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MEDIA LAW LETTER

Reporting Developments Through August 25, 2014

LIBEL & PRIVACY

D. Minn.	Jesse Ventura Wins \$1.8 Million Jury Verdict Against Estate of “American Sniper” Author.....	06
	<i>Defamation and Unjust Enrichment Damages Awarded for Bar Fight Report</i>	
	Ventura v. Kyle	
Pa. Cmm. Pleas	Newspapers Win Summary Judgment in Former Housing Authority Director’s Libel Suit.....	08
	<i>Linguistics Expert’s Testimony Rejected as Unsound and Unnecessary</i>	
	Greene v. Inquirer	
10th Cir.	Unflattering Statements in News Article Written Under False Name Are Not Defamatory.....	11
	<i>In Context, Challenged Statements Would Not Convey a Defamatory Meaning; Not Otherwise Actionable</i>	
	Hogan v. Winder	
11th Cir.	Georgia’s Anti-SLAPP Law Does Not Apply in Federal Court.....	14
	<i>Verification Requirement Conflicts With FRCP 11</i>	
	Royalty Network v. Harris	
N.Y. Sup.	NY Daily News Wins Dismissal of Libel and Privacy Claims Over Articles and Tweets.....	15
	<i>Tweets Were a Fair Index of Linked to Articles</i>	
	Doheny v. Daily News LLP	
Ariz. App.	Replying to Reader Comments Restarted Statute of Limitation in Online Libel Case.....	16
	<i>Updates and Rebuttals Constituted an Actionable Republication</i>	
	Larue v. Brown	
Me. Super.	California and Maine Courts Foil Candidate’s Attempt to Sue Anonymous Parody Newspaper.....	17
	<i>Subpoena on ISP Quashed; Attempt to Serve Newspaper’s Counsel Denied</i>	
	Gunning v. John Doe	

INTELLECTUAL PROPERTY

The Lies of Poets: Copyright in Literary Biopics.....	19
<i>When Are “Fictional” Episodes Uncopyrightable “Historical Facts”?</i>	

7th Cir.	The World's Greatest Detective and The Public Domain.....	26
	<i>What Remains of Sherlock Holmes?</i>	
	Klinger v. Conan Doyle Estate, Ltd	

INTERNATIONAL

UK	English High Court Issues First Decision on “Serious Harm” Test in New Defamation Act.....	32
	<i>Further Case-law Needed to Provide Clarity on the Issue</i>	
	Cooke and Midland Heart Limited v. MGN Limited and Trinity Mirror Midlands Limited	

ACCESS

Md. Cir.	Maryland Media Coalition Wins Attorneys' Fees Battle.....	35
	<i>Another Important Victory under the Maryland Public Information Act</i>	
	J. Douglas Howard, et al. v. Christian Alexandersen, et al.	

2d Cir.	Second Circuit Strongly Affirms Right of Access to Judicial Records.....	37
	<i>Plus Other Access Developments of Note</i>	
	United States v. Erie County	

ETHICS / FIRST AMENDMENT

3d Cir. / N.D. Fla.:	Federal Courts Focus on First Amendment Freedoms for Attorneys' Web Advertising.....	40
	<i>Dwyer v. Cappell; Searcey v. The Florida Bar</i>	

MLRC UPCOMING EVENTS

MLRC/NAA/NAB Media Law Conference

September 17-19, 2014 | Reston, VA

MLRC Annual Dinner

November 12, 2014 | New York, NY

DCS Annual Lunch & Meeting

November 13, 2014 | New York, NY

MLRC/Southwestern Entertainment and Media Law Conference

January 15, 2015 | Los Angeles, CA



2014 MLRC/NAA/NAB MEDIA LAW CONFERENCE

September 17-19, 2014 | Reston, VA

www.mlrc2014.com

The biennial Media Law Conference brings together media counsel to discuss the top issues facing media and their lawyers today. The Conference will span two and one-half days of programming split into plenary sessions and breakout and boutique sessions that emphasize interactive discussions among smaller groups on specific areas of media law and practice.

REGISTER NOW TO GET YOUR PREFERRED BOUTIQUE SESSIONS!

Employment Law Issues for Media Employers

What to do as a media employer about hiring independent contractors; raising First Amendment defenses and anti-SLAPP defenses to discrimination litigation; including non-disparagement clauses in employment agreements; deploying non-compete agreements and alternatives to non-competes in the broadcast industry; using social media in employment litigation; and analyzing the protections given to employees' social media use by labor law.

Ethics: Social Media for Media Lawyers (*will be held twice*)

Lawyers must become well-versed in the rules governing their use of social media. Among other topics, the two sessions of this boutique will cover how the professional duties of diligence and competence require lawyers to understand how social media platforms operate and to understand how their clients are using social media; when social media activities become attorney advertising or solicitations; when the use of social media leads to the formation of attorney-client relationship; and how social media can be used in litigation.

Pre-Publication/Pre-Broadcast Review (*will be held twice*)

The two sessions of this boutique will address what to look for when conducting pre-publication and pre-broadcast reviews of journalists' work product to address the legal pitfalls on issues like using footage shot with drones, accessing sealed criminal records, making secret recordings, and many more.

Vetting Materials Cross-Borders: Publication & Advertising Issues

Navigating the choppy currents of UK and European libel and privacy law, including the impact of the new Defamation Act, the new "right to be forgotten," the perils of publishing photographs, libeling the dead, Twitter libel, liability for user-generated content. Use of mobile apps, geotargeted ads and new technologies may give rise to exposure in unexpected jurisdictions. International publication regulations for advertising and content -banned words, weather forecasts and more.

Vetting Material Cross Borders: International Copyright

This session will explore the common themes and problems with efforts around the world to modernize copyright for the digital age. Making available/distributing copies to the public: challenges posed by streaming content, linking, and framing. Format shifting and fair dealing. Combating privacy: copyright injunctions and blocking orders.

Vetting Material Cross Borders: Information Gathering

A discussion of the practical and legal concerns when deploying journalists into hostile environments - from physical security and risk of kidnapping to protection of sources and editorial materials in countries opposed to press freedom and personal liberty. How news organizations operating overseas contend with the vagaries of U.S. law and figure out if their activities may run afoul of the Foreign Corrupt Practices Act or other statutes.

Advertising & Commercial Speech: Native Advertising

Many issues are being raised by native advertising as online publishers widely adopt it. Is content generated or sponsored by advertisers commercial speech subject to advertising regulations? What will regulators require of disclosures made to audiences about native advertising? Do sponsors have to vet all claims and clear all third-party rights implicated in native-advertising content? This panel will cover recent regulatory actions and the application of legal precedent to native advertising.

Advertising & Commercial Speech: The Other Issues

This session will cover several topics beyond native advertising: the new Federal Communications Commission rule requiring that prior express written consent be given before telemarketing calls are made to consumers; the implications for advertisers and social media

networks from online sports betting, social games and fantasy sports leagues, including media companies forfeiting ad revenue earned for publishing ads for allegedly illegal internet gambling businesses; what impact the Seventh Circuit's ruling in *Jordan v. Jewel* will have on whether there is any corporate commercial speech that does not consist of brand promotion and does not run into right of publicity problems when making corporate tributes to celebrities; and what media lawyers need to consider when examining insurance coverage for advertising claims under media liability policies.

The FCC and the 21st Century Media Marketplace

Regulations by the Federal Communications Commission affect the ownership arrangements of media outlets and the lay of the land for media operations. Current issues include whether Internet Service Providers are entitled to First Amendment protections as speakers; the future, if any, of net neutrality regulation by the FCC; how the FCC will regulate arrangements among TV broadcast stations, without common owners, to share resources; and if the FCC has enough evidence that joint TV advertising sales agreements, when reaching 15 percent of a station's advertising time, incentivize ad brokers to influence station programming and operations or lead stations to coordinate, rather than compete, for advertising.

Newsgathering

A discussion of cutting-edge legal issues in newsgathering: the legal problems from relying on social media in newsgathering and practical tips on how to verify and vet information; the current state of the First Amendment right to be free from punishment for recording a police officer's public performance of his or her duties; the erection of paywalls that impede the public's online access to public records; and the Federal Aviation Administration's regulation of drones for use in newsgathering.

Entertainment Law: Ripped From The Headlines: Legal Risk Avoidance & Entertainment Works Derived From Real Events

What to do to avoid the legal risks stemming from entertainment works based on real events, including the affirmative defenses to raise, deciding if the acquisition of "exclusive" life story rights is really necessary, the non-legal reasons to acquire life story rights, and the steps to take to legally vet screenplays for TV programs and motion pictures against potential legal claims.

Trial Tales

A panel of lawyers dissect media cases tried over the past two years – with lessons from the frontlines and analysis of trends and common factors – as reported in the Conference's biennial survey of trials involving publication and newsgathering torts against media defendants.

**Full program and registration
at www.mlrc2014.com**

Jesse Ventura Wins \$1.8 Million Jury Verdict Against Estate of “American Sniper” Author

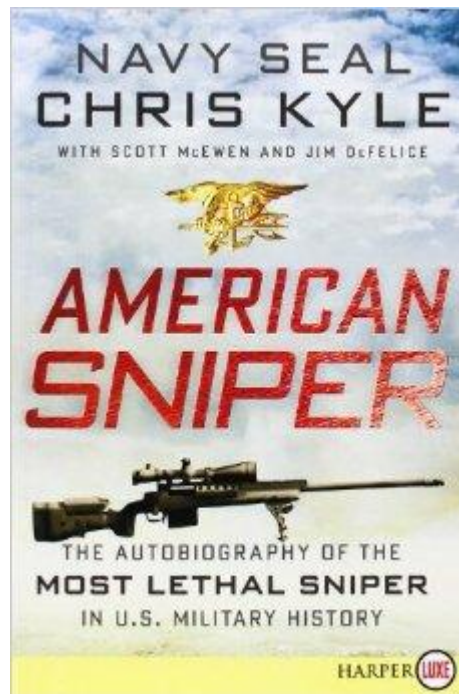
Defamation and Unjust Enrichment Damages Awarded for Bar Fight Report

Last month, a federal court jury in St. Paul awarded former Minnesota governor, Jesse Ventura, \$1.8 million in his defamation suit against the estate of Chris Kyle, a former Navy SEAL and author of the best-selling book, “American Sniper,” published in January 2012. *Ventura v. Kyle*, Civ. No. 12-472, jury verdict (D. Minn. July 29, 2014).

The verdict came after a two-week trial, with the jury deliberating for over five days. A deadlock in deliberations was broken after the parties consented to allow the 10-person jury to render a verdict on an 8-2 vote. Interestingly, the jury awarded \$500,000 in defamation damages, but \$1.3 million for unjust enrichment. The jury rejected a separate claim for misappropriation of Ventura’s name and likeness.

Background

The lawsuit arose out of a chapter of the book called “Punching Out Scruff Face,” in which Kyle refers to a 2006 confrontation with an unnamed celebrity during a wake for a fallen Navy SEAL at a California bar. According to the book, the man, referred to as “scruff face,” said he hated America, thought the U.S. military was killing innocent civilians in Iraq and that the SEALs “deserve to lose a few.” The book claimed that Kyle subsequently “laid . . . out” “scruff face”. During promotional interviews Kyle identified “scruff face” as Jesse Ventura, the ex-Minnesota Governor, actor and former professional wrestling star, who earlier in his life served as part of an underwater demolition team in the Navy.



The lawsuit arose out of a chapter of the book called “Punching Out Scruff Face,” in which Kyle refers to a confrontation with an unnamed celebrity.

Ventura sued Kyle in a Minnesota state trial court, claiming defamation, misappropriation and unjust enrichment. According to the complaint, the allegations related to Ventura were repeated on various print publications, radio programs and on Fox News in various interviews with Kyle. Ventura claimed that all of the statements attributed to him, as well as the claim that Kyle punched him, were false and defamatory, and that the only aspect of Kyle’s story that was true was that Ventura was present at the bar when the events in question allegedly occurred.

Shortly after the complaint was filed, Kyle removed the matter to federal court on diversity grounds. In a tragic incident unrelated to the events of the case, Kyle was killed by a gunman on a Texas shooting range in early 2013. After his death, his wife Taya, as executor of Kyle’s estate, was substituted as the defendant.

Pre-Trial Litigation

Ventura conceded that he was a public figure. In the first of two summary judgment motions filed by the defendant, Kyle argued, in part, that the misappropriation and unjust enrichment claims should be dismissed because neither the First Amendment nor the typical application of the claims permitted the claims to proceed based upon news or book publications that did not amount to endorsements of a separate product or service.

District Court Judge Richard H. Kyle held that the First Amendment did not bar these claims if they related to

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statements that were false and published with actual malice, and that a jury could find for the plaintiff on those claims if the statements at issue were proven to have been made knowingly false. With respect to the unjust enrichment claim, the court explained that it was distinct from the defamation claim because “defamation relates to Ventura’s damage while unjust enrichment relates to Kyle’s benefit.”

Later at trial, the jury instructions reflected this distinction, and required the jury to first find that the plaintiff had succeeded on his defamation claim before awarding any damages for unjust enrichment.

At the close of discovery, defendant again moved for summary judgment, this time arguing, in large part, that plaintiff lacked sufficient evidence of Kyle’s state of mind to establish knowledge of falsity or reckless disregard for the truth. The court agreed that even if the statements attributed to Ventura were false, Kyle could have innocently misunderstood what Ventura had actually said. But the court denied summary judgment based upon Ventura’s evidence that he wasn’t punched by Kyle: a photograph of Ventura taken the next day arguably showing no visible marks or bruises.

The court, citing Sack on Defamation, § 5.52, concluded that if a defendant is an eyewitness to an *unambiguous* event (such as a fight), and other evidence establishes a contrary version of events, the factfinder may believe the defendant’s report was a fabrication. Moreover, the court further held that if the jury concludes that “Kyle fabricated part of the story, it could reasonably conclude he fabricated the rest of the story about Ventura.”

