services, but also ads for pornographic (but legal) content.

### Monitoring and Recordkeeping Obligations

The Senate bill also explicitly creates obligations with respect to third-party content that would override the general rule of Section 230 in certain circumstances.

(Continued on page 27)

*(Continued from page 26)*

Section 1591A(c) imposes additional recordkeeping duties on anyone who “uses any means or facility of interstate or foreign commerce to sell, commercially promote, place, or maintain an adult advertisement.” These obligations include: (1) verifying the identity of any purchaser of the advertisement, the identity of any person depicted in the advertisement, and the age of anyone whose goods or services are thus advertised; (2) maintaining records relating to this verification; and (3) affixing notices to each adult advertisement stating where these records may be kept. 18 U.S.C. §1591A (c)(1, 2, 4).

The Attorney General is also directed to promulgate regulations “to carry out this section,” including regulations imposing the following obligations (among others) on entities subject to the recordkeeping requirements above:

- reviewing postings “before they are published to ensure the postings do not offer minors for commercial sex or contain sexually explicit images of minors”;
- prohibiting “the use of euphemisms and code words for, or used as part of, a commercial exchange” proposed in an adult advertisement; and
- preventing “the reposting of previously banned or removed postings or postings by persons who repeatedly post inappropriate content.”

18 U.S.C. § 1591A(c)(5).

Failure to comply with requirements and regulations under this subsection would be punishable with fines and/or imprisonment separate from the main penalties discussed above. 18 U.S.C. § 1591A(c)(6).

#### *Exceptions to Liability*

The Senate bill contains two limitations on liability.

One limitation relates to the monitoring and recordkeeping requirements discussed above. Compliance with these obligations prevents a defendant from being “found reckless as to the fact of the age element of a minor victim of a predicate offense.” 18 U.S.C. § 1591A(b)(3)(B). This might be of limited benefit, given that a predicate offense under state law – *see* 18 U.S.C. § 1591A(b)(1)(B)(ii) – might not have the age of a specific victim as an element.

The other is a limitation on liability that applies to a range of online services (the “Internet Service Limitation”):

An Internet access service provider, Internet browser or mobile browser provider, external search engine provider, external Internet information location tool provider (including a domain name registry or other domain name or root zone service provider), interactive advertising network service provider, common carrier, telecommunications carrier, or other such generic search or utility provider shall not incur any criminal or civil

*(Continued on page 28)*

(Continued from page 27)

liability under this subsection or be subject to the recordkeeping requirements under subsection (c) solely based on providing such generic search or utility services.

18 U.S.C. § 1591A(b)(3)(A). The Internet Service Limitation has two primary effects: (1) it precludes liability for selling, commercially promoting, placing, or maintaining an adult advertisement that facilitates an underlying offense; and (2) it states that the covered Internet services are not bound by the recordkeeping requirements of 18 U.S.C. § 1591A(c). The limitation applies only to covered services' provision of "generic search or utility services," a term not defined in the bill.

In addition, the Internet Service Limitation might not affect liability for failure to comply with other obligations imposed by the Attorney General's regulations, such as the pre-publication review and repeat poster requirements. Although the Attorney General's authority to promulgate these regulations is granted by the section of the Senate bill discussing recordkeeping, the contemplated reach of the regulations extends significantly further. *See* 18 U.S.C. § 1591A(c)(5). Note also that while the Attorney General is directed to issue regulations binding on those subject to the bill's recordkeeping requirements, this might not prevent regulation of other entities in order "to carry out this section." *See Creekstone Farms Premium Beef, L.L.C. v. Dep't of Agriculture*, 539 F.3d 492, 500 (D.C. Cir. 2008) (Where Congress has delegated broad regulatory authority to "carry out" a statute, express direction to issue particular regulations does not preclude other regulatory measures). Thus, the statement in the Internet Service Limitation that covered services "shall not . . . be subject to the recordkeeping requirements under subsection (c)," 18 U.S.C. § 1591A(b)(3)(A), would not necessarily put these services beyond the Attorney General's reach.

Although the protection of the Internet Service Limitation may be limited, the range of services covered is potentially quite broad as a result of its inclusion of "Internet access service" ("IAS") providers.

An IAS provider is defined by reference to the Child Online Protection Act ("COPA"), which states:

The term "Internet access service" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

47 U.S.C. § 231(e)(4).

There is no law interpreting this definition within the context of COPA itself, because enforcement of the substantive provisions of COPA was enjoined due to a likely conflict with the First Amendment. *See Ashcroft v. ACLU*, 542 U.S. 656 (2004). Nevertheless, the COPA definition of an IAS was also incorporated by reference into the CAN-SPAM Act, 15 U.S.C. §§ 7701 *et seq.*, and has been interpreted

**Although the protection of the Internet Service Limitation may be limited, the range of services covered is potentially quite broad as a result of its inclusion of "Internet access service" ("IAS") providers.**

(Continued on page 29)

(Continued from page 28)

broadly in that context. For example, in *Facebook, Inc. v. CONNECTU LLC*, the U.S. District Court for the Northern District of California stated that:

Although this definition appears primarily to contemplate services that provide consumers their initial *connection* point to the Internet, the language is broad enough to encompass entities such as Facebook that provide further access to content and communications between users for persons who may initially access the Internet through a conventional “internet service provider.”

