

## **The First Amendment** AND THE **Media**

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### Section I

### On-Line Issues: I

## **I. Online Intellectual Property Cases Test Copyright, Free Speech Tension**

The digital revolution has greatly simplified the ability to copy and distribute creative works. This has led to increased copying and greater pressure to legitimize such copying under the fair use doctrine and the First Amendment. It also has given rise to technology that permits copyright holders to place restrictions on the access to and use of their works. This permits them to exert copyright-like restrictions on unprotected elements of their works, and to limit or eliminate uses of their works that might have been protected under the fair use doctrine.

In addition, the rapid growth of the Internet has greatly increased interest in the use and protection of trademarks, because Internet users commonly rely on trademarks to locate goods and services and to bypass the clutter on the World Wide Web.

### **Anti-Circumvention Provisions of the DMCA**

The anti-circumvention provisions of the Digital Millennium Copyright Act of 1998 (DMCA) were the focus of intense public, academic, and judicial scrutiny in 2001. The anti-circumvention provisions, which are found in Section 1201 of the DMCA, prohibit the circumvention of technological measures that control access to a copyrighted work. They further prohibit the manufacture and distribution of technology, products, and services primarily designed or produced to circumvent technical measures applied by copyright holders to control access to a copyrighted work, or that effectively protect the rights of a copyright holder in a copyrighted work.

The anti-circumvention provisions are viewed as essential by copyright holders, who want to ensure that they can protect their digital works from unauthorized access and copying before making them widely available for electronic distribution. For example, movie studios today usually “encrypt” films distributed in a digital versatile disk (DVD) format to prevent copying, using a “contents scramble system” or “CSS.” Congress, in passing the DMCA, sought to put the weight of the law behind such copyright holders.

Critics view the anti-circumvention provisions as jeopardizing the balance between copyright and the First Amendment in two ways: (1) by putting copyright holders in a position to bar access to non-copyrightable elements of their works; and (2) by enabling copyright holders to prevent uses of copyrighted works that would be permitted under the doctrine of fair use. The anti-circumvention provisions of the DMCA were at the heart of several high-profile cases in 2001.

### ***Universal City Studios, Inc. v. Corley***

In one of the first cases brought under the DMCA, the movie industry sued a number of individuals for distributing a computer program called "DeCSS," which circumvents the CSS encryption system that prevents the copying of motion pictures distributed on DVDs. In *Universal City Studios, Inc. v. Corley*, 2001 U.S. App. LEXIS 25330 (2nd Cir. Nov. 28, 2001), the U.S. Court of Appeals for the Second Circuit affirmed the lower court decision granting a permanent injunction prohibiting the defendants from posting DeCSS on their Web site and from posting hyperlinks to other sites containing DeCSS.

After discussing the broad scope of the First Amendment, the court concluded that computer code -- both source code and object code -- is speech protected by the First Amendment. Like the lower court, however, the Second Circuit found that computer code contains both expressive and functional aspects and, therefore, would be treated differently from "pure speech" under the First Amendment.

The court held that the application of the DMCA to the defendants was a content-neutral regulation of speech, because it prohibits the posting of DeCSS solely because of the code's functional attributes (*i.e.*, its ability to decrypt encrypted DVDs) and not its expressive elements. The court found that this prohibition was consistent with the First Amendment, because it furthered the substantial governmental interest of protecting unauthorized access to encrypted copyrighted material, was unrelated to the suppression of free expression, and did not burden substantially more speech than necessary.

The court also affirmed the district court's prohibition on hyperlinking to Web sites containing DeCSS. The district court established a three-part test intended to ensure that the prohibition would not burden more speech than necessary. The court of appeals found that the three-part test was sufficient to satisfy the First Amendment, but did not rule on whether the three-part test was required by the First Amendment.

The court rejected the appellants' argument that the DMCA restricted their ability to make fair use of copyrighted material, largely because the appellants had not identified any such fair use. In addition, the court stated that the injunction barring appellants from trafficking in a circumvention device did not prohibit them from making fair use of copyrighted materials.

Moreover, writing in dicta, the court stated that it was not persuaded that CSS encryption prohibited fair use because, while a person would be unable to make digital copies of a DVD, a person was not prevented from making copies of the work in other ways. The court opined that fair use does not guarantee a right to copy "by the optimum method or in the identical format of the original."