Libel Trial

A jury of 6 men and 4 women was selected on Tuesday morning July 8. According to news reports, the jury included two Target employees, a college student, a farmer, a construction worker, and a mortgage specialist. The trial began that same day with opening statements, video excerpts from Chris Kyle’s deposition, and testimony from his widow Taya Kyle who was questioned by plaintiff’s lawyer about

her knowledge of what happened at the bar and revenue from the book and related projects.

Jurors also saw hours of Chris Kyle’s videotaped deposition where he testified that all of the allegations in his book were true, that Ventura had made the remarks, and that he had indeed punched Ventura. But he conceded that some details, such as tables flying at the bar, may not have occurred.

In addition to testifying that the book’s version of events was false, Ventura testified that his entertainment career came to a “screeching halt” after the allegations were published and he stopped receiving offers, although defense lawyers disputed that Ventura’s career trajectory had any relationship to the book’s publication.

There was testimony from witnesses that supported both sides’ version of events, although one of the jurors commented after the trial that the varied testimony describing the alleged fight was so inconsistent that it lacked credibility

that it had occurred. That juror, who was interviewed by the Star Tribune newspaper, also stated that if Kyle’s version was true, he would have used Ventura’s name in the book, and that it was not credible that Kyle could have punched Ventura without leaving a bruise.

The unjust enrichment award was rendered by the jury in an advisory capacity but the court held, in an August 7, 2014 order, that taking into account the media attention given to the story, the 1.5 million copies of the book sold, and the over \$6 million in royalties earned by the Kyle estate (as estimated by Plaintiff’s counsel in closing argument), the jury’s conclusion that Kyle was unjustly enriched was supported by a preponderance of the evidence, and that the \$1.3 million award for unjust enrichment (approximately 25% of the estate’s royalties) was reasonable.

This is the first case that MLRC is aware of where a defamation damage award was accompanied by additional damages under an unjust enrichment theory.

Jesse Ventura was represented by David B. Olson and Court Anderson, Henson Efron, P.A., Minneapolis, MN. The Kyle estate was represented by John Borger, Charles Webber, and Leita Walker, Faegre Baker Daniels, Minneapolis, MN.

There was testimony from witnesses that supported both sides’ version of events.

Newspapers Win Summary Judgment in Former Housing Authority Director's Libel Suit

Linguistics Expert's Testimony Rejected as Unsound and Unnecessary

By Amy Ginensky, Eli Segal, and Kaitlin Gurney

On August 1, 2014, Philadelphia Court of Common Pleas Judge Lisa M. Rau entered two orders in former Philadelphia Housing Authority ("PHA") Executive Director Carl Greene's defamation, false light invasion of privacy, and commercial disparagement lawsuit based on nearly a year of coverage by *The Philadelphia Inquirer* and *Philadelphia Daily News*.

First, Judge Rau [excluded the testimony and report](#) of a linguistics expert offered by Greene as evidence of how average readers read the publications at issue and of the defendants' mental states in publishing them. Second, having stricken the expert report on which Greene had relied heavily in opposing the defendants' pending summary judgment motion, Judge Rau [granted the defendants' motion](#) and dismissed the case in its entirety.

Plaintiff Sued Over 246 Articles

In August 2010, after twelve years as PHA's Executive Director, Greene was suspended amid revelations of sexual harassment complaints by PHA employees and revelations of PHA's settlement of several of those complaints. In September 2010, though Greene had denied the sexual harassment allegations, the PHA Board terminated him. *The Philadelphia Inquirer* and *Philadelphia Daily News*, like other news outlets, devoted substantial coverage to Greene's suspension, his termination, and their aftermath.

In September 2011, Greene sued the owners of *The Philadelphia Inquirer* and the *Philadelphia Daily News* for defamation, false light invasion of privacy, and commercial disparagement based on 246 articles and editorials published between August 2010 and September 2011. The essence of

his claims was that the newspapers' year-long coverage of him was a contrived effort to increase readership and revenue based on the predetermined themes of corruption, misspending, sex, and deceit.

Through pre-discovery motion practice, the number of publications at issue was cut to seventeen articles and editorials, published between November 1, 2010 and August 9, 2011. Those seventeen articles and editorials reported and commented on a wide range of issues regarding Greene's tenure that had drawn scrutiny in the wake of his suspension and termination—such as the sexual harassment complaints and settlements, as well as spending on outside counsel, development projects, staff events, and staff gifts.

Plaintiff Relies on Linguistics Expert to Oppose Summary Judgment

After extensive discovery, in December 2013, the Defendants moved for summary judgment. They argued that Greene had failed to meet his falsity burden as to any of the seventeen articles and editorials because each alleged falsity that he had identified in the operative complaint was either undisputedly true or based on an unreasonable reading of the publication, supposed unfairness in the exercise of editorial discretion, a mere expression of opinion, or an immaterial inaccuracy. The Defendants also argued, among other things, that Greene had no evidence of actual malice as to any of the seventeen publications.

Greene rooted his summary judgment response in large part on a linguistics expert report, pointing to the report repeatedly as evidence that Greene's reading of the publications was reasonable and that the defendants acted

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The essence of his claims was that the newspapers' year-long coverage of him was a contrived effort to increase readership and revenue based on the predetermined themes of corruption, misspending, sex, and deceit.

(Continued from page 8)

with actual malice. In his report, the expert claimed to use the “science of linguistics” in order “to demonstrate by means of scientific principles how the articles upon which the lawsuit is based impact the reader.” In other words, based solely on his review of the publications themselves, he opined that readers construed the seventeen articles and editorials just as Greene claimed.

As for actual malice, again based solely on his review of the publications themselves, the expert concluded that the defendants, “through a thematically-consistent crescendo of news reports, promulgated over one year and exemplifying sophisticated techniques of deceptive persuasion and fallacious argumentation, have willfully, maliciously, without substantiation, and with reckless disregard for the truth, defamed Plaintiff Carl R. Greene.”

In the event that the Court determined the expert’s report was a basis for denying the defendants’ summary judgment motion, the defendants, in a footnote to their summary judgment reply brief, asked the Court to hold a *Frye* hearing (Pennsylvania follows *Frye*, not *Daubert*) on the admissibility of the expert’s testimony before denying the defendants’ motion. On July 28, the Court held a full-day *Frye* hearing—ending at nearly 7:00 p.m.—including argument by the lawyers and direct examination and cross-examination of the expert.

Court Excludes Plaintiff’s Linguistics Expert

On August 1, just four days after the *Frye* hearing, Judge Rau found the expert’s report and testimony inadmissible and struck them from the record. Judge Rau issued an 18-page supporting opinion that explained that the expert was not qualified; his methodology was not reliable, scientific, or generally accepted; his testimony would not help a jury decide relevant issues; and his testimony would be unfairly prejudicial, confusing, and misleading. *Greene v. Phila. Media Network, Inc.*, 2014 Phila. Ct. Com. Pl. LEXIS 236 (Pa. Com. Pl. Aug. 1, 2014).

The expert claimed to use the “science of linguistics” in order “to demonstrate by means of scientific principles how the articles upon which the lawsuit is based impact the reader.”

In holding that that a linguistics expert would not help a jury determine how average readers construed the publications at issue, Judge Rau emphasized that “[a] jury provides a perfect sampling of average readers” and the expert’s testimony therefore “provides nothing that the average jury does not have.” *Id.* at *22. In addition, Judge Rau roundly rejected the notion that a linguistic analysis of a publication has any bearing on the subjective intent of the author:

Plaintiff’s claims of what his linguistic expert could provide were bold: he claimed that a linguistic expert could use a scientific method to determine the subjective intent of publishers and reporters when they wrote and published articles. In short, a linguistic expert could

divine by a mere reading and analysis of articles, and nothing more, whether a publisher and its many reporters wrote the articles “with knowledge that [they were] false or with reckless disregard of whether [they were] false or not.” *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 279-80, 84 S. Ct. 710, 11 L. Ed. 2d 686 (1964). Such a promise, if true, would prove exciting indeed: courts could reduce the number of trials, police investigations could be shortened, and crimes could be solved if a linguist could be employed to merely analyze another

speaker’s language, without reference to any facts, and determine the speaker’s mental intent. However, [the expert’s] analysis was not shown to be accepted science to permit its admission in court. His analysis was not based on factual research, was not replicable, lacked the requisite degree of certainty, and used methods that were not shown as generally accepted within the field of linguistics.

Id. at *14-15. Thus, Judge Rau lamented, “the magical promise of crystal-ball-like insight into another’s mental state

(Continued on page 10)

(Continued from page 9)

through analysis of a person's writing failed to be backed by any generally accepted science." *Id.* at *19.

Court Grants Summary Judgment

That same day, after having excluded the expert's report and testimony, Judge Rau granted the defendants' summary judgment motion and dismissed Greene's claims as to all seventeen articles and editorials. In a footnote to her one-page order, she explained that Greene had "failed to provide the clear and convincing evidence of falsity or actual malice required to sustain his claims." While Judge Rau has not written an opinion in support of her summary judgment ruling—and will not have to do so unless Greene appeals—the following passage from her opinion on the expert underscores the import of her dismissal of this case before trial:

There is nothing inappropriate about reporters'

publishing unflattering information that is materially true or they even justifiably think is true. The press must be permitted to write about public officials like Plaintiff Greene in order to keep the citizenry informed about the conduct of those serving in their government. Public officials in a democracy must be open to being evaluated by the press and the public they serve. Muzzling the press from criticizing public officials would threaten good government and ultimately threaten democracy's survival.

Id. at *12-*13.

Amy Ginensky, Michael Baughman, Kristin Jones, Raphael Cunniff, Eli Segal, and Kaitlin Gurney of Pepper Hamilton LLP represented defendants. The plaintiff was represented by Clifford E. Haines and Lauren Warner of Haines & Associates.

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?

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

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.

Unflattering Statements in News Article Written Under False Name Are Not Defamatory

*In Context, Challenged Statements Would Not Convey
a Defamatory Meaning; Not Otherwise Actionable*

By Jeffrey J. Hunt, David C. Reymann,
and Austin J. Riter

Earlier this month, the Tenth Circuit affirmed dismissal of defamation claims, related state tort claims, and federal claims for deprivation of constitutional rights and civil conspiracy brought by a former state agency contractor, Chris Hogan, who alleged he was terminated after raising concerns about a conflict of interest in contract awards. Hogan's suit was based on unflattering statements in a news article written by the Mayor of West Valley City, Utah, under a false name, regarding Hogan's job performance and termination dispute. [*Hogan v. Winder*](#), No. 12-4167 (10th Cir. Aug. 5, 2014) (Tymkovich, Brorby, and Murphy, JJ.).

The Court held that because the statements critical of Hogan were explained by their context, they were neither defamatory nor otherwise tortiously offensive, and that Hogan's federal claims failed because he had insufficiently pled the requisite color-of-state-law and conspiracy elements.

Background

Beginning in 2008, Hogan worked for the Utah Telecommunications Open Infrastructure Agency ("UTOPIA"), a state agency charged with upgrading high-speed internet access, as a consultant under a services contract. According to Hogan, in 2011, he suspected that UTOPIA's executive director unfairly favored a contract bid from a company where the executive director's brother worked. After Hogan expressed his suspicions to the manager overseeing contractor selection, the manager communicated those suspicions to the executive director, who terminated Hogan.

Hogan then hired an attorney, who sent UTOPIA a demand letter and a draft complaint alleging wrongful termination and several contract claims. Several days later, Hogan's attorney sent UTOPIA another letter making various settlement demands and suggesting that "public scrutiny" of Hogan's lawsuit could destroy UTOPIA. UTOPIA's counsel responded with a letter saying that Hogan's demands, "at least as Hogan frames the matter and perceives UTOPIA's interests and vulnerabilities, go by the names of 'blackmail' and 'extortion.'" The parties then sued each other. UTOPIA

filed an action in state court seeking a preliminary injunction to prevent Hogan from disclosing information he had learned during his employment. Hogan sued UTOPIA in federal district court alleging a First Amendment claim and various state law claims.

Shortly thereafter, local media outlet KSL published an online article entitled "Former UTOPIA contractor accused of extortion," the body of which contained two

categories of statements: statements regarding Hogan's threats to UTOPIA, and UTOPIA's counsel's assertion that those statements amounted to blackmail and extortion; and statements that Hogan's contract was not renewed because of his job performance and "erratic behavior." The KSL article's byline identified the author as freelance writer "Richard Burwash."

The next day, a fiber-optics industry publication, FierceTelecom, published an online article entitled "UTOPIA contractor faces extortion charges," which paraphrased and linked to the KSL article. More than six months later, then-Mayor of West Valley City, Utah, Michael K. Winder, revealed to the public and KSL's parent corporation, Deseret Digital Media, Inc. ("DDM"), that he had been writing news

(Continued on page 12)

**The Court
focused heavily
on the contextual
analysis required
when reviewing
defamation claims.**

(Continued from page 11)

articles, including the KSL article, under the pseudonym “Richard Burwash.” Notably, West Valley City was a municipality involved in UTOPIA, and Mayor Winder allegedly had personal knowledge of the dispute with Hogan.

Based on these events, Hogan filed suit in Utah federal district court against UTOPIA, Mayor Winder, West Valley City, DDM, and others whom he alleged were involved in publication of the KSL article, asserting claims for defamation, false light invasion of privacy, intentional infliction of emotional distress, deprivation of constitutional rights under 42 U.S.C. § 1983, and civil conspiracy under 42 U.S.C. § 1985. After the defendants filed various motions to dismiss and for judgment on the pleadings, the district court dismissed all of Hogan’s claims with prejudice. Hogan appealed.

Defamation Claims

In affirming the district court, the Tenth Circuit first determined that, as a matter of law, the challenged statements in the articles were not defamatory and were substantially true.

In doing so, the Court focused heavily on the contextual analysis required when reviewing defamation claims, noting that “[a] reviewing court can, and must, conduct a context-driven assessment of the alleged defamatory statement and reach an independent conclusion about the statement’s susceptibility to a defamatory interpretation.” (quoting *O’Connor v. Burningham*, 165 P.3d 1214, 1222 (Utah 2007)).

The Court emphasized that “[i]f the context makes clear a reasonable reader would not accept the statements at face value, the statements do not cause damage to the plaintiff’s reputation and are therefore not defamatory.” On the other hand, the Court recognized, a publisher may be liable for taking words out of context if doing so conveys a false representation of fact.