489 F. Supp. 2d 1087, 1094 (N.D. Cal. 2007); *see also MySpace, Inc. v. The Globe.com, Inc.*, 2007 U.S. Dist. LEXIS 44143, \*10 (C.D. Cal. 2007) (“The plain meaning of the statutory language is unambiguous; ‘Internet access [service] provider’ includes traditional Internet Service Providers ..., any email provider, and even most website owners.”).

But the fact that the definition of an IAS has been interpreted broadly under the CAN-SPAM Act does not necessarily mean that it must be interpreted the same way in the SAVE Act. *See Envtl. Def. v. Duke Energy Corp.*, 549 U.S. 561, 576 (2007) (Congress’ incorporation of definition from one statute into another does not prohibit interpreting definition differently in new context). The Internet Service Limitation appears to contemplate that IAS providers and the other services covered will be no more than “generic search or utility providers,” and limits liability “solely based on providing such generic search or utility services.” 18 U.S.C. § 1591A(b)(3)(A). This could militate in favor of narrowly defining either an “IAS provider” or “search and utility services” (for example, by including search engines but not social media sites or advertising-related sites).

### Conclusion

The SAVE Act, if passed, would represent the first federal legislative restriction on the scope of Section 230 since its enactment. Both the House and Senate versions of the SAVE Act contain language that limits the protection of Section 230 for websites that knowingly carry advertisements for adult goods and services. The House bill would at least impose liability on online intermediaries who have actual knowledge of the illegal nature of the conduct advertised; moreover, by failing to define “advertising,” the House bill leaves open the possibility that websites could be held to a reckless disregard standard that would effectively create a monitoring requirement. The Senate bill, on the other hand, would explicitly create monitoring and other burdensome requirements for those who knowingly carry even legal adult advertisements; however, the bill contains limitations that might insulate at least some online services from certain of those burdens.

*Jeff Hermes is a Deputy Director of MLRC.*

# California's New Consumer Comment Law Leaves Questions and Potential Loopholes

By Jeff Hermes

On September 9, 2014, California Gov. Jerry Brown signed into law [Assembly Bill No. 2365](#), adding a new Section 1670.8 to the California Civil Code. The new law was passed in response to a practice among some businesses of requiring consumers to waive their right to comment on either the business or its goods and services.

This issue came to public attention in 2011, when reports surfaced of doctors using form contracts that purported to bar their patients from disparaging them or their services; other versions of these contracts included provisions purporting to transfer the copyright in any commentary by the patient to the doctor.<sup>1</sup> Another event (which directly inspired California's new law) involved KlearGear.com, a website selling novelty gifts that had a non-disparagement clause in its terms of use. Over three years after a Utah customer's wife posted a negative online review about the site, KlearGear.com demanded a payment of \$3,500 for violation of the non-disparagement clause. When the customer and his wife refused to pay, the site reported the non-payment as a debt to a credit reporting agency causing the couple extensive hardship.<sup>2</sup>

Section 1670.8 now provides that in California:

A contract or proposed contract for the sale or lease of consumer goods or services may not include a provision waiving the consumer's right to make any statement regarding the seller or lessor or its employees or agents, or concerning the goods or services.

Cal. Civ. Code § 1670.8(a)(1). The statute also makes it

unlawful to threaten or to seek to enforce a provision made unlawful under this section,

or to otherwise penalize a consumer for making any statement protected under this section.

Cal. Civ. Code § 1670.8(a)(2). Attempted waivers of the statute's provisions are void and unenforceable against public policy. Cal. Civ. Code § 1670.8(b).

The statute allows for civil penalties "to be assessed and collected in a civil action brought by the consumer, by the Attorney General, or by the district attorney or city attorney of the county or city in which the violation occurred." Cal. Civ. Code § 1670.8(c). The amount of the penalty is capped by statute, up to \$2,500 for the first violation of its provisions, up to \$5,000 for each subsequent violation, and up to \$10,000 for willful, intentional, or reckless violations, Cal. Civ. Code § 1670.8(c, d).

The most obvious effect of the statute is to prevent businesses and professionals from suppressing negative consumer commentary through contracts that avoid the normal burdens of proof in a defamation action. While the term "consumer" is not defined in the text of the statute itself, it is likely that California will define that term to be limited to individuals, as it does in other parts of the Civil Code. See, e.g., Cal. Civ. Code § 1761(d) ("Consumer" means an individual who seeks or acquires, by purchase or lease, any goods or services for personal, family, or household purposes."). Thus, the statute is unlikely to affect business-to-business transactions or vendor relationships. On the other hand, despite comments in its legislative history highlighting issues with contracts of adhesion (and particularly online terms of service),<sup>3</sup> the statute is not limited to such contracts. Although the statute is plainly intended to address a power imbalance in consumer contracts, businesses that negotiate with consumers will also be affected.

**The new law was passed in response to a practice among some businesses of requiring consumers to waive their right to comment on either the business or its goods and services.**

(Continued on page 31)

(Continued from page 30)

The statute raises other questions, however, that are not as easy to resolve. For example, Section 1670.8(a)(1) applies to contracts “for the sale or lease of consumer goods or services.” It is not clear whether this applies to all contracts in the consumer-business context, or if a business could avoid the statute through a separate agreement presented to a consumer that is supported by minimal but sufficient independent consideration.