The Court also underscored the significance of the reviewing court’s gatekeeping function in performing this contextual analysis. The Court observed that “it is especially important that [w]hether a statement is capable of sustaining

a defamatory meaning is a question of law.” (quoting *West v. Thomson Newspapers*, 872 P.2d 999, 1008 (Utah 1994)). That is because “[o]nly if a court first determines that a publication might be considered defamatory by a reasonable person is there a fact issue for the trier of fact.” (quoting *Cox v. Hatch*, 761 P.2d 556, 561 (Utah 1988)). Similarly, the Court observed, substantial truth is a threshold question of law for the reviewing court when the underlying facts as to the gist or sting of the alleged statements are undisputed.

In applying this legal framework, the Court held that the vague statements in the articles about Hogan’s job performance were not defamatory because “no reasonable reader would take the statement that Hogan was fired for ‘performance issues’ at face value because the context makes clear that the reason for Hogan’s termination is the subject of an ongoing, obviously nasty, employment dispute.”

For the same reason, the Court concluded, the vague, subjective references to Hogan’s “erratic behavior” were not actionable as defamation. Emphasizing again that “context matters,” the Court similarly held that “no reasonable reader would interpret the articles’ statement that Hogan was accused of extortion to mean that Hogan was being accused of a crime or even especially sharp behavior,” because “[b]oth articles accurately report that the accusation was made by UTOPIA’s lawyer in a letter discussing the parties’ employment dispute.”

Given that context, “the reasonable reader would realize . . . that the objectionable terms were merely hyperbole and rhetorical flourish.”

The Court then proceeded to address Hogan’s argument—which raised an issue of first impression in Utah and the Tenth Circuit—that the FierceTelecom article’s headline “UTOPIA contractor faces extortion charges,” standing alone, could be defamatory, regardless of whether the body of the article explained it in a nondefamatory way. The Court noted that the majority approach is that the headline and body of an article must be considered together when evaluating defamatory meaning.

The Court then acknowledged, but disagreed with, Section 563 of the Restatement (Second) of Torts (1977),

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Hogan’s suit was based on unflattering statements in a news article written by the Mayor of West Valley City, Utah, under a false name.

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comment d, which provides that “the text of a newspaper article is ordinarily not the context of the headline . . . because the public frequently reads only the headlines of a newspaper or reads the article itself so hastily or imperfectly as not to realize its full significance.”

The Court determined that, based on “the fundamental principle requiring that a statement be read in context,” a headline ordinarily should be read together with the body of the news story when determining defamatory meaning, because reasonable readers do not assume that the headline tells the whole story and take it at face value; rather, readers realize that the publisher is advertising a full article on a dispute and that the body of the article provides context for the headline.

Based on this conclusion, the Court held that the FierceTelecom article’s headline was not defamatory because although it “could possibly mean that Hogan was being prosecuted for the crime of extortion or that a lay person had accused him of attempting to intimidate UTOPIA[.], . . . reasonable readers would identify this ambiguity and, before assuming they knew what had happened, would proceed to the text of the article for clarification.” The Court noted, however, that “[t]his would be a different case if the headline had been disloyal to the context of the article.”

That left Hogan’s arguments that the articles’ descriptions of the behaviors giving rise to UTOPIA’s extortion accusation were defamatory, which the Court rejected on the basis that those descriptions were substantially true.

False Light Claims

For similar reasons, the Court held that the articles did not cast Hogan in a false light. Although acknowledging that a false light claim theoretically could arise from operative facts that do not include defamation, the Court determined that, when properly read in context, none of the articles’ statements could be construed as false. Rather, the articles accurately reported the statements as part of an ongoing employment dispute, or were too vague and nonspecific to

sustain a false impression highly objectionable to a reasonable person.

Emotional Distress Claims

Regarding Hogan’s claims for intentional infliction of emotional distress, the Court noted that Hogan relied on the same statements on which he based his nonactionable defamation and false light claims. Accordingly, the Court held, for the same reasons that Hogan’s defamation and false light claims failed, the challenged statements did not meet Utah’s high standard of outrageousness necessary to state an intentional infliction of emotional distress claim.

Federal Claims

Finally, the Court disposed of Hogan’s federal claims.

Regarding Hogan’s Section 1983 claim based on deprivation of his right to pursue gainful employment, the Court agreed with the district court that Hogan had failed to allege facts showing that the defendants were acting under color of state law when they purportedly aided in publishing the KSL article. Regarding Hogan’s Section 1985 conspiracy claim, the Court concluded that Hogan had failed to allege that the defendants had specifically agreed to deter

his wrongful termination lawsuit or injure him as a result of it.

Overall, the language in the Tenth Circuit’s opinion emphasizing the critical nature of the contextual analysis required when evaluating defamation claims, and recognizing that it ordinarily requires consideration of the headline and the body of an article together, provides helpful precedent for the news media in deterring and defending against defamation suits.

Jeffrey J. Hunt, David C. Reymann, and Austin J. Riter are media and business litigation attorneys at Parr Brown Gee & Loveless, P.C. in Salt Lake City, Utah. They represented Deseret Digital Media, Inc. in the Utah federal district court and in the Tenth Circuit. A full list of counsel in the case is in the Tenth Circuit opinion.

**As a matter of law,
the challenged
statements in the
articles were not
defamatory and were
substantially true.**

Eleventh Circuit: Georgia's Anti-SLAPP Law Does Not Apply in Federal Court

Verification Requirement Conflicts With FRCP 11

In a published decision, the Eleventh Circuit held that Georgia's anti-SLAPP statute does not apply in federal court because a verification requirement in the law directly conflicts with a federal procedure rule. [Royalty Network v. Harris](#), No. 13-12460 (11th Cir. July 10, 2014) (Wilson, Jordan, Black, JJ.).

The Georgia anti-SLAPP statute contains a verification requirement for filing a complaint in actions implicating free speech or petitioning rights. The Court held this directly conflicts with Federal Rule of Civil Procedure 11 which states that verified complaints are not required. "The Georgia law's requirements for filing a complaint or pleading directly conflict with the procedure for filing a pleading specified in the federal rule, and the two may not peacefully co-exist or operate in the same case," the Court concluded.

Background

The underlying non-media defamation case grew out of a record industry employment dispute. After litigations in other states, defendant created a website www.theroyaltynetwork.com denouncing plaintiffs' litigation tactics and commenting on documents filed in the lawsuits between the parties. Plaintiffs sued defendant in Georgia federal district court for defamation and related claims over statements on the website.

Defendant moved to dismiss under the Georgia anti-SLAPP statute [§ 9-11-11.1](#) for failure to comply with the statute's verification requirement. Section 9-11-11.1(b) requires that in any claim relating to an act that could be construed as having been done in furtherance of the right of free speech or the right to petition the government, the plaintiff and plaintiff's counsel must file a written verification certifying that the claim is well grounded in fact, is warranted under existing law, and that the claim is not made for an improper purpose.

The district court denied the motion holding the anti-SLAPP statute was in conflict with [FRCP Rule 8](#), governing

pleading requirements.

Eleventh Circuit Decision

The Court first held that it had jurisdiction to hear an appeal from the denial of an anti-SLAPP motion under the collateral order doctrine, particularly because of the First Amendment values at the heart of Georgia's anti-SLAPP statute which weighed heavily in favor of immediate appellate review.

On the statute's applicability in federal court, the Eleventh Circuit affirmed, but on the basis that the anti-SLAPP statute conflicted with [FRCP 11](#). Rule 11 Section (a) provides in relevant part that "[u]nless a rule or statute specifically states otherwise, a pleading need not be verified or accompanied by an affidavit." This general rule regarding verifications in federal court directly conflicts with the state verification rule, according to the Court.

The federal rule explicitly provides that a pleading need not be verified or accompanied by an affidavit and allows parties discretion in deciding whether to verify pleadings. The Georgia statute, by comparison, mandates that a complaint or pleading asserting a claim must be accompanied by a verification making specific representations.

The Eleventh Circuit acknowledged that several other Circuit Courts have held that anti-SLAPP statutes apply in federal court. *See, e.g., United States ex rel. Newsham v. Lockheed Missiles & Space Co., Inc.*, 190 F.3d 963, 972-73 (9th Cir. 1999) (California anti-SLAPP law); *Henry v. Lake Charles American Press, LLC*, 566 F.3d 164, 168-69, 182 (5th Cir. 2009) (Louisiana anti-SLAPP law); *Godin v. Schencks*, 629 F.3d 79, 86-87 (1st Cir. 2010) (Maine anti-SLAPP law).

However, none of those state statutes contain a verification requirement and therefore the instant case was distinguishable.

NY Daily News Wins Dismissal of Libel and Privacy Claims Over Articles and Tweets

Tweets Were a Fair Index of Linked to Articles

News articles about plaintiff's arrest for Medicaid fraud, as well as tweets sent by the reporter to promote the articles, were all protected by the fair report privilege and/or were substantially true. [*Doheny v. Daily News LLP*](#), No. 14701/13 (N.Y. Sup. July 8, 2014) (Vaughn, J.). The court compared the tweets to news headlines and found them to be a fair index of the linked articles. A privacy claim over the use of plaintiff's photo to illustrate the article was dismissed for failure to state a claim as the use clearly related to the newsworthy subject of plaintiff's arrest for fraud.

Background

In November 2012, the New York Daily News published articles about plaintiff's indictment for welfare fraud and grand larceny. A press release from the Kings County District Attorney's Office announcing the indictment stated, among other things, that plaintiff claimed she had an income of only \$1,500 a month from working at an "adult entertainment establishment," but, in fact, had purchased multiple luxury condos and properties in New York City, Long Island, and South Florida.

The news articles were headlined "Woman who claimed to make meager living at strip club, Janna Doheny, faces seven years in welfare fraud case" and "NICE RACK-ET Strip joint beauty hit in \$29G Medicaid scam." The article also noted that plaintiff had "an unspecified job at a now-shuttered jiggle joint." The articles were illustrated with plaintiff's mug shot and a photo of her on the beach in a bikini, which was included in the DA's press release.

The reporter sent out two tweets that linked to his articles. The first stated "Supposedly struggling stripper charged in welfare scam." The second stated, "Nice graphics for my alleged stripper scan story."

In August 2013, plaintiff sued for libel, invasion of privacy, emotional distress, and prima facie tort alleging the

articles and tweets falsely implied she was a stripper and an unchaste woman. A motion to proceed under an anonymous caption or to seal the case was denied. Shortly after filing the complaint plaintiff pleaded guilty to welfare fraud.

Motion to Dismiss

Granting a motion to dismiss, the court first held that the articles accurately set forth the bulk of the charges made in the DA's press release and were therefore privileged under the state's fair report privilege, Civil Rights Law Sec. 74. Even if not privileged, plaintiff's claims would fail because the articles were substantially true. Moreover, the articles

were not susceptible of a defamatory meaning because the articles did not claim that plaintiff was a stripper but that she had "an unspecified job" at an adult club.

As to the reporter's tweets, the court compared them to "short, dramatic, attention-grabbing communications" similar to headlines and concluded they were simply a fair index of the truthful articles. Thus while the tweets referred to plaintiff as an alleged

stripper, the linked article accurately described her as having an "unspecified job" at a club. Moreover, readers would understand the tweets to be attention grabbing online communications. And any defamatory implication in the tweets that plaintiff was a stripper would also be barred by the incremental harm doctrine in light of the fact that plaintiff was charged with fraud and grand larceny.

Finally, the court dismissed plaintiff's statutory misappropriation claim over use of her bikini photo in the article. Plaintiff alleged the newspaper used the photo "to sell papers by selling sex," but the court held a report about Medicaid fraud was clearly newsworthy and the photo was not published for advertising or purposes of trade.

Matthew Leish, Vice President & Assistant General Counsel, New York Daily News, represented the defendants in this case.

The court compared the tweets to news headlines and found them to be a fair index of the linked articles.

Replying to Reader Comments Restarted Statute of Limitations in Online Libel Case

Updates and Rebuttals Constituted an Actionable Republication

The Arizona Court of Appeals ruled this month that “updates and rebuttals” to reader comments constituted a new and actionable republication of an online libel. [Larue v. Brown](#), No. 13-0138 (Ariz. App. Aug. 19, 2014) (Gould, Swan, Thompson, JJ.).

The court noted that websites constantly change through technical adjustments and the addition of new and unrelated material. Such changes do not create an actionable republication. Here, however, the defendants’ online engagement with readers re-alleged the substance of the original statements and materially supplemented them.

Background

The case arose out of an extremely contentious divorce and child custody battle. In November 2008, defendants, an ex-husband and his new wife, posted articles on ripoffreport.com accusing the ex-wife and her new husband of child sex abuse. Those allegations were investigated by authorities and dismissed as unfounded.

The ex-wife and new husband sued for libel in December 2009. The trial court dismissed defendants’ motions to dismiss the case as time-barred under Arizona’s one year statute of limitations for defamation claims. The case went to trial and a jury awarded plaintiffs \$200,000 in damages.

The sole issue on appeal was whether the trial court erred in refusing defendants’ statute of limitations defense.

Single Publication Rule

The Court of Appeals began by holding that the single publication rule applies to online publications, citing the unanimity of courts that have considered the issue. *See, e.g., Pippen v. NBCUniversal Media LLC*, 734 F.3d 610, 615 (7th Cir. 2013) (noting that every state court that has considered the issue applies the single publication rule to the Internet). But the court noted that new material or changes that substantively modify or relate to the alleged defamatory material can create an actionable republication. *See Firth v. State*, 775 N.E.2d 463 (2002).

Here the defendants’ replies to readers’ comments about the abuse allegations re-alleged the substance of the original statements, provided additional information in response to questions, and re-urged the truth of the abuse allegations in response to online criticism. This altered the form and substance of the original articles to restart the statute of limitations.

Plaintiffs were represented by Curry Pearson & Wooten PLLC, Phoenix, AZ. Defendants were represented by Jaburg & Wilk PC, Phoenix, AZ.

California and Maine Courts Foil Candidate's Attempt to Sue Anonymous Parody Newspaper

Subpoena on ISP Quashed; Attempt to Serve Newspaper's Counsel Denied

By Sigmund D. Schutz

The author of a Maine parody newspaper, *The Crow's Nest*, recently vindicated a right to anonymous speech concerning a candidate for public office. In addition, the author recovered legal fees, and defeated a creative effort to pursue the litigation by alternate service on *The Crow's Nest's* legal counsel. *Gunning v. John Doe.*, CV-13-359 (Cumberland County, Me. March 21, 2014).

Background

A candidate for Town Council in Freeport, Maine – Marie Gunning – filed a complaint in Maine Superior Court alleging that “John Doe” defendants committed libel, false light invasion of privacy, and intentional infliction of emotional distress in connection with articles published in *The Crow's Nest* newspaper. The anonymously authored newspaper has been published one and off for more than 25 years.

The masthead of *The Crow's Nest* describes its contents as “a parody look at the news.” The publication includes images of characters from the Wizard of Oz, Flash Gordon, and Muppet movies to parody local politicians, along with content such as the headline, “[Freeport Fire Department] is now in the Whoopie business and we're not talking about pies.” (In 2011 the Maine State Legislature designated the whoopie pie as Maine's official state treat.)

With respect to Gunning, *The Crow's Nest* juxtaposed an image of the Wicked Witch of the West above a story reporting on her candidacy and suggested that her political positions could only be the result of abuse of controlled substances.

In pursuit of the identity of the author of *The Crow's Nest*, plaintiff issued a California subpoena in September 2013 to

third-party Automattic, Inc., which operates a popular blogging platform, wordpress, where internet editions of *The Crow's Nest* had been published. The subpoena sought all names associated with relevant URL and various related information designed to reveal the identity of the persons using that website. Automattic notified John Doe, who retained counsel.

Motion to Quash

With assistance from California counsel, John Doe filed a motion to quash the subpoena on Automattic with the California Superior Court. In accordance with California practice, a Judge Pro Tem issued a recommended decision on December 4, 2013 that the subpoena be quashed. Plaintiff objected, triggering a second round of briefing and a second hearing. Superior Court Judge Marla J. Miller issued a decision on December 11, 2013 (Case No. CPF-13-513271) accepting the recommendation of the Judge Pro Tem and quashing the subpoena.

Judge Miller quashed the subpoena on a finding that plaintiff had not made the prima facie showing of libel necessary to require the disclosure of the identity of an anonymous speaker. The Court ruled:

The Court finds that while the content of *the Crow's Nest* could be seen as rude and distasteful, taking into consideration the context and contents of the statements at issue, it is parody. The speech at issue in the *Crow's Nest* is protected under the First Amendment of the U.S. Constitution. The statements are

Judge Miller quashed the subpoena on a finding that plaintiff had not made the prima facie showing of libel necessary to require the disclosure of the identity of an anonymous speaker.

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(Continued from page 17)

not actionable speech such that the identities of the website owner and persons who comment or otherwise publish material printed in or posted online at Crow’s Nest must be revealed pursuant to the subpoena (*See Hustler Magazine, Inc. v. Falwell* (1988) 485 U.S. 46, 57 [parody is not actionable as defamation if it cannot “reasonably be understood as describing actual fact about [the plaintiff] or actual events in which [she] participated”].)

The Court also awarded legal fees in favor of John Doe.

Litigation in Maine

Undeterred, Gunning attempted to press the litigation in Maine and re-litigate the First Amendment issue decided against her in California by moving the Maine Superior Court for leave to effect alternative service on counsel for John Doe. There is precedent that a defendant who is ducking service may be served through their attorney with leave of court, but not in the context of anonymous speech. Invited to enter a special appearance solely on the issue of whether the court should grant Gunning’s motion for alternative service, counsel for John Doe urged the Court to reject the motion.

The First Amendment protection for anonymous speakers would be subverted if a party could issue a subpoena and then once a motion to quash has been filed serve process on the attorney who filed the motion to quash. A benefit of maintaining anonymity is not just to preserve the ability to speak unfettered by public pressure or outcry but also to avoid the burden of expensive, lengthy, and burdensome litigation.

The effect of allowing alternative service on an anonymous speaker’s lawyer would also create a Catch-22

situation: retain a lawyer to fight a subpoena but by doing so risk being served through that lawyer? Many courts have recognized that the identity of a client is be protected by the attorney-client privilege when the very purpose of retaining counsel is to protect the client’s identity and alternative service though counsel would seem to subvert the privilege – turning the defendant’s lawyer into the plaintiff’s process server.

In a decision of apparent first impression, Maine Superior Court Justice Thomas Warren sided with *The Crow’s Nest*, reasoning:

The problem in this case is not that service cannot by due diligence be made by one of the methods prescribed under the [Rule]. The problem in this case is that plaintiff does not know the identity of John Doe, and a California court has quashed a subpoena served by plaintiff on the internet host whose records would reveal that identity.

Whether the California court was right or wrong, service on counsel does not solve the problem. Counsel cannot be required to divulge the name of the anonymous client, and the court does not see how the case can be litigated or any relief awarded against an anonymous defendant whose identity is unknown. *Gunning v. John Doe.*, CV-13-359 (Cumberland County, Me. March 21, 2014).

Unfortunately Maine, unlike California, does not provide for recovery of attorneys’ fees in an action arising from the exercise of free speech rights on the Internet.

Sigmund D. Schutz at Preti Flaherty LLP in Portland, ME and Paul Clifford of the California Anti-SLAPP Project in Berkeley, CA, represented John Doe. Marie Gunning was represented by Melissa Hewey and David Kalin at Drummond Woodsum in Portland, ME and Deepak Gupta at Farella Braun + Martel LLP in San Francisco, CA.

The effect of allowing alternative service on an anonymous speaker’s lawyer would also create a Catch-22 situation.

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The Lies of Poets: Copyright in Literary Biopics

When Are “Fictional” Episodes Uncopyrightable “Historical Facts”?

By Patrick Kabat

It is axiomatic that no author may lay claim to the facts of her life. This is no less true for poets who write autobiographies than public servants who publish memoirs, but the former are particularly prone to make art from life, producing autobiographical works that blend fiction with fact.^[1] As the literary memoir occupies center stage in the catalogs of publishing companies,^[2] and Hollywood gives us a spate of recent biopics about celebrated writers,^[3] it is increasingly important to understand how copyrights materialize within the blurred lines between fact and fiction in literary autobiography.

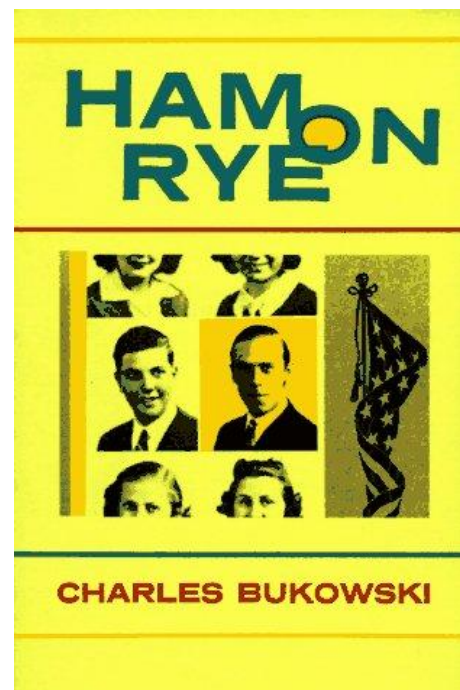
The freedom to make films about writers depends on it, because however significantly their semi-fictional writings may illuminate their lives, authors (or more commonly, their estates and assigns) may claim copyright in episodes from those works, even if the episodes reflect uncopyrightable facts. So how do we know an autobiographical fact when it appears in a work of fiction?

This novel question has been teed up by *Humphris v. James Franco et al.*,^[4] a recently filed copyright suit against the polymath actor James Franco and his production company. The plaintiff says he owns the film rights to bar-poet Charles Bukowski's semi-autobiographical novel *Ham on Rye*, and that Franco violated those rights by developing his own film about the poet, *Bukowski*. In addition to the usual allegations about access and similarity, and some less usual allegations about the parties' prior dealings, the complaint identifies three scenes that the plaintiff says are stolen from *Ham on Rye*.

Bukowski being Bukowski, the suit lands awkwardly between two well-trodden bodies of copyright law: the uncopyrightability of fact, and the fair use of copyrightable expression. The former is straightforward: copyright simply “does not recognize private ownership of historical information, nor does it enforce efforts to hoard, suppress, sell or license historical fact, or to govern who may and who may not disseminate it.”^[5]

Biographical facts, therefore, “may not be copyrighted and are part of the public domain available to every person” with only “thin” copyright protection lingering in the arrangement of those facts.^[6] A dearth of caselaw specifically addresses autobiographies, but settled principles governing the use of personal letters (tiny autobiographies published to an audience of one), journals (serial autobiographies published to an initial audience of zero) and different biographical works about the same subject make plain that historical works making use of

(Continued on page 20)



(Continued from page 19)

purely factual autobiographical material are doubly insulated from copyright claims: factual information is not protected by copyright, and the doctrine of fair use excuses the biographer's measured appropriation of the autobiographical expression itself. [7]

Where original works of fiction are concerned, by turn, a literary biographer's first line of defense is fair use, for even the stronger protection copyright affords to original works of fiction does not prevent a biographer's use, in appropriate measure, for an "illustrative" or "instructive historical purpose." [8] Literary biography simply could not exist without this accommodation, but in the context of factually based works the doctrine unsatisfactorily concedes copyright; in the context of literary expression it is vulnerable to judgments about the appropriation of particularly "radiant" expression; [9] and in the context of transposition across mediums—say, from verse to screen—fair use invites speech-chilling uncertainties about the extent to which innovative uses of creative material are transformative, and so on.

Ham on Rye straddles both bodies of law. Like most of the Bukowski corpus, it is both fictional and autobiographical – a thinly veiled *roman à clef* about the author's childhood in which the character Henry Chinaski serves as Bukowski's narrative avatar. In such a work, or innumerable others that both contain original invention and reveal biographical facts—Joyce's *Portrait*, Hemingway's *Moveable Feast*, or Franco's own recent pseudoconfessional, *Bungalow 89*, that "reads a lot less like fiction and a lot more like vignettes from his own life," [10] First Amendment principles that afford "broad latitude" to "authors who contemplate tackling an historical issue or event" [11] protect biographers who appropriate factual content. But how do we know fact from fiction? More precisely, to whom does the law of copyright entrust that judgment?

Authors, of course, can tell us themselves, and even when the extent of fictionalization is disputed, courts will hold them to their word. Copyright estoppel precludes authors from ginning up stronger rights than properly vest in works they have represented to be factual, for "equity and good morals will not permit one who asserts something as a fact which he insists his readers believe as the real foundation for its appeal to those who may buy and read his work, to change that position for profit in a law suit." [12]

On this basis, the owner of film rights to a biography could not claim that a Mel Brooks biopic about actress and activist Frances Farmer infringed even fictionalized elements of the biography, where promotional materials represented the work to be a true story, and reasonable readers would have understood it as such. [13] Likewise, where the author and publishers of a book about a famous medical examiner held the book out as factual, the author was estopped, as a matter of law, from proceeding against a television show on the basis that it was a protectable work of fiction. [14] The doctrine offers writers a sensible bargain, insisting that they choose between trading on the factual appeal of a true story, and asserting the more robust control over later use that copyright entitles fiction writers.

But copyright estoppel asks only how a work is held out to the public, not whether the underlying episodes are or are not factual, [15] and courts may be leery of applying the doctrine where an author's representations are anything short of unambiguous. Authors speak about their craft with varying degrees of conclusiveness, whether writing plainly, as Bukowski did of his novels, that "they're more fact than fiction" and "in the real sense they can't be called novels," [16] or more equivocally, as Hemingway instructed readers of *A Moveable Feast*, that

(Continued on page 21)

(Continued from page 20)

though they may understand the collection of his Parisian reminiscences as fiction, “a book of fiction may throw some light on what has been written as fact.”^[17]

Courts, in turn, may arrogate to themselves the task of separating uncopyrightable “historical facts” from authors’ fictional contributions, as two courts recently did when declaratory judgment actions against different claimants became necessary to quiet threats against *Effie*, a biopic about John Ruskin. In *Effie Film v. Pomerance*, Judge Oetken took extensive judicial notice of “historical facts” relating to the Victorian art critic,^[18] a term prominent historiographer Richard J. Evans defines as “something that happened in history and can be verified as such through the traces history has left behind,”^[19] and granted judgment on the pleadings for the film company on the basis of noticed facts.

His thorough and scholarly opinion explains that judicial notice may be used for the “careful parsing of protectable fictionalizations from unprotectable interpretations,” and that federal courts “may take judicial notice of the existence of certain historical facts and interpretations prerequisite to analysis of the protectible and unprotectible elements of the disputed works” on a Rule 12 motion.^[20] As Judge Griesa put it in the other *Effie* action, this is “the court’s role.”^[21]

Courts may also consider news reports^[22] or weigh affidavit evidence from “reputable and knowledgeable authors”^[23] to determine the factual nature of a work. In *Mosley v. Follett*, the court rejected a copyright plaintiff’s argument that his book about the exploits of a German secret agent in Cairo during the Second World War was entitled to the fuller protections afforded fiction. The defendant, who wrote an historical novel in which the secret agent appeared, was entitled to use the same “essential historical facts,”^[24] because the plaintiff, a British journalist, introduced his book as a memoir of his time with spies, described having located and interviewed the secret agent after the war, and was understood by affiants (and at least one CIA analyst, who wrote in a recently declassified document that it was a book “of considerable interest” with a “factual basis”^[25]) to have been telling true tales.

Though autobiographical accounts would seem to be uniquely authoritative historical “traces,” courts may have less comfort sifting facts from a partially fictionalized autobiography, or wading into a thicket of academic debates about historical truths, than conducting a review of peer-reviewed secondary literature or newspapers of record. As with copyright estoppel, courts may want more clarity than may be available outside the four corners of a partially autobiographical work. But does the law require juries to determine whether T.S. Eliot dared to eat a peach,^[26] if no court dares to take judicial notice?