It is also unclear whether subsection (a)(2), which prohibits “otherwise penaliz[ing] a consumer for making any statement protected under this section,” would bar a business from filing a defamation lawsuit against the consumer. The “statement[s] protected under this section” would, under subsection (a)(1), appear to include “any statement regarding the seller or lessor or its employees or agents, or concerning the goods or services.” There is no explicit limitation in subsection (a)(1) to “lawful” statements or statements “protected by the First Amendment.” Thus, defamatory statements published by consumers might fall within the statute’s protection.

A court could, however, read a limitation to lawful content into the statute. Subsection (a)(1) is written in terms of protecting “*the consumer’s right to make any statement.*” This might be interpreted as meaning that the provisions of the subsection only relate to statements that a consumer actually has a “right” to make in the first place. Under this interpretation, defamation lawsuits against consumers might be permissible, as would contractual clauses prohibiting defamation (but not lawful criticism).<sup>4</sup> The civil penalties in the statute could thus create a system akin to an anti-SLAPP law, where a business could sue for defamation but be subject to statutory penalties if a consumer’s statements were determined to be within her rights.<sup>5</sup>

The statute is also ambiguous as to whether it would prohibit contractual clauses purporting to transfer the copyright in any comments the consumer makes. These provisions are sometimes sought by businesses because they can face significant difficulty when attempting to remove negative or defamatory reviews from third-party websites. Third-party sites ordinarily enjoy broad immunity from

liability for content posted by their users under Section 230 of the federal Communications Decency Act, even if they refuse to remove that content. 47 U.S.C. § 230(c)(1). Section 230 does not, however, immunize websites against claims of copyright infringement arising out of user content. 47 U.S.C. § 230(e)(2). Accordingly, some targets of negative comments have attempted an end-run around Section 230 by acquiring the copyright in the comments and then threatening the hosting website with an infringement lawsuit if they do not remove the material.

The legitimacy and efficacy of the use of copyright law to suppress critical speech has been the subject of commentary elsewhere.<sup>6</sup> For present purposes, it is enough to note that California’s new statute might not prohibit this practice. Section 1670.8(a)(1) states that those selling or leasing consumer goods “may not include a provision waiving the consumer’s right to *make any statement,*” but a transfer of

---

**The statute is also likely to be invoked both as an affirmative defense and as the basis for a counterclaim in any defamation action against a California consumer.**

copyright in a consumer’s statements does not prevent the consumer from making those statements in the first place. Similarly, while Section 1670.8(a)(2) prohibits “penaliz[ing] a consumer for making any statement protected under this section,” it says nothing about approaching third parties. Given that the entire purpose of copyright transfers in this context is to facilitate the suppression of speech, a court would likely be sympathetic

to an argument that such transfers should be banned. It is another question, however, whether invoking copyright to compel a third party to remove a negative review is a “penalty” for the consumer within the meaning of the statute.

It is also worth noting that nothing in the statute prevents a third party website from voluntarily removing a consumer’s comments. Another part of the Communications Decency Act, 47 U.S.C. § 230(c)(2), expressly immunizes online intermediaries from liability for decisions to remove user comments. The new California statute contains a carve-out which reflects that immunity, stating, “This section shall not be construed to prohibit or limit a person or business that hosts online consumer reviews or comments from removing a statement that is otherwise lawful to remove.” Cal. Civ. Code § 1670.8(e). Again, it is unclear whether it is a “penalty” to

(Continued on page 32)

(Continued from page 31)

the consumer for a business to request (or even pressure) a third party to exercise this discretion.

Finally, the statute does not define whether the civil penalties will accrue on a per-contract or per-consumer basis. This is particularly problematic for subsection (a)(1)'s prohibition of non-disparagement clauses in proposed contracts as it relates to website terms of use. If the penalties are per-contract, granting individual consumers a cause of action could generate substantial confusion if multiple consumers sue simultaneously but only one can receive an award. If the penalties are per-consumer, fines could accumulate extremely rapidly if terms of use are deemed to be "proposed" to any visitor to the site.

Clarification through case law could come through multiple channels. It is easy to imagine a class action on behalf of California consumers against a consumer-directed website that is too slow to amend its terms of use, demanding a fine for each visitor. The statute is also likely to be invoked both as an affirmative defense and as the basis for a counterclaim in any defamation action against a California consumer. Until clarification is obtained, those doing business with California consumers would be wise to adopt a broad reading of the statute's terms.

*Jeff Hermes is a Deputy Director of the Media Law Resource Center in New York.*

#### Notes

1. Timothy B. Lee, *Doctors and dentists tell patients, "all your review are belong to us"*, Ars Technica (May 24, 2011,

12:30AM EDT), <http://arstechnica.com/tech-policy/2011/05/all-your-reviews-are-belong-to-us-medical-justice-vs-patient-free-speech/>.