No. That is a task for biographers, not juries, and basic copyright and First Amendment principles protect a biographer’s freedom to undertake it. Ambiguity as to whether a work conveys an historical fact must be resolved, as a matter of law, in favor of the biographer who elects to treat it as fact, because resolving that ambiguity is an act of historical interpretation. *Feist* made plain that biographical facts “may not be copyrighted and are part of the public domain available to every person,”^[27] so “[w]hen a biographer or historian, using a copyrighted work as a source, takes historical information from it, he does not infringe the copyright.”^[28] A semi-autobiographical novel or poem is not just an exploitable narrative work, it is also itself an historical fact, and an important *source* about the author’s life, however much or for whatever reason his biographers may distrust it.

(Continued on page 22)

(Continued from page 21)

Courts may notice such facts as they are comfortable finding, but it is the *biographer's* prerogative, not that of the author (and his profit-maximizing assignees) or the courts, to decide whether to trust a source: that judgment is idea, not expression. If an autobiographical novel is the only source for a particular vignette, whether to understand that event as fact or fiction is an exercise in historical interpretation, and if “the idea at issue is an interpretation of an historical event,” “such interpretations are not copyrightable as a matter of law.”^[29]

In this way, the First Amendment’s solicitude for historical inquiry reinforces the same bargain that drives copyright estoppel. By declaring, implicitly or explicitly, his work to be at least partly confessional in character, the author of an autobiographical poem or novel creates both a work of literature and a primary source about his life. He abandons the stronger copyright protections afforded to pure invention, and becomes, for those interested in telling his story, a source of factual information. His biographers, in turn, approach that source (as do all historians when analyzing records of the past) according to their judgments about authenticity, reliability, and truthfulness.^[30]

Indeed, a partially fictional autobiography may provide a biographer with a more reliable view of his subject than an autobiography emphatically held out as fact, for a thin veil of fiction has often left writers *freer* to tell true tales, whereas a memoirist’s table-pounding that his version is true may protest too much, stinking of calculated revisionism.

Autobiographical novels can also provide additional evidence that supplements our understanding of otherwise well-documented events, such as when a young James Joyce knocked impertinently on the Dublin door of another Irish writer, “A.E. the mastermystic” in the “small hours / of the morning to ask him / about planes of consciousness.”^[31] Exercising that judgment is the very essence of biography, and depicting brief vignettes from partially fictionalized autobiographical works as biographical fact simply does not appropriate protectable expression; it announces a judgment that the source *can* be trusted. No biographer should avoid advancing that judgment because she fears a court may later disagree.

Admittedly, translating these principles across mediums is imperfect and untested. A film that interprets a source as a reflection of a biographical fact and depicts it onscreen does so less explicitly than a biographer who drops a footnote saying as much. Joyce’s leading biographer, for example, was able to confirm that Joyce had indeed accosted George Russell (A.E.) through an interview with one of Joyce’s contemporaries and accounts in A.E.’s letters, but whether A.E. also spoke with an American interviewer about the midnight interruption relied on “the evidence of *Ulysses*.”^[32] But directors of biopics are not disentitled to the latitude the Constitution affords biographers in older mediums. Doubts as to whether a particular episode amounts to an interpretation must be resolved in the biographer’s favor: courts “construe the scope of ‘facts’ and ‘interpretations’ broadly” to avoid chilling the historical enterprise.^[33]

Fair use may be necessary to justify poetic, rather than historical, appropriation—that is, where a biographer does not interpret (and portray) a vignette as reflecting a biographical fact, but rather quotes it outright *as a work of fiction*. A biopic screening Eliot at his desk, spliced with a visual depiction of *The Love Song of J. Alfred Prufrock* and its peach, is the on-screen equivalent of the poet’s biographer dropping a stanza or two in-text. *Howl*, for example, in which James Franco played Allen Ginsberg, punctuated the obscenity trial to which Ginsberg’s poem

(Continued on page 23)

(Continued from page 22)

was subjected by screening the poem itself, alternately in animated form and at its seminal 1955 reading at San Francisco's Six Gallery.

These "quotations" may be justified under the familiar grounds of transformativeness, market overlap and similarity of expression, but they are, at root, reproductions of a fictional work *as fiction*, rather than the historical interpretation of a source's factual basis.^[34] Whether Eliot's symbolic peach was biblical or sexual is a matter for critics to debate, and if quoted or depicted *as a poem* for a *critical* purpose, fair use is the appropriate response.

But imagine a biopic in which T.S. Eliot resolutely dares to *eat* that peach. Whether he agonized over its eating is a matter for biographers, who may make *biographical* use of the episode, or directors, should they choose to depict it as a factual occurrence onscreen. Or a biopic in which Matthew Arnold, who wrote *Stanzas from the Grand Chartreuse* while staying at the eponymous monastery, rides "[t]hrough Alpine meadows / soft-suffused / With rain, where thick the crocus blows."^[35] A biographer may take him at his word, and a biopic depicting those episodes *as they happened*, rather than quoting the poem *qua* poem through Arnold at his desk or at a reading, need not concede copyrightability in Arnold's ride, crocuses, ragged pines, and all, and protest only that the use was fair. Nor need a production company wait to develop such a film until an army of scholars source the Alpine ride. The poem *itself* is a source for autobiographical facts, and their historical interpretation is reserved to those making historical use.

Assignees of rights in these poems may protest, but only to the extent that they bear unrealistic expectations about conveyable rights.^[36] Likewise, holders of film rights in autobiographical works may be frustrated to discover that they lack claims against films that depict episodes described in those works, although certainly not in greater degree than production companies may be frustrated by the pragmatic expedient of licensing an autobiography, a biography, or a handful of each to avoid the cost of defending meritless copyright suits.^[37] So *caveat emptor* to purchasers of film rights in a thinly fictionalized autobiographical work.^[38] To the extent that episodes in a semi-autobiographical work are interpreted (and depicted) to state historical facts, they are no one's property.

Patrick Kabat is an associate in the New York office of Levine, Sullivan, Koch & Schulz, LLP. The views expressed in this article are his own. Those interested in licensing biographical facts disclosed in it should contact the Media Law Resource Center.

NOTES

1. E.g. Ernest Hemingway, *Preface, A MOVEABLE FEAST* ("a book of fiction may throw some light on what has been written as fact."); Letter from Charles Bukowski to Jeff Weddle (1988), in 3 CHARLES BUKOWSKI: SELECTED LETTERS, 1978-1994, at 99-100 (Cooney, Seamus ed., 1999) ("On the novels, I'm afraid they're more fact than fiction and I suppose in the real sense they can't be called novels.").
2. James Atlas, *Confessing for Voyeurs; The Age of the Literary Memoir is Now*, The New York Times Magazine (May 12, 1996); available at <http://www.nytimes.com/1996/05/12/magazine/confessing-for-voyeurs-the-age-of-the-literary-memoir-is-now.html>; Ben Yagoda, MEMOIR: A HISTORY (2009) (genre sales in the U.S. increased by 400% between 2004 and 2008).

(Continued on page 24)

(Continued from page 23)

3. *E.g.* PAPA (Bob Yari, forthcoming 2015) (Hemingway biopic); THE INVISIBLE WOMAN (BBC Films 2013) (Dickens); YOUNG GOETHE IN LOVE (Senator Film Produktion 2011); HOWL (Werc Werk Works 2010) (Ginsberg); BRIGHT STAR (Pathé Renn Productions 2009) (Keats); BECOMING JANE (HanWay Films 2007) (Austen); MOLIERE (Fidélité Productions 2007); Infamous (2006) (Warner Independent Pictures 2006) (Capote).
4. *Humphris v. Franco et al.*, No. 2:14-cv-03162 (C.D. Cal. Apr. 24, 2014).
5. *Craft v. Kobler*, 667 F. Supp. 120, 123 (S.D.N.Y. 1987) (citations omitted).
6. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348 (1991).
7. *E.g. Craft v. Kobler*, 667 F. Supp. 120, 126 (S.D.N.Y. 1987); *Wright v. Warner Books*, 953 F.2d 731, 736 (2d Cir. 1991) (“Most of the passages [from journal entries and private correspondence] on which plaintiff bases her allegations of copyright infringement convey facts or ideas.”).
8. *Id.*
9. *Id.* at 127 (Stravinsky’s biographer disentitled to make extensive use of composer’s “radiant” prose); *see also Salinger v. Random House, Inc.*, 811 F.2d 90, 100 (2d Cir. 1987) (J.D. Salinger’s biographer disentitled to paraphrase unpublished expressive content too closely).
10. Ben Beaumont-Thomson, *James Franco pens short story with central character Lindsay Lohan*, The Guardian (June 10, 2014), available at <http://www.theguardian.com/books/2014/jun/10/james-franco-short-story-lindsay-lohan-bungalow-89>; James Franco, *Bungalow 89*, Vice (June 10, 2014), available at <http://www.vice.com/read/bungalow-89-0000347-v21n6>.
11. *Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 978, 980 (2d Cir. 1980).
12. *Oliver v. Saint Germain Foundation*, 41 F. Supp. 296, 299 (S.D. Cal. 1941).
13. *Marshall v. Yates*, No. 81-1850, 1983 WL 1148, at *2-3 (C.D. Cal. Oct. 26, 1983).
14. *Houts v. Universal City Studios, Inc.*, 603 F. Supp. 26 (C.D. Cal. 1984).
15. *Houts*, 603 F. Supp. at 31.
16. Bukowski, *supra* n.1.
17. Hemingway, *supra* n.1.
18. *Effie Film, LLC v. Pomerance*, 909 F. Supp. 2d 273, 296 (S.D.N.Y. 2012).
19. Richard J. Evans, IN DEFENSE OF HISTORY 66 (2000); *see also Pomerance*, 909 F. Supp. 2d at 296 (citing Evans).
20. *Pomerance*, 909 F. Supp. 2d at 298.
21. *Effie Film v. Murphy*, 932 F. Supp. 2d 538, 554 (S.D.N.Y. 2013), *aff’d*, --- Fed. App’x ---, 2014 WL 1797466 (2d Cir. May 7, 2014) (“In a work of historical fiction, very many elements of a work are drawn from historical events, not from the author’s own creativity. Historical ‘facts’ and interpretations themselves are not copyrightable.”).

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22. *Walker v. Time Life Films*, 784 F.2d 44, 50 (2d Cir. 1986) (“The killing of two police officers actually occurred and was reported in the news media, which placed the historical fact of the murders in the public domain and beyond the scope of copyright protection.”); *see also Wager v. Littell*, 549 F. App’x 32, 34 (2d Cir. 2014) (summary order) (“the two fictional works are set in World War II and focus on the Holocaust and its tragic consequences. Plainly, no author can claim a copyright in such historical themes or in public source material relating to them.”).
23. *Mosley v. Follett*, No. 80 CIV. 5628, 1980 WL 1171, at *3 (S.D.N.Y. Nov. 5, 1980) (denying motion for preliminary injunction; copyright plaintiff unlikely to succeed on the merits).
24. *Id.*
25. *See 3 Studies in Intelligence* 139-140 (Central Intelligence Agency 1959) (*The Cat and The Mice* “is evidently simplified and embellished for popular consumption, but it has a factual basis and makes good reading.”), available at http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000607323.pdf.
26. T.S. Eliot, *The Love Song of J. Alfred Prufrock*, Poetry (June 1915).
27. *Feist*, 499 U.S. at 348 (quoting *Miller v. Universal City Studios, Inc.*, 650 F.2d 1365, 1369 (5th Cir. 1981)).
28. *Craft*, 667 F. Supp. at 123; *see also Lott-Johnson v. Studio 620*, 11-CV-2205, 2011 WL 3468372, at *2-3 (N.D. Ga. Aug. 8, 2011) (“biographical details . . . are not subject to copyright”).
29. *Hoehling*, 618 F.2d at 978.
30. E.g. Evans, DEFENSE OF HISTORY at 94.
31. James Joyce, ULYSSES at 115 (The Bodley Head 1986).
32. Richard Ellman, JAMES JOYCE (1965) (citing *Ulysses*, personal interview with Irish poet Monk Gibbon, and letters of A.E.).
33. *Pomerance*, 909 F. Supp. 2d at 296.
34. *Howl* (the film) does this as well, screening biographical episodes from Ginsberg’s life as reflected in the poem.
35. Matthew Arnold, *Stanzas from the Grande Chartreuse*, Fraser’s Magazine (April 1855), available at <http://rpo.library.utoronto.ca/poems/stanzas-grande-chartreuse>.
36. *See Nelson v. Grisham*, 942 F. Supp. 649, 656 (1996) (responding to memoirist plaintiff’s concern “that a ruling against her will be a dangerous acknowledgment that those who write their own memoirs cannot expect to receive protection from the copyright laws” by observing that “often in non-fiction work there are many uncopyrightable elements.”).
37. *Hofheinz v. AMC Prods., Inc.*, No. CV-00-5827, 2003 WL 25293919, at *4 (E.D.N.Y. Apr. 23, 2003) (“a litigant may have any number of reasons for seeking licenses, including to avoid litigation such as this.”).
38. If misled by an author about the representations of a book’s semi-autobiographical nature, however, a publisher can prosecute a fraud claim. *Antidote Int’l Films, Inc. v. Bloomsbury Pub., PLC*, 467 F. Supp. 2d 394, 401 (S.D.N.Y. 2006).

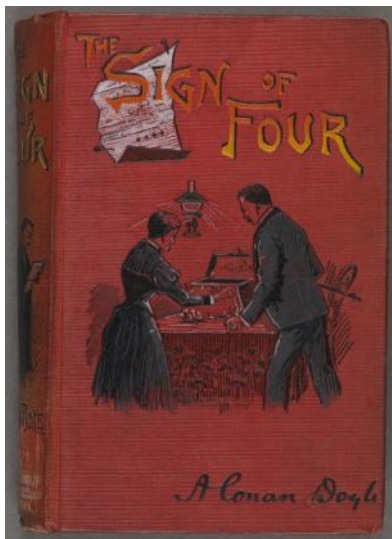
The World's Greatest Detective and The Public Domain: What Remains of Sherlock Holmes?

By Devereux Chatillon

When a literary creation, a character in a novel, becomes such a part of a culture that understanding references to that character become a sort of shorthand understood by cultural consumers, it creates dilemmas for creators and lawyers.

The most recent case centers around Sherlock Holmes, and, of course, his unavoidable sidekick, Dr. John Watson. The Seventh Circuit recently ruled that the stories of Sir Arthur Conan Doyle are largely in the public domain and not protected by US copyright. [*Klinger v. Conan Doyle Estate, Ltd.*](#), 755 F.3d 496, 500-02 (7th Cir. June 16, 2014) (Posner, Flaum, Manion, JJ.)

While the decisions are largely unremarkable on their face (although Judge Posner's advisory rant about exploitation and possible antitrust violations by the Conan Doyle estate is a bit eye-opening), how to apply the ruling in the real world is a much more puzzling proposition.



**“How often have I said to you that when you have
eliminated the impossible, whatever remains,
however improbable, must be the truth?”**

The Sign of the Four, by Sir Arthur Conan Doyle (1890).

The enduring allure of the Sherlock Holmes stories by Sir Arthur Conan Doyle lies at least in part in the extremely logical approach of the main protagonist. Quotations like the one above are so obviously true (and logical) that it's only when they are repeated in what appears to be an impossible situation that the power and novelty appear.

Transforming crime solving into a logic puzzle may not have originated with Sherlock Holmes, but certainly reached a level of perfection in that character. And the character himself, is such a curmudgeon, such an inconsiderate and unfeeling character, that his willingness and ability to solve seemingly insoluble crimes and help people in the process is a fascinating contradiction. And having Watson along, the eternal sidekick for whom everything must be explained, adds a sympathetic character and a stand in for the reader.

But what does this have to do with law and copyright? Only that these characters have been the foundation for the layering of new skins, new situations, new plots and even new millennia by many creative minds. From *Elementary*, a series currently airing on CBS (with a female Watson) to *Sherlock* (a mini-series with the brilliant Benedict Cumberbatch airing in the United States on PBS), to the movies starring Robert Downey Jr. and Jude

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Law, Sherlock is omnipresent. Again, remarkable for such renowned, iconic and dare we say it, old characters - ones that have been around for over a hundred years. What could be the problem?

The problem turned out to be the aggressive licensing program of the Conan Doyle estate meeting Leslie Klinger, editor of an anthology of stories based upon the Sherlock Holmes characters. Because all but ten of the Sherlock Holmes oeuvre were published before 1923 and are therefore in the public domain in the United States, Klinger did not believe that he needed a license from the Conan Doyle Estate to publish his book.

The estate disagreed, arguing that until the last stories enter the public domain in 2022, no copying of the complex characters contained in the Sherlock Holmes stories is allowed, and, according to Klinger threatened his publisher and also threatened to use its influence with distributors to hobble its publication. [*Klinger v. Conan Doyle Estate, Ltd.*](#), at 500-02. Or, as phrased by the Court of Appeals for the Seventh Circuit, “whether copyright protection of a fictional character can be extended beyond the expiration of the copyright on it because the author altered the character in a subsequent work.” *Id.* at 500.

The court answered with a definitive no: “We cannot find any basis in statute or case law for extending a copyright beyond its expiration. When a story falls into the public domain, story elements—including characters covered by the expired copyright—become fair game for follow-on authors.” *Id.*

The estate had argued that creativity would be discouraged without extending copyright to the latter chunks of an ongoing story with ongoing characters, that the original author would be competing with copiers. The court wryly commented that “Of course this point has no application to the present case, Arthur Conan Doyle having died 84 years ago. More important, extending copyright protection is a two-edged sword from the standpoint of inducing creativity, as it would reduce the inventive of subsequent authors to create derivative works (such as versions of popular fictional characters like Holmes and Watson) by shrinking the public domain.” *Id.* at 501.

The estate argued that the details added to the characters of Holmes and Watson rounded out the characters and that those rounded characters should be protected in their entirety. The court rejected this argument out of hand. It recounted some of the details added in the later stories, that Sherlock has grown to like dogs and that Watson has been married twice. The court said:

These additional features, being (we may assume) “original” in the generous sense that the word bears in copyright law, are protected by the unexpired copyrights on the late stories. But Klinger wants just to copy the Holmes and the Watson of the early stories, the stories no longer under copyright. The Doyle estate tells us that “no workable standard exists to protect the Ten Stories’ incremental characters development apart from protecting the completed characters.” But that would be true only if the early and the late Holmes, and the early and the late Watson, were indistinguishable—and in that case there would be no incremental originality to justify copyright protection of the “rounded”[later] characters (more

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precisely the features that make them “rounder,” as distinct from the features they share with their earlier embodiments) in the later works. *Id.* at 502.

The court concluded that the estate’s appeal bordered on the “quixotic” and raised the “spectre of perpetual, or at least nearly perpetual, copyright” as “the Doyle estate is seeking 135 years (1887-2022) of copyright protection for the character of Sherlock Holmes.” *Id.* at 503. In a later opinion, awarding Klinger his attorneys fees for the appeal, the court used even stronger language: “In effect he [Klinger] was a private attorney general, combating a disreputable business practice—a form of extortion.” *Klinger v. Conan Doyle Estate, Ltd.*, No. 14-1128, at 6 (7th Cir., Aug. 4, 2014).

The court then did something remarkable—it opined that what the estate was doing was probably in violation of the antitrust law as it was organizing a boycott of a competitor, Klinger’s anthology, by suppliers of essential services. The court said “It’s time the estate, in its own self-interest, changed its business model.” *Id.* at 7.

In reaching its conclusion, the court’s decision is in line with the few previous cases that have examined this issue. *E.g.*, *Silverman v. CBS*, 870 F.2d 40 (2d. Cir.), *cert. denied*, 492 U.S. 907 (1989); 1-2 *Nimmer on Copyright* §2.12 (“Just as the copyright in a derivative work will not protect public domain portions of an underlying work as incorporated in the derivative work, so copyright in a particular work in a series will not protect the character as contained in such series if the work in the series in which the character first appeared has entered the public domain.”)

Elementary My Dear Watson?

Sherlock actually never says that in the stories and books, but it sets up nicely the next point—the Seventh Circuit treated this case as a no-brainer. If something is in the public domain, it may be copied, no ifs, ands or buts. But are things really that simple? Let’s look at this from first the perspective of the user and then of the copyright holder.

Having advised clients in this situation, it’s important to keep a few things in mind. First although much of the underlying material, the original Conan Doyle stories and novels, are in the public domain, most of the material based on that material is not. So while *A Scandal in Bohemia*, a short story by Conan Doyle published in 1891, is in the public domain, the episode of the current BBC television show, *A Scandal in Belgravia*, is very much covered by copyright. What is covered by copyright in the television episode is everything and anything new that was added to the original. 4-13 *Nimmer on Copyright* § 13.03[B][2][b].

For example, in the current television series *Sherlock*, Sherlock Holmes uses a cell phone (it will shock no one familiar with the character to learn that Watson and not Holmes is the blogger and user of social media). Does that mean that if I want to write a novel using Holmes as a character and give him a cell phone, I’ve violated the copyright of the television series? While this kind of determination always relies on context, the answer is probably

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“When a story falls into the public domain, story elements—including characters covered by the expired copyright—become fair game for follow-on authors.”

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not, if that is the only distinctive characteristic that overlaps with the television series. But as is readily seen, this can become fairly complicated fairly quickly.

So if I wanted to develop a new movie series or television series or webisodes starring Sherlock Holmes, am I restricted to writers who have read only the stories in the public domain, and have never seen the movies or television shows? As that would undoubtedly be impossible, probably not. But it does mean that I would have to review everything carefully to make sure anything original added to the public domain material was not copied from anywhere else. A license from the estate may seem easier (although that of course does not give protection against charges of copying from later creators).

From the copyright holders standpoint, things have become considerably more complicated. While the Seventh Circuit correctly rejected the estate's argument that its ruling was unworkable, how does the estate determine

what's been copied only from the early public domain stories and what uses material from the stories still protected by copyright?

One of the claims made by the estate in the appeal to prove its point that the characters developed over the course of all of Conan Doyle's writings is that Holmes develops a more friendly attitude to dogs in the later stories. So, does that mean that any reference to dogs in my new material might violate the still extant copyrights held by the estate? Only references to Holmes being nice to dogs, but kicking dogs is fair game? What if I change Holmes's animal companions to cats in my script or novel (Holmes seems much more like a cat person anyway)?



“There is nothing more deceptive than an obvious fact.”

The Boscombe Valley Mystery, The Adventures of Sherlock

Holmes by Sir Arthur Conan Doyle (1892).

In response to the decision, the Conan Doyle estate put out a [press release](#). In the release, the estate correctly sums up the ruling as establishing that “part of Sherlock Holmes’s character is in the public domain.” The release continues, “but the complete Holmes character is still protected by copyright.” The estate’s analysis is that “[t]he court affirmed that the last ten original Sherlock Holmes stories contain the full portrayal of Holmes and Watson, and all character development in those ten stories is protected by the Estate’s copyrights. The protected material includes Holmes’s friendship with Watson, certain of his skills, Holmes’s growing emotion and warmth as a human being.”

While it’s arguable whether Holmes’s friendship with Watson is contained only in those last ten stories (in fact it’s featured in the first stories), the estate’s certainly is continuing its aggressive stance.

And one of the steps taken by the estate in the last few years has been to seek to register the name Sherlock Holmes as a trademark in the United States for movies, for computer games, for internet services, for magazines

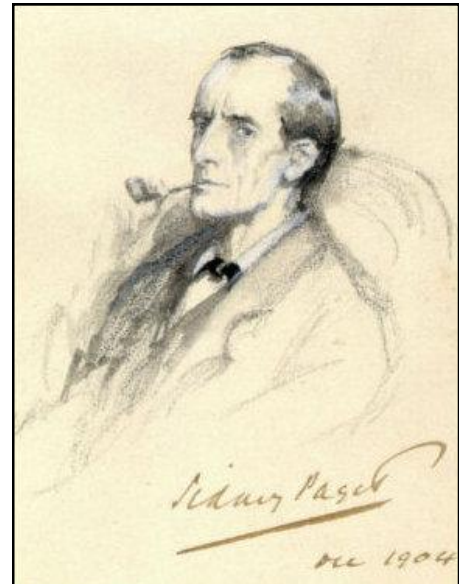
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and books. Could the estate now try to pursue subsequent unlicensed users of the public domain materials under trademark or unfair competition theories?

The estate could try, but if any such user has the temerity and resources to litigate such a claim, the estate has an uphill battle. The courts, including the Supreme Court, have made it clear that trademark law generally cannot be used to extend otherwise expired copyrights. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33-34 (2003). In *Dastar*, the Supreme Court confronted a related issue—the distributor of a public domain video listed itself as a producer and the original producers sued for violations of the Lanham Act. In rejecting that claim, the Court said:

The rights of a patentee or copyright holder are part of a "carefully crafted bargain," under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution. Thus, in construing the Lanham Act, we have been "careful to caution against misuse or over-extension" of trademark and related protections into areas traditionally occupied by patent or copyright. "The Lanham Act," we have said, "does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity." Federal trademark law "has no necessary relation to invention or discovery," but rather, by preventing competitors from copying "a source-identifying mark," "reduces the customer's costs of shopping and making purchasing decisions," and "helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product." Assuming for the sake of argument that *Dastar*'s representation of itself as the "Producer" of its videos amounted to a representation that it originated the creative work conveyed by the videos, allowing a cause of action under § 43(a) for that representation would create a species of mutant copyright law that limits the public's "federal right to 'copy and to use,'" expired copyrights. (Citations omitted)



Dastar did not squarely resolve the issue that would be raised by the scenario here. But if the Conan Doyle estate were to challenge use of the public domain material related to Sherlock Holmes because it claimed that such use violates trademark rights in Sherlock Holmes, it would run straight into the policies articulated by the Supreme Court in *Dastar* and followed by other courts since. *E.g., Comedy III Productions, Inc. v. New Line Cinema*, 200 F.3d 593 (9th Cir. 2000); 1-1 *Nimmer on Copyright* § 1.01[D][2].

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Any trademark analysis would turn, at least in part, on the traditional trademark tests of whether the trademark is valid (i.e., used to mark goods or services in commerce) and whether its use by the alleged infringer is likely to cause consumer confusion as to the origin of those goods and services. 1-1 Gilson on Trademarks §§ 1.03[2], 1.05. In addition, courts would look to the policies above about public domain material and also to the expressive nature of the content whose use is being challenged by way of trademark law. *E.g., Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989)(in determining right of publicity and trademark claims brought by Ginger Rogers against a movie entitled “Ginger and Fred”, the court weighed the interest against consumer confusion against the public interest in free expression).

Conclusion

The puzzle of using characters who have survived numerous episodes or stories or installments in subsequent works is not a simple one. To say simply that Sherlock Holmes or any other character is either protected by copyright (in part, that is right) or is in the public domain (and in part that is right) merely begins, but does not end the legal analysis. Given the continuing cultural interest in comic book figures and other similar characters, we can anticipate more legal action in this arena.

Devereux Chatillon is a partner at Chatillon Weiss LLP in New York and specializes in the area of copyright and trademark counseling; strategic positioning and risk recognition; and litigation advice, including commercial as well as content related.

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English High Court Issues First Decision on “Serious Harm” Test in New Defamation Act

Further Case-law Needed to Provide Clarity on the Issue

By Elizabeth Morley

Earlier this month, judgment was handed down in the High Court case of [Cooke and Midland Heart Limited v MGN Limited and Trinity Mirror Midlands Limited](#) [2014] EWHC 2831 (QB). This case was the first to consider what is required to clear the raised threshold of “serious harm” within the meaning of Section 1 of the [Defamation Act 2013](#) and the judgment had been eagerly awaited.

Background

The case was the first test of the much promoted “serious harm” test in the Defamation Act 2013, which is designed to kill off libel tourism and frivolous claims. Ruth Cooke is the Chief Executive of Midland Heart Limited, a housing and care association based in the UK. The defamation action was brought by Ms Cooke and Midland Heart following the publication of an article in the Sunday Mirror newspaper and its online version on 26 January 2014.