2. Pamela Brown, *Couple fined for negative online review*, CNN.COM (Dec. 26, 2013, 9:32AM EST), <http://www.cnn.com/2013/12/02/tech/couple-fined-for-negative-review/>

3. Cal. State Legislature, Assembly Floor Analysis, 2013-14 Sess. (Cal. August 13, 2014) <http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml;jsessionid=a127272cc08ab872972e9c1f0f3f#>

4. On the other hand, one might contend that the general prohibition on prior restraints reflects a right to make even defamatory statements, subject to later penalty. It does not appear that the California State Legislature reached these levels of detail in drafting the statute.

5. California's actual anti-SLAPP law might also be applicable; the provisions of the new law are not an exclusive remedy. Cal. Civ. Code § 1670.8(e).

6. See, e.g., Eric Goldman, *The Dangerous Meme That Won't Go Away: Using Copyright Assignments to Suppress Unwanted Content—Scott v. WorldStarHipHop*, TECHNOLOGY & MARKETING LAW BLOG (May 14, 2012), <http://blog.ericgoldman.org/archives/2012/05/the-meme-that-w.htm>.

**The Podcast from the 2014 Legal Frontiers in Digital Media Conference Is Available for Streaming**

**Click to listen on the web**

**Click to download in iTunes**



# Supreme Court to Decide “True Threats” Case Involving Online Speech

## *Is Proof of Subjective Intent Required to Convict?*

The U.S. Supreme Court is set to consider a “true threats” case this upcoming term with possible implications for the Internet and social media, as well as music and other expressive genres. *U.S. v. Elonis*, 730 F.3d 321 (3d Cir. 2013) (Scirica, Hardiman, Aldisert, JJ.), *cert. granted* (U.S. June 16, 2014).

Last year the Third Circuit affirmed the criminal conviction of Anthony D. Elonis for making threats on his Facebook page against his estranged wife, law enforcement officials, and a local kindergarten.

The Supreme Court granted certiorari to consider whether under the First Amendment a conviction for threatening another person requires proof of defendant’s subjective intent to threaten or whether it is sufficient to show that a “reasonable person” would understand the statements as threatening (the standard applied by the Third Circuit). The Court also asked the parties to brief whether, as a matter of statutory interpretation, conviction of threatening another person under 18 U. S. C. § 875(c) requires proof of the defendant’s subjective intent to threaten.

### Background

The petitioner Anthony D. Elonis was convicted and sentenced to 44 months in federal prison for a series of online postings directed at his estranged wife, law enforcement officials and a local school.

Many of his Facebook postings were made in the style of violent rap lyrics mixed with references to true threat jurisprudence to the effect that his comments were protected speech. The statements are available in the Third Circuit opinion and include: “And if worse comes to worse I’ve got enough explosives to take care of the state police and the

sheriff’s department [link: Freedom of Speech, [www.wikipedia.org](http://www.wikipedia.org)].”

After a visit from the FBI defendant wrote: “Little Agent Lady stood so close Took all the strength I had not to turn the bitch ghost Pull my knife, flick my wrist, and slit her throat Leave her bleedin’ from her jugular in the arms of her partner [laughter].”

Elonis was indicted for violating 18 U.S.C. § 875(c), which criminalizes the transmissions of threats to injure another person in interstate communications (i.e. the Internet). At trial, he testified that his postings were not meant as threats but were therapeutic expressions that helped

him deal with the pain of his divorce and unemployment. He also claimed that rapper Eminem inspired a post in which he fantasized about shooting elementary school students.

Prior to the case going to the jury, U.S. District Judge Lawrence F. Stengel rejected Elonis’ argument that his speech was protected. Elonis argued, under the U.S. Supreme Court’s 2003 decision in *Virginia v. Black*, that the true threats exception to the First Amendment requires a showing that a

speaker subjectively intended the threat. Instead, the judge applied a standard requiring the government to prove that a reasonable person would foresee Elonis’ statements as threats. Stengel instructed the jury that “to constitute a true threat, the statement must communicate a serious expression of intent to commit an act of unlawful violence to a particular individual or group of individuals. This is distinguished from idle or carless talk, exaggeration, something said in a joking manner or an outburst of transitory anger. A statement is a true threat when a defendant intentionally makes a statement in a context or under such circumstances wherein a reasonable person would foresee that the statement would be

**The U.S. Supreme Court is set to consider a “true threats” case this upcoming term with possible implications for the Internet and social media, as well as music and other expressive genres.**

*(Continued on page 34)*

(Continued from page 33)

interpreted by those to whom the maker communicates the statement as a serious expression of an intention to inflict bodily injury to take the life of an individual.”

The jury convicted Elonis on all counts except for threatening the patrons and employees of the amusement park that had fired him.

### Third Circuit

When the case reached the Third Circuit, Elonis again argued that the Supreme Court’s decision in *Virginia v. Black* requires that a conviction for making a true threat must involve evidence of the speaker’s subjective intent.

In that case, three men challenged their criminal convictions for violating Virginia’s ban on cross burning with the “intent to intimidate a person or group of persons.” In one of the cases, the jury was instructed, pursuant to a Virginia Model Jury Instruction, that the burning of a cross is sufficient evidence of intent to intimidate.

The Justices acknowledged that cross burning in the United States is often meant to be intimidating and to instill fear of violence. But Justice Sandra Day O’Connor, writing for the majority, held it was unconstitutional for the Virginia statute to treat every single cross burning as prima facie evidence of the intent to intimidate.