The article's headline was “Millionaire Tory cashes in on TV Benefits Street” and principally focussed on Paul Nischal, the ‘Millionaire Tory’ (Conservative party supporter) referred to in the headline, with particular reference made to the properties he rented out on James Turner Street in Birmingham (the street featured in a Channel 4 television series called “Benefits Street”).

“Benefits Street” was a controversial TV series focussing on the lives of residents of James Turner Street, particularly those living on state hand-outs. The series attracted significant attention within the UK and prompted widespread media coverage on taxpayer funded benefits, including parliamentary debate on the issue.

The article claimed that Mr Nischal rented out run-down properties at high prices to low income tenants. As well as highlighting him, the Sunday Mirror article also discussed profits made by other residential property landlords on the street, stating “our probe reveals a string of well-off property owners are paid up to £650 a month by the Government through the housing benefit system.”

The article went on to say: “Three more homes in the road where residents claim they have been portrayed as scroungers and lowlife by Channel 4 are owned by the Midland Heart

housing association. Its chief Ruth Cooke, 45, earns £179,000 a year and lives in a large house in Stroud, Glos.”

As a result of objections raised by the Claimants, the Defendants published an apology in the next edition of the Sunday Mirror on 2 February 2014, which read as follows:

“Midland Heart and Ruth Cooke: An Apology

Last week the Sunday Mirror included Midland Heart Housing Association and its Chief Executive Ruth Cooke in our article “millionaire Tory cashes in on TV Benefit Street”.

Midland Heart is a not for profit housing and care charity, and any surplus made by it is reinvested into its homes for the benefit of its customers.

Midland Heart and Mrs Cooke take their responsibility to support customers and the communities they live in very seriously.

The case was the first test of the much promoted “serious harm” test in the Defamation Act 2013, which is designed to kill off libel tourism and frivolous claims.

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We did not intend to include them in the article and wish to apologize to both Midland Heart and Mrs Cooke for our mistake.”

The apology was published in the top right hand corner of page 2 of the newspaper but, not unusually, was significantly less prominent than the original article had been. Mrs Cooke and Midland Heart also argued that they had not agreed the wording of the apology. They did not accept the immediate apology.

There was no dispute as to the truth of the information included in the article about the Claimants. Instead, their case was that the paragraph about them, when read with the argot of an English libel pleader, was defamatory as they were referred to alongside Mr Nischal and other discreditable landlords. As such, Mrs Cooke and Midland Heart commenced a defamation claim against the

publishers of both the Sunday Mirror newspaper and the online version. After the claim was issued, it was ordered by consent that ‘meaning’ and ‘serious harm’ would be tried as preliminary issues and these were heard before Bean J on 23 July 2014.

In this first test case, it fell to Mr. Justice Bean (not a libel specialist) to interpret the “serious harm” test.

The 2013 Act

Section 1 of the 2013 Act provides:

1. Serious harm

(1) *A statement is not defamatory unless its publication has caused or is likely to cause serious harm to the reputation of the claimant.*

(2) *For the purposes of this section, harm to the reputation of a body that trades for profit is not “serious harm” unless it has caused or is likely to cause the body serious financial loss.*

Prior to the coming into force of the 2013 Act at the beginning of this year, claimants had to satisfy the ‘substantial

adverse consequences’ test, which had developed in common law.

The common law test was principally laid out in *Thornton v Telegraph Media Group Ltd* [2011] 1 WLR 1985. In *Thornton*, Mr. Justice Tugendhat noted that the test used most often by judges was whether the words would tend to lower the claimant in the estimation of right-thinking members of society generally, thereby essentially re-enforcing the test expressed by Lord Atkin in *Sim v Stretch* [1936] 2 All ER 1237.

However, Tugendhat noted that judges had also found defamation to have occurred where the publication of a matter “would be likely to affect a person adversely in the estimation of reasonable people generally.” Following his analysis in *Thornton*, the common law definition for defamation developed to require that there must be a tendency or likelihood of substantial adverse consequences for the claimant.

When the 2013 Act was drafted, there was initially a wish to enshrine the common law test in statute. However, as the draft Bill progressed, the requirement for ‘substantial harm’ was replaced with a stricter one of ‘serious harm.’ As expressed in parliamentary debates, the purpose of raising the threshold in this way was ‘to ensure that trivial and unfounded actions do not succeed.’

The Judgment

In considering the first preliminary issue of meaning, Bean J rejected the submissions put forward by the parties and found that the words complained of had the following meaning:

“a) Midland Heart, whose chief executive is Ruth Cooke, is one of the well-off landlords of rented properties on James Turner Street who let houses to people in receipt of housing benefit at rents of up to £650 per month, thereby making money from the misery of James Turner Street residents; and that

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The judgment unfortunately did not provide any specific judicial guidance as to how much higher the bar has been raised for Claimants since the introduction of the 2013 Act

(Continued from page 33)

b) Mrs Cooke is personally responsible for this conduct of Midland Heart, and has herself profited and become rich from it, in that she is paid £179,000 a year and lives in a large house in Gloucestershire.”

In dealing with the second preliminary issue of serious harm, the judge attached significance to the apology published by the Sunday Mirror and held that it was “sufficient to eradicate or at least minimise any unfavourable impression created by the original article in the mind of the hypothetical reasonable reader who read both.”

He held that as Ms Cooke and Midland Heart could not adduce specific evidence to show that the article had caused serious harm to their reputations by the time of the hearing, serious harm could not be inferred. He also considered that they had failed to show that it was likely that serious harm would be caused to their reputations in the future.

Mr Justice Bean did acknowledge that there were some cases where such serious harm to reputations is caused that no evidence is necessary, for example, where a national newspaper wrongly accuses someone of being a terrorist or a paedophile, but noted that the newspaper article in this case came nowhere near that type of situation.

Despite expectations beforehand, the judgment unfortunately did not provide any specific judicial guidance as to how much higher the bar has been raised for claimants since the introduction of the 2013 Act or what evidence would be required to clear the threshold. The judgment confirmed that ‘serious harm’ is more serious than ‘substantial harm’ but it did not delve any deeper. It also provided no guidance on the meaning of ‘likely to cause’ serious harm. As such, the judgment was ultimately an anti-climax and further case-law will be needed to provide clarity on the position.

Elizabeth Morley is a Solicitor with HowardKennedyFsi LLP in London. Claimant was represented by Hugh Tomlinson QC (instructed by Wragge Lawrence Graham). Defendants were represented by David Price QC (of David Price Solicitors and Advocates).



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Maryland Media Coalition Wins Attorneys' Fees Battle

By Cheryl A. Feeley

A coalition of media companies—the *Carroll County Times*, *Washington Post*, *Baltimore Sun* and Scripps Media's WMAR-TV—won another important victory under the Maryland Public Information Act (MPIA) that will further help prevent officials from using email to conduct government business outside of the sunshine. *J. Douglas Howard, et al. v. Christian Alexandersen, et al.*, Case Nos. C-13-063914 & C-13-063484, Carroll County Circuit Court—Order and Memorandum, June 11, 2014.

The Honorable Dennis M. Sweeney granted the media coalition's motion for attorneys' fees and costs, entering a \$92,052.25 judgment against the Board of County Commissioners for Carroll County, Maryland. The underlying lawsuit resulted after the commissioners brought a preemptive petition under §10-619 of the MPIA, which permits the government to temporarily deny the release of requested documents on the basis that such release would cause "substantial injury to the public interest" so long as the government files a petition within 10 days seeking permission to continue the withholding. The media coalition opposed the commissioners' Petition, brought a counterclaim under MPIA § 10-623, and, earlier this year, prevailed on summary judgment. See [MLRC MediaLawLetter](#), Jan. 2014, p. 42-43.

The media coalition's motion for fees and expenses demonstrated that the coalition had "substantially prevailed" in the lawsuit and that the award of fees was appropriate in light of the factors set forth in *Stromberg Metal Works, Inc. v. University of Maryland*, 395 Md. 120, 128 (2006). Specifically, the coalition explained that 1) there was a substantial public benefit derived from the suit, 2) the coalition's singular focus for seeking release of the information was to benefit the public and was neither private nor pecuniary, and 3) the Board did not have a reasonable basis in law to withhold the requested information. The

commissioners opposed the motion, arguing that the coalition's involvement in the case—and specifically, the coalition's prosecution of its counterclaim to the commissioners' preemptive suit—was unnecessary. The commissioners also argued that the coalition could not prove entitlement based on the *Stromberg* factors.

In its Order and Memorandum awarding fees and expenses, the court agreed with all of the coalition's arguments regarding eligibility and entitlement to fees. The court found that the coalition had, in fact, substantially prevailed in the lawsuit and specifically rejecting the idea that the counterclaim was unnecessary, noting: "There is nothing

in the PIA which indicates that the filing of a § 10-619 action prevents a requesting party from fully protecting their rights under the PIA by the institution of a claim in the courts." The court agreed that the counterclaim was necessary to win *all* of the records, as during the course of litigation, it was revealed that the commissioners were construing the MPIA requests too narrowly.

With respect to the factors set forth in *Stromberg*, the court rejected the commissioners' argument that the media outlets could not demonstrate substantial public benefit resulting from the release of the records because, allegedly, the media outlets had not used the information in

reporting. The court held, "It is enough that there is substantial potential for important public information to result from the disclosure." The court also recognized that the coalition filed the counterclaim for "purely journalistic" reasons "aimed at finding out information about the operation of government."

Finally, in examining whether the commissioners had a reasonable basis to withhold the records, the court noted the "heavy burden" on the commissioners in deciding to withhold the records and file a § 10-619 action. And noting that it was being "as generous" as possible, the court found that while

(Continued on page 36)

A coalition of media companies—the Carroll County Times, Washington Post, Baltimore Sun and Scripps Media's WMAR-TV—won another important victory under the Maryland Public Information Act.

(Continued from page 35)

the commissioners may have had reason to believe they had a basis for withholding initially, the continued withholding was "highly problematic" after Maryland's General Assembly failed to enact a specific exemption for these records in April 2013. The court re-emphasized a point made in its previous summary judgment ruling: "The provision was certainly not meant to provide a mechanism for agencies or courts to revise the statutory law and add sections to the statute not envisioned by the legislature or second guess the wisdom of the General Assembly in how it has handled the exceptions to disclosure."

Finally, the court rejected the county's arguments that the court should reduce the award based on the amount of time the coalition's attorneys had devoted to the case.

The \$92,052.25 award will be a strong deterrent to government bodies in Maryland filing preemptive lawsuits to block access to public records.

Charles D. Tobin and Cheryl A. Feeley of Holland & Knight LLP in Washington, D.C., represented the media coalition, along with Drew E. Shenkman who is now Counsel with CNN in Atlanta. Timothy C. Burke and Gail D. Kessler, with the Carroll County Attorney's Office, represented Carroll County and the four commissioners.



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Second Circuit Strongly Affirms Right of Access to Judicial Records

Plus Other Access Developments of Note

In a strong affirmation of the right to access judicial records, the Second Circuit ruled there is a First Amendment right to access compliance reports filed in court pursuant to a settlement agreement. [*United States v. Erie County*](#), No. 13-3653 (2d Cir. August 18, 2014) (Calabresi, Parker, Lynch, JJ.).

As part of a settlement agreement between the federal government and Erie County over prison conditions, the county agreed to provide regular compliance reports on its efforts to improve conditions.

W.D.N.Y. Judge William M. Skretny had allowed the compliance reports to be filed under seal, concluding they were akin to settlement negotiation documents to which a First Amendment or a common-law right of access did not apply. The New York Civil Liberties Union intervened in order to unseal the compliance reports.

Writing for the Second Circuit panel, Judge Calabresi found that even though the underlying prisoner care case was settled, the district court still has jurisdiction over the matter, and the compliance reports are judicial documents because they could form the basis of the civil case being reinstated.

The First Amendment right to access judicial documents applies to the compliance reports, thus ensuring that the public can monitor the government, Calabresi said. “As these public bodies exercise discretion and authority, it is important that they know that the public has access to the documents which form the basis of their decisions,” he added.

6th Circuit Denies DoJ Petition for En Banc Review of Mug Shot Access Precedent

On August 18, the Sixth Circuit denied a Department of Justice petition for en banc consideration of the Circuit’s precedent on access to mug shots. [*Detroit Free Press v. Department of Justice*](#), No. 14-1670. As reported last month, the Detroit Free Press has been battling the Department of Justice and Marshals Service over FOIA access to mug shots which are supposed to be accessible under Circuit precedent.

Detroit Free Press, Inc. v. Department of Justice, 73 F.3d 93 (6th Cir. 1996). See also “[Detroit Free Press Continues Mug Shot Battle in Sixth Circuit](#),” MediaLawLetter July 2014.

The DOJ has refused to follow the precedent and claims that privacy considerations should limit access to mug shots. The DOJ has stated it intends to seek Supreme Court review.

Ninth Circuit Allows Courtroom Filming Lawsuit to Proceed

In an unpublished opinion, the Ninth Circuit held that news documentary producers had stated sufficient facts to support their claim that state officials engaged in viewpoint discrimination by denying them the right to film in a Los Angeles courtroom. [*Dutton v. Wesley*](#), No 12-56162 (9th Cir. July 18, 2014).

Among other things, plaintiffs alleged that defendants granted CNN access to film in the same courtroom about the same subject matter. The plaintiffs run a public affairs TV program called “Full Disclosure Network.” They wanted to use an empty courtroom in Los Angeles Superior Court to film a news segment on a high-profile lawsuit, which involved a disbarred attorney who was confined in jail for civil contempt. A CNN camera crew was given access to the courtroom to cover the same lawsuit. But plaintiff’s request was rejected, leading to its 42 U.S.C. § 1983 claim.

The Ninth Circuit ruled that plaintiffs’ complaint “includes enough factual content to permit the reasonable inference that the defendants denied the plaintiffs’ request to access the courtroom because of the plaintiffs’ viewpoint.”