A four-justice plurality further ruled that the prima facie part of the statute, when interpreted by a jury through the lens of their instructions, “permits a jury to convict in every cross-burning case in which defendants exercise their constitutional right not to put on a defense.”

Justice Antonin Scalia concurred in the judgment, but he dissented from the plurality’s invalidation of the Virginia law on its face.

When the Third Circuit analyzed *Virginia v. Black*, Judge Anthony J. Scirica, writing for the court, said that the majority of circuit courts have found that *Virginia v. Black* does not require a subjective intent to threaten. The Ninth Circuit stands alone, Scirica said, in ruling in its 2005 decision in *United States v. Cassei* that, under *Virginia v. Black*, “speech may be deemed unprotected by the First Amendment as a ‘true threat’ only upon proof that the speaker subjectively intended the speech as threat.”

The Third Circuit disagreed as other circuit courts have, reasoning that *Virginia v. Black* does not require proof of a subjective intent to threaten in order to convict someone of making a true threat. The statute also requires proof of intent that someone “knowingly and willfully” made a true threat, Scirica said. “This objective intent standard protects non-threatening speech while addressing the harm caused by true threats,” the circuit court concluded.

### In the High Court

The Supreme Court has granted certiorari to Elonis on two issues: “(1) Whether, consistent with the First Amendment and *Virginia v. Black*, conviction of threatening another person under 18 U.S.C. § 875(c) requires proof of the defendant’s subjective intent to threaten, as required by the Ninth Circuit and the supreme courts of Massachusetts, Rhode Island, and Vermont; or whether it is enough to show that a “reasonable person” would regard the statement as threatening, as held by other federal courts of appeals and state courts of last resort; and (2) whether, as a matter of statutory interpretation, conviction of threatening another person under 18 U.S.C. § 875(c) requires proof of the defendant’s subjective intent to threaten.”

Elonis’ counsel argued in his brief that, if prosecutors are not required to prove subjective intent when prosecuting pure speech that could pose a true threat, Section 875(c) would criminalize negligent speech in violation of the First Amendment. “Imposing criminal liability under a negligence standard would impermissibly chill speech,” his lawyers said. “The vagueness, inconsistency and unpredictability of the ‘reasonable person’ standard deprives speakers of any certainty that their comments are lawful, thereby discouraging speech.”

Elonis cited *Virginia v. Black* for the proposition that a subjective intent requirement is necessary to distinguish between intimidating expression that is unprotected by the First Amendment and from core political, artistic and ideological speech or other legitimate nonthreatening speech.

The government said a general-intent requirement is appropriate so long as a defendant won’t be convicted on facts “that the defendant could not have reasonably known.”

(Continued on page 35)

(Continued from page 34)

The First Amendment allows the government to protect people from the fear and disruption caused by true threats without having to prove a speaker's "private and unexpressed intent." In fact, other unprotected speech like fighting words and obscenity don't require subjective proof of a speaker's intent.

The case is set for oral argument December 1. In addition to resolving the apparent circuit split, the Court may also clarify the somewhat murky law regarding "true threats" and the First Amendment. If fiery cross-burning--despite its loaded use by the Ku Klux Klan in favor of white supremacy-

-can require contextualization and more protection from the First Amendment, does online speech which is often taken out of context and ambiguous in meaning require the same thing?

*Elonis is being represented by Ronald H. Levine and Abraham J. Rein of Post & Schell, P.C. in Philadelphia, John P. Elwood, Ralph C. Mayrell and Dmitry Slavin of Vinson & Elkins LLP in Washington, D.C., Daniel R. Ortiz of the University of Virginia School of Law Supreme Court Litigation Clinic and Conor McEvily of Vinson & Elkins LLP in Houston. [Petitions and amicus briefs in the case are available on SCOTUSblog.](#)*

## Recent MLRC Publications

### [MLRC Model Shield Law](#)

The MLRC Model Shield Law was developed by the MLRC Model Shield Law Task Force. It will update a prior Model that we developed a number of years ago. The Model Shield Law has been designed to assist in the creation, or updating, of state shield laws.

### [MLRC Bulletin 2014 Issue 2: Legal Frontiers in Digital Media](#)

All Native Advertising is Not Equal — Why that Matters Under the First Amendment and Why it Should Matter to the FTC • The Google Books and HathiTrust Decisions: Massive Digitization, Major Public Service, Modest Access • The Authors Guild v. Google: The Future of Fair Use? • The Computer Fraud and Abuse Act — Underused? Overused? Misused?

### [Key Points on DOJ Policy](#)

MLRC memo representing some of the key points from the Final Rule publication.

### [2014 Report on Trials and Damages](#)

MLRC's 2014 Report on Trials and Damages updates our study to include 12 new cases from 2012 and 2013. Our trial database now includes trial and appellate results in 632 cases from 1980-2013.

### [Resource Materials on the Definition of "Journalist" and "Media" in Litigation and Legislation: 2014 Update](#)

Who qualifies as "the media," it seems, is the perennial million-dollar question in an age when the "pen," the camera, and the "press" are all combined in a single device that fits easily in your purse—if not your back pocket—and everyone is a potential publisher. This updated report offers a review of that question by examining legislative developments and court decisions in a variety of situations, ranging from libel and right of publicity issues, to state shield laws and reporter's privilege changes, to application of state and federal open records laws.

### [Non-Competes in the Broadcast Industry](#)

Eight states and the District of Columbia have laws that target the broadcast industry and limit broadcast employers' ability to enforce non-compete agreements with their on and off screen talent. This paper describes the elements of those laws and their impact. It also addresses several alternative approaches for broadcast employers' efforts to retain employees and the impact of the broadcast non-compete ban laws on those alternatives.

# Libertarian Senate Candidate Not Entitled to Participate in TV Debate

Holding that the First Amendment is not a rule of quantity at any cost, a Kentucky federal court has upheld a broadcaster's right to limit the number of candidates invited to election forums and debates to those who have a realistic chance of winning. [\*Libertarian National Committee, et al. v. Dr. Terry Holiday\*](#), No. 14-63-GFVT (E.D. Ky. Oct. 11, 2014)(Van Tatenhove, J.).

The October 11, 2014 decision was issued less than 48 hours from the much anticipated and only joint appearance of incumbent Senator Mitch McConnell and Secretary of State Alison Lundergan Grimes, the Republican and Democratic candidates for United States Senate, on the Kentucky Educational Television (KET) public affairs program *Kentucky Tonight*.

Libertarian Party candidate David Patterson, along with the state and national Libertarian parties, had filed for an emergency injunction to be included on the program, claiming that KET violated his First Amendment rights by excluding him. The court rejected the request, as well as Patterson's argument that his political views played any role in KET's candidate invitation criteria. KET acted within the bounds of the First Amendment, according to the court.

## Findings of Fact

Following briefing and a day-long hearing on October 9, the court made its factual findings based primarily on evidence in the form of internal KET emails obtained by Plaintiffs through an August open records request. The emails showed conversations among KET staff and KET counsel beginning in January 2014 concerning the establishment of pre-selection criteria for use in determining which candidates would be invited to participate in *Kentucky Tonight* election programming.



**Secretary of State Alison Lundergan Grimes and Senator Mitch McConnell, the Democratic and Republican candidates for United States Senate, at the KET hosted debate.**

KET established and utilized objective criteria for inviting primary election candidates to participate in the *Kentucky Tonight* April programs. The primary election criteria was devised to satisfy Federal Election Commission requirements while also "giving KET the ability to NOT invite candidates who have only managed to get their names on a ballot [sic] but do not truly have a legitimate campaign underway."

As a side note, the Court recognized a disagreement between the parties as to whether the KET *Kentucky Tonight* programs including candidates were technically "public debates" that would implicate FEC regulations requiring pre-existing criteria to determine which candidates may participate. Though adamant that its regularly scheduled

program was a forum and not a debate, KET nevertheless established objective criteria. Hence, the Court saw no need to decide the issue and evaluated the case under a debate framework.

After the primary, KET and its counsel revisited its criteria. Emails indicated that

KET was stiffening criteria for its general election programs to eliminate nonviable candidates and reduce the potential for equal opportunity requests. In mid-June, KET finalized its new general election criteria, which required candidates to satisfy the following criteria by August 15, 2014: (1) he/she is a Kentucky resident and a "legally qualified candidate" under FEC guidelines; (2) the candidate maintains an active website devoted to the campaign that addressed at least three issues related to the race; (3) the candidate has accepted at least \$100,000 in contributions; (4) if a professional public opinion survey by an independent political pollster has been conducted, the candidate must have received at least ten percent or more support.

In July 2013, the Libertarian Party of Kentucky issued a press release announcing it was half-way to having enough

*(Continued on page 37)*

(Continued from page 36)

signatures to qualify its candidate David Patterson for a spot on the ballot. On July 23, 2013, KET announced that candidates McConnell and Grimes were the only candidates invited to the scheduled October 13 *Kentucky Tonight* Senatorial candidate forum. The same day, a write-in candidate was informed, upon inquiry, that she did not meet the criteria to be invited.

In early August, Patterson received enough signatures to be an official candidate in the U.S. Senate race. When the Kentucky Libertarian Party chair then asked if Patterson would be included on the October 13 program, KET responded by attaching the criteria and explaining that the only candidates who qualified were McConnell and Grimes. Patterson, admittedly, did not meet the criteria.

Patterson and the state and national Libertarian Parties filed their Complaint on September 28, alleging that KET deprived him of his First Amendment rights of free speech and of his Fourteenth Amendment rights to due process. He also filed a motion for emergency injunctive relief asking the Court to enjoin KET from enforcing its candidate criteria and to require KET to include Patterson in the October 13 *Kentucky Tonight* candidate forum. The Court held a hearing on October 9, 2014.

### Conclusions of Law

In denying Patterson's demand to be included in the *Kentucky Tonight* candidate forum, the Court looked to the seminal case of *Arkansas Educ. Television Comm'n v. Forbes*, where the Supreme Court has already considered whether a state-owned public television station "had a constitutional obligation to allow every candidate access" to a debate. 523 U.S. 666, 669 (1998). The answer is no.