EFF Surveillance FOIA Suit

The Electronic Frontier Foundation had mixed results in its FOIA lawsuit to access information about the surveillance of phone-call records as authorized under Section 215 of the USA Patriot Act. [*Electronic Frontier Foundation v.*](#)

(Continued on page 38)

(Continued from page 37)

[Department of Justice](#), Case No. 4:11-cv-05221-YGR (N.D. Cal. August 11, 2014).

U.S. District Judge Yvonne Gonzalez-Rogers ruled that the federal government must produce a memorandum of legal advice provided by the Office of Legal Counsel to the Department of Commerce. The memorandum apparently concerns the department's legal obligation to disclose census information to federal law enforcement and national security officials.

The Justice Department asserted the deliberative process privilege shields the memorandum from disclosure under the FOIA Exemption 5 protection for information that would be normally privileged from civil discovery because of evidentiary privileges like the deliberative process privilege. However, the judge said that memorandum has to be disclosed now because it "has become a controlling statement of the executive branch's legal position and, specifically, has been adopted as the opinion of the executive branch" in Foreign Intelligence Surveillance Court proceedings.

The EFF, however, lost its requests to access five Foreign Intelligence Surveillance Court opinions and orders and to obtain the names of the telecommunications firms that gave customer phone call records to the government.

Judge Gonzalez-Rogers found that the FISC orders and opinions are exempt under FOIA Exemption 1, which protects national-defense or foreign-policy information; Exemption 3, which protects information that other statutes limit disclosure of; and Exemption 7E, which protects "techniques and procedures used to prevent and protect against crimes as well as techniques and procedures used to investigate crimes after they have been committed."

"Methods described in the FISC orders could allow targets of national security investigations to divine what information was collected when, as well as gaps in surveillance, thus providing a roadmap for evading surveillance," the judge said. Disclosure of the names of the telephone carriers that turned over call-record information also is exempt because of the risk to national security, the judge said.

Hawai'i Courtroom Closure Violated First Amendment

The Hawai'i Supreme Court ruled that closure of

proceedings in a murder trial violated the public's First Amendment right of access. [Oahu Publications Inc. v. Ahn](#), SCPW-13-0003250 (Haw. July 16, 2014). The trial court had closed the court when questioning jurors about possible misconduct and sealed related transcripts.

The First Amendment and the Hawai'i Constitution provide a qualified right of public access that can only be overcome by "an overriding interest based on findings that closure is essential to preserve higher values and is narrowly tailored to serve that interest," the court said. Ensuring a defendant's Sixth Amendment right to an impartial jury could be that overriding interest, but the trial court did not provide notice of its intention to close the courtroom nor make findings on the record on why closure was necessary.

The court also held that there was a qualified public right of access to the transcripts of the closed segments of the trial. The trial judge violated that right by sealing the transcripts for six months.

Massachusetts SJC on Sealed Criminal Records

The Supreme Judicial Court adopted a new, weaker balancing test for when "substantial justice would best be served" to seal criminal records in cases in which prosecutors dismiss charges or enter a "nolle prosequi." [Commonwealth v. Pon](#), No. SJC-11542 (Mass. August 15, 2014).

The Massachusetts balancing test between the public record's right of access to criminal court records and the government's "compelling interest in providing privacy protections to former criminal defendants to enable them to participate fully in society" now requires that defendants must establish that good cause exists for sealing their records. The court said that there is not a First Amendment presumption of access to criminal records, only a common-law presumption. As a result, the test for sealing criminal records in dismissed cases does not need to be a "narrowly tailored means toward achieving a compelling government interest."

Pennsylvania Right to Know Law

The Pennsylvania Supreme Court has ruled that Pennsylvania government agencies have five business days to

(Continued on page 39)

(Continued from page 38)

respond to Right-to-Know-Law requests when their open-records officers receive those requests. [Office of the Governor v. Donahue](#), No. 10 MAP 2013 (Pa. August 18, 2014). The Office of Open Records reasoned that Pennsylvania governmental agencies must respond to records requests within five days of when any agency employee receives them. The plain language of the statute starts the five-business day clock when an agency's open-records officer received the request, Justice Max Baer wrote for the majority.

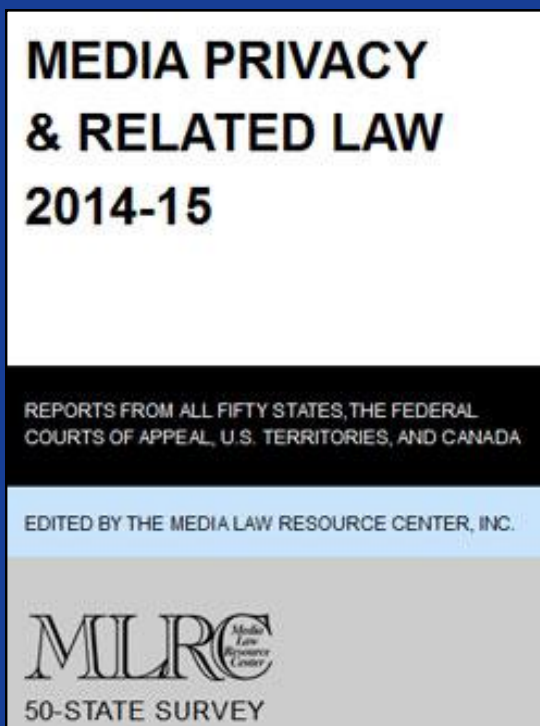
The court also held that the governor's office had standing to appeal the Office of Open Records' order even though the governor's office prevailed against having to turn over the

requested records. The governor's office did not have to exhaust its statutory remedies to challenge the Office of Open Records' reasoning on when agencies have to respond to RTKL requests because the governor's office and every other agency in Pennsylvania faces "the direct and immediate administrative burden of complying" with the agency's new interpretation of the RTKL, Baer said.

Three justices wrote concurrences, including Justice Correale F. Stevens to emphasize the importance of the RTKL in giving "the public the power to prohibit secrets, scrutinize the acts of public officials, and make those officials accountable for their use of public funds."

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Federal Courts Focus on First Amendment Freedoms for Attorneys' Web Advertising

By Thomas J. McIntosh

Two recent federal court decisions reflect judicial skepticism of state bars' attempts to further restrict lawyer advertising, and may boost the profession's efforts to market on the web and through social media.

Legal marketing is a frequent target of state regulators seeking to limit speech in the name of consumer protection. However, in an August 11, 2014 decision, the U.S. Court of Appeals for the Third Circuit found that New Jersey violated the First Amendment in limiting a lawyer's ability to quote judicial opinions in marketing materials. [*Dwyer v. Cappell*](#), No. 13-3235 (3d Cir. 2014) (Ambro, Hardiman, Greenaway, JJ.).

In another recent case, the U.S. District Court for the Northern District of Florida granted a law firm and the firm's individual partners standing to challenge the Florida Bar's new rules on lawyer advertising. [*Searcey v. The Florida Bar*](#), Case No. 4:12-cv-664-RH/CAS (July 21, 2014) (Hinkle, J.). These and similar decisions reaffirm the lawyers' recourse to the courts in the face of regulations limiting truthful commercial speech.

New Jersey Guideline 3

In *Dwyer v. Cappell*, the Third Circuit considered an as-applied challenge to a New Jersey professional conduct guideline that prohibits attorneys from "includ[ing], on a website or other advertisement, a quotation or excerpt from a court opinion . . . about the attorney's abilities or legal services." Even though statements made in judicial opinions are presumably true, the New Jersey Bar reasoned that such excerpts, "when taken out of the context of the judicial opinion and used by an attorney for purpose of soliciting clients, are prohibited judicial endorsements or testimonials" and, therefore, are "inherently misleading." If an attorney wishes to publish laudatory remarks contained in court opinions for advertising purposes, the provision requires the attorney to present the entire text of the decision.

As the Third Circuit recognized, the new provision—which came to be known as "Guideline 3"—was targeted at one website in particular. The Dwyer Law Firm, L.L.C.'s homepage prominently displayed excerpts from judicial opinions complimenting the firm's principal, Andrew Dwyer. One such excerpt stated, in part, "Mr. Dwyer is, I think, an exceptional lawyer, one the most exceptional lawyers I've had the pleasure of appearing before me." Another said, "The inescapable conclusion is ... that plaintiffs achieved a spectacular result when the file was in the hands of Mr. Dwyer" The excerpts came from decisions granting fee applications in employment discrimination cases, which require the judges to assess the abilities and legal services of plaintiffs' counsel.

After Dwyer refused a request from one of the quoted judges to remove his statements, the New Jersey Bar's Committee on Attorney Advertising proposed the provision that would become Guideline 3. The New Jersey Supreme Court approved an amended version in May 2012, tweaking the proposed guideline to clarify that publication of the entire text of an opinion would not violate the rule.

Dwyer sued to enjoin enforcement of Guideline 3 the day before it went into effect. The U.S. District for the District of New Jersey denied his request for a preliminary injunction and granted summary judgment in favor of the defendants. The Third Circuit reversed, finding that "Guideline 3 as applied to Dwyer's accurate quotes from judicial opinions ... violates his First Amendment right to advertise his commercial services."

The court of appeals found that Guideline 3, as applied to Dwyer, was unconstitutional even if viewed as a mandatory disclosure requirement, as opposed to an affirmative restriction on speech. Disclosure requirements are constitutional so long as they are reasonably related to the state's interest in preventing the deception of customers, with the caveat that unjustified or unduly burdensome disclosure

(Continued on page 41)

Guideline 3 as applied to Dwyer's accurate quotes from judicial opinions ... violates his First Amendment right to advertise his commercial services.

(Continued from page 40)

requirements may violate the First Amendment by chilling protected commercial speech. Outright prohibitions on speech are subject to a higher level of scrutiny.

The Third Circuit found that Guideline 3's requirement that attorneys publish the entirety of a judicial opinion, or nothing at all, was not reasonably related to the state's interest in dispelling the supposedly misleading nature of Dwyer's advertisement. According to the court, providing the full text does not reveal to potential clients that favorable statements in the opinion are not endorsements. In its view, a more appropriate disclosure requirement (and one the Court said would probably pass constitutional muster) would be to mandate a statement such as: "This is an excerpt of a judicial opinion from a specific legal dispute. It is not an endorsement of my abilities."

The court also found Guideline 3's all-or-nothing approach unconstitutional because it would unduly burden Dwyer's ability to use court opinions in advertisements. The court opined that "[t]he only realistic medium for quoting a full judicial opinion in an advertisement is, ironically, a website," but "even on Dwyer's own website providing a full-text judicial opinion is so cumbersome that it effectively nullifies the advertisement."

Florida Lawyer Advertising Rules

In [*Searcy v. The Florida Bar*](#), a Florida personal-injury firm and the firm's partners brought suit to challenge new advertising rules enacted by Florida in 2013. Among other things, the rules in question prohibit lawyers from referring to their "past results" or their "skills, experience, reputation or record" unless the statement is "objectively verifiable." The rules also prohibit lawyers from describing themselves as "board certified, a specialist, an expert, or other variations of those terms" unless the lawyer has been certified by a recognized program. Notably, these prohibitions apply not just to traditional print and broadcast advertising, but also to lawyers' websites and communications from a lawyer made in response to a prospective client's request for information.

The law firm's website includes a statement that the firm's lawyers specialize in mass-tort and unsafe-product cases and a statement that tort reform favors insurers. Prior

to filing suit, the plaintiffs received non-binding decisions from the Florida Bar's Ethics and Advertising Division and the Bar's Standing Committee on Advertising opining that these statements ran afoul of the Bar's newly-enacted restrictions. The law firm and its partners responded by suing the bar to prevent the rule's enforcement, without awaiting a binding decision from the Bar's Board of Governors. The suit claimed that the advertising rules are unconstitutionally vague and a violation of the First Amendment.

The district court's decision rejected the vagueness challenge, but the court found the plaintiffs have standing to proceed with a First Amendment challenge notwithstanding the lack of a binding Bar decision. Although the court has not yet ruled whether the Florida Bar actually violated the lawyers' right to free speech, it nonetheless highlighted some of the difficulties posed by the advertising rules and the Bar's application of them.

As an initial matter, the court agreed that aspects of the firm's website are technically at odds with the advertising rules, writing that the plaintiffs "have included on their website, and with to continue to include on their website, some statements that clearly do, and others that may, violate the rules"

However, it clearly was not prepared to endorse the Bar's application of the rules. For example, the court observed on multiple occasions that the rules could prevent lawyers and firms from conveying truthful information. It wrote, "the rules prohibit the individual plaintiffs from saying they specialize or have expertise in 'mass tort' and 'unsafe products' cases, even if they do, because the Bar does not offer board certification in—and the plaintiff attorneys thus are not board certified in—these specialties"

The court also observed that "[t]he plaintiffs assert, and the defendants do not deny, that the rules prohibit the plaintiff law firm from saying it specializes or has expertise in any area of law," even though the Bar could not reasonably assert that such statements are false. Underscoring the point, the decision notes that a published decision from the Eleventh Circuit recently said a similar law firm "specializes in personal injury law." *Harrell v. The Florida Bar*, 608 F.3d 1241, 1261 (11th Cir. 2010). Under the new advertising

The court found the plaintiffs have standing to proceed with a First Amendment challenge notwithstanding the lack of a binding Bar decision.

(Continued on page 42)

(Continued from page 41)

rules, a law firm would be prohibited from making the same statement on its own website.

Florida's new regulations on lawyer advertising have been somewhat controversial since before they were even enacted. A group of large national law firms with Florida offices submitted extensive comments in response to the proposed rules changes, urging the Florida Supreme Court to amend the rules to address First Amendment issues and other concerns.

While the Supreme Court adopted some changes, it did

not address all of the constitutional concerns. In fact, one member of the Florida Supreme Court, Justice Canady, dissented from the order adopting the amended rules. In his view, the advertising rules did not go far enough "to address concerns related to the protection of First Amendment rights and of prospective clients' interest in having unimpeded access to information that they consider useful." The Northern District of Florida will now have to decide if those reservations were well placed.

Thomas J. McIntosh is with the Washington D.C. office of Holland & Knight LLP.

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