The Kentucky court noted that, in *Forbes*, like in the present case, the Arkansas Educational Television Commission (AETC) invited the Republican and Democratic candidates for federal offices to appear on debates but did not invite independent candidate Forbes. The Supreme Court held that the AETC debate was a nonpublic forum "from which AETC could exclude Forbes in the reasonable, viewpoint-neutral exercise of its journalistic discretion" and further that it was "beyond dispute that Forbes was excluded not because of his viewpoint but because he had generated no

appreciable public interest." Analyzing Patterson's claims under parameters of *Forbes*, the court likewise rejected Patterson's claims of viewpoint discrimination by KET.

First, the court notes that Patterson presented no direct evidence of viewpoint discrimination and in fact admitted that there were no documents where KET even mentions his viewpoint. On the contrary, *Kentucky Tonight* host and producer Bill Goodman testified that a candidate's views played no role in who was or was not invited to participate on KET programs. Goodman testified that any candidate, including the self-proclaimed white supremacist write-in candidate, would have been invited to the candidate forum had they met the criteria.

The Court also rejected Patterson's reliance on circumstantial evidence to support a pre-text theory. Patterson argued that KET changed its candidate criteria for the general election to preclude voices like his from participating. But the Court disagreed with the implications

Patterson assigned to various internal emails among KET staff, many of which included "careful consultation" with counsel. Rather than evidencing any kind of viewpoint discrimination, the Court concluded the following from the emails: When taken as a whole, the picture that emerges is of an institution trying to do the right thing. The most direct evidence of KET's intent in

developing the criteria came from KET's Executive Director at the beginning of the process, namely "to follow the law, be fair to all concerned, protect and maintain KET's integrity and reputation for inclusion and fairness – and provide the best service to our viewers."

The Court summed up its lengthy, well-reasoned Opinion and Order with guidance for broadcasters and candidates beyond the case at hand:

Patterson believes that it is enough that he is a thoughtful candidate, serious about his candidacy. Without question voters may be better informed, or at least exposed to more viewpoints if he is included. But the First Amendment is not a rule of quantity at any cost. What the Supreme Court understands is that there are very good reasons, informed by the values of the First Amendment, to permit

(Continued on page 38)

---

**Voters may actually benefit  
by a forum or debate that  
included only those  
candidates that have a  
realistic chance of winning.**

(Continued from page 37)

KET to limit the number of candidates at its debate. Voters may actually benefit by a forum or debate that included only those candidates that have a realistic chance of winning rather than many voices competing for very limited time. What KET cannot do is pick and choose candidates based on their viewpoints. KET has not done so here. The fact that particular candidates were excluded as non-compliant with the objective criteria does not mean, *ipso*

*facto*, that the criteria were designed to exclude those viewpoints.

Nothing about this circumstance, according to the court, weakens the First Amendment to the Constitution.

*Plaintiffs are represented by Christopher Wiest, Chris Wiest, Atty at Law PLLC; Thomas Bruns, Freund, Freeze & Arnold; and Brandon Voelker. Defendants are represented by Deborah H. Patterson, Christopher Brooker and Allison Brown, Wyatt, Tarrant & Combs LLP.*

## Recent MLRC Publications

### [MLRC Model Shield Law](#)

The MLRC Model Shield Law was developed by the MLRC Model Shield Law Task Force. It will update a prior Model that we developed a number of years ago. The Model Shield Law has been designed to assist in the creation, or updating, of state shield laws.

### [MLRC Bulletin 2014 Issue 2: Legal Frontiers in Digital Media](#)

All Native Advertising is Not Equal — Why that Matters Under the First Amendment and Why it Should Matter to the FTC • The Google Books and HathiTrust Decisions: Massive Digitization, Major Public Service, Modest Access • The Authors Guild v. Google: The Future of Fair Use? • The Computer Fraud and Abuse Act — Underused? Overused? Misused?

### [Key Points on DOJ Policy](#)

MLRC memo representing some of the key points from the Final Rule publication.

### [2014 Report on Trials and Damages](#)

MLRC's 2014 Report on Trials and Damages updates our study to include 12 new cases from 2012 and 2013. Our trial database now includes trial and appellate results in 632 cases from 1980-2013.

### [Resource Materials on the Definition of "Journalist" and "Media" in Litigation and Legislation: 2014 Update](#)

Who qualifies as "the media," it seems, is the perennial million-dollar question in an age when the "pen," the camera, and the "press" are all combined in a single device that fits easily in your purse—if not your back pocket—and everyone is a potential publisher. This updated report offers a review of that question by examining legislative developments and court decisions in a variety of situations, ranging from libel and right of publicity issues, to state shield laws and reporter's privilege changes, to application of state and federal open records laws.

### [Non-Competes in the Broadcast Industry](#)

Eight states and the District of Columbia have laws that target the broadcast industry and limit broadcast employers' ability to enforce non-compete agreements with their on and off screen talent. This paper describes the elements of those laws and their impact. It also addresses several alternative approaches for broadcast employers' efforts to retain employees and the impact of the broadcast non-compete ban laws on those alternatives.

# A View From The Inside: Responding To Take-Down Requests

By Matthew Leish

Over the past two years, I have found myself spending an ever-increasing amount of time dealing with requests to take down articles from the Daily News' website. Sometimes the requester insists that the story in question is false; more often, he or she simply says that the story is embarrassing, outdated, or is making it difficult for the requester to find a job.

Unless the article in question is fundamentally inaccurate or there is some other extraordinary and compelling reason – such as a serious threat to someone's safety – we do not grant such requests. There is an important principle at stake here – removing content creates holes in the historical record, deprives the public of important information, and is akin to removing books from a library. As NPR puts it in its [publicly available Ethics Handbook](#), “our content is a matter of public record and is part of our contract with our audience. To simply remove it from the archive diminishes transparency and trust and, in effect, erases history. This is not a practice engaged in by credible news organizations or in line with ethical journalism.”

Despite our general reluctance to remove content, we do review each request individually to determine whether a rare exception should be made. Our response depends on the nature of the story and the reason given for the request. While there can be a seemingly infinite variety of grounds given for requesting a takedown, the requests that we receive generally tend to fall into several recurring categories:

## “This story is false”

The first question to ask here is a practical one – is there any legal exposure? Obviously, we take very seriously any claim of falsity, and where a takedown request involves a current article we will review the claim carefully and determine whether a correction is warranted. In my experience, a genuine material factual error is rare. More often, the request comes from someone who has been charged with a crime or named as the defendant in a lawsuit and is

claiming that the underlying allegations are false. Be that as it may, if the article was an accurate (and therefore privileged) report of the legal proceeding, there is no basis to take it down or revise it.

Things get more complicated when the request involves an older article where any claim would be time-barred. We always want to get the story right -- however, the older the article, the more difficult it is to evaluate the validity of a claim of falsity. The reporters who worked on a story may no longer have their notes and may not remember the details, and in some cases they may not even be employed by the Daily News any more. It may not be possible to go back and check with the original sources. Nor is it practical for lawyers and journalists to spend time re-investigating stories

that may have been written years ago, particularly given the increasing volume of such requests. In such cases, absent some clear evidence of error, we have to assume that our reporters got it right. There also may be particular reason for skepticism about a claim of falsity when the takedown request is made for the first time years after a story first appeared – why didn't the requester complain sooner?

If there is clear proof that an old story was inaccurate when published, we may consider correcting the inaccurate information. In such cases, we require a release of claims to ensure against any potential argument that revising or updating the story somehow constitutes a republication that would restart the limitations clock.

## “This story was true when you wrote it, but things have changed”

Many of the takedown requests that the Daily News receives – perhaps a majority – come from people who claim that a subsequent event has rendered an article obsolete or misleading. Often, the subsequent event is a legal development - for instance, the article reported that someone was arrested or charged with a crime, and that person now

*(Continued on page 40)*

(Continued from page 39)

says that he or she was subsequently acquitted or the charges were dropped. In such cases, the original story generally remains newsworthy and part of the historical record, and we will not take it down. However, depending on the circumstances, we will sometimes add an update or editor's note describing the subsequent legal development. In all such cases, we put the burden on the requester to provide clear proof of the subsequent event, and again, we may require a release before we publish any update.

In other cases, the subsequent development is a personal one – perhaps someone has gone through a divorce or had a falling out with a former business partner and would like an article highlighting the formerly happy relationship to be removed. Other requests come from people who admit they committed the crime or took the embarrassing action described in the article, but insist that “I’ve changed – I’m not that person any more.” We generally do not grant such requests.

**“This story is true, but it is ruining my life – please take pity on me”**

These can be the most difficult requests to deal with on a purely human level. The most common such request involves someone who committed a minor crime or participated in an embarrassing incident many years earlier, and who claims that the story is still showing up in Google search results and is preventing him or her from getting a job. While we sometimes (though not always) sympathize with people in such situations, this is almost never grounds for taking a story down.

**“This story is true, and I agreed to an interview, and I posed for a picture, but I didn’t realize the article would show up in internet searches and I’m embarrassed”**

This type of request is, not surprisingly, the least likely to get a positive response. Absent truly extraordinary circumstances, we will not grant takedown requests in such cases of “source remorse” (a wonderful term that I first saw in [an article by Chris Elliott of the Guardian](#). [This simply is not a valid basis for expunging content from the historical record.](#)

\* \* \*

**Many of the takedown requests that the Daily News receives – perhaps a majority – come from people who claim that a subsequent event has rendered an article obsolete or misleading.**

There is one more wrinkle that U.S. news organizations are likely to face with increasing frequency: we recently received our first takedown request from a European resident invoking the Google Spain decision, in which the European Court of Justice held that Google and other search engines may be required to delete, on request, links to articles containing personal information deemed to be inaccurate, obsolete, or irrelevant (whatever that means). We took – and will continue to take – the position that such E.U. law does not apply to us, both because we are a U.S. company with no European presence, and because the Google Spain decision on its face does not apply to news web sites. Nonetheless, this will be an area that warrants careful monitoring as the Google Spain decision is implemented and refined in the coming months and years.

*Matthew Leish is Vice President and Assistant General Counsel at the New York Daily News*

## Legal Issues Concerning Hispanic and Latin American Media 2015

March 9, 2015 | University of Miami

[Registration and full schedule](#)