### ***DVD Copy Control Association v. Bunner***

In a decision issued prior to *Corley*, a California state court of appeal reversed a lower court decision granting a preliminary injunction against the republication of DeCSS, holding that the injunction constituted an unlawful prior restraint of speech. *DVD Copy Control Association v. Bunner*, 113 Cal. Rptr.2d 338 (Cal. App. 2001). That case was brought by the trade association that controls the rights to the CSS encryption system against a number of Web site operators. The trade association alleged that DeCSS contains trade secrets relating to CSS and that the defendants misappropriated those trade secrets in violation of the California Uniform Trade Secrets Act (UTSA) by distributing DeCSS through their Web sites.

The court held that computer source code was speech protected by the First Amendment. However, in a critical departure from the Second Circuit in *Corley*, the California court rejected the appellee's argument that the functional elements of code were entitled to less First Amendment protection than "pure speech." The court also distinguished preliminary injunctions granted in copyright cases,

observing that the UTSA had no constitutional basis. Therefore, cases brought under the UTSA involving restrictions on speech do not involve the balancing of two constitutional interests that occurs in copyright cases.

The court further observed that the Copyright Act includes limitations absent in the UTSA that address First Amendment concerns, including the fair use doctrine and a protection for limited times. The court concluded that a preliminary injunction against posting DeCSS would be a prior restraint, and that such a prior restraint could be justified only in extreme cases involving matters of national security not at issue in the case.

### ***Felten v. Recording Industry Association of America***

As discussed above, one of the questions that appellants unsuccessfully tried to raise in the *Corley* case was whether the DMCA unconstitutionally prohibits the fair use of copyrighted materials permitted under the Copyright Act. This issue was more squarely presented in *Felten v. Recording Industry Association of America*, in which several academics and researchers filed a declaratory judgment action in federal district court claiming that the DMCA violated the First Amendment by chilling speech relating to access and copy-control technologies.

The plaintiffs had participated in a contest sponsored by the Secure Digital Music Initiative (SDMI), an organization working to develop technologies for the protection of digital music. Participants were challenged to “hack” certain technologies being considered by SDMI for adoption by the music industry. The plaintiffs claimed to have defeated five of the six proposed technologies they attacked, and submitted a paper describing their efforts to an academic conference.

The defendant, the Recording Industry Association of America (RIAA), sent the plaintiffs a letter warning that publication of the paper could violate the DMCA, prompting the plaintiffs to withdraw their paper from the conference. Although the RIAA and SDMI publicly declared that they had no intention of bringing a lawsuit based on the publication of this paper, the plaintiffs filed the declaratory judgment action against RIAA, SDMI, the company that developed one of the proposed technologies attacked, and the United States. The district court agreed with the defendants that there was no case or controversy and dismissed the action, but the plaintiffs are appealing that decision. *Felten v. Recording Industry Association of America* (D.N.J. 2001).

### **Adobe eBook and Dmitri Sklyarov**

The criminal provisions of the DMCA gained worldwide attention with the arrest of Dmitri Sklyarov, a Russian programmer involved in the creation of a program that circumvents the technical protection applied to Adobe’s eBook format, converting it into a PDF file that can be freely copied and distributed. Mr. Sklyarov was arrested following a presentation he made on the weaknesses of the eBook encryption protection at the DefCon hacking conference.

Adobe backed away from the issue under intense public pressure and called for Mr. Sklyarov’s release, even though Adobe’s complaints appeared to be the source of the information in the arrest warrant. Nonetheless, prosecutors have declared their intent to press charges. If the case goes to trial, it will almost certainly raise significant First Amendment issues related to the DMCA. Since Mr. Sklyarov’s arrest, a number of people engaged in encryption research have made very public statements declaring that they would not publish certain research or visit the United States, although it is not clear that their activities would violate the DMCA.

## Napster Copyright Case

The interaction among copyright, fair use, and the First Amendment was at issue in one of 2001's most-watched cases. The U.S. Court of Appeals for the Ninth Circuit peremptorily dismissed the First Amendment arguments presented by Napster, an online file-swapping service. Napster had challenged a preliminary injunction imposed upon its activities in a copyright action. *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001).

In its opinion, the court largely upheld the findings of the lower court that the plaintiffs were likely to prevail in their copyright infringement action. The court remanded the case to the district court for entry of a modified preliminary injunction. Napster argued that the lower court injunction violated its First Amendment rights to publish an online file directory and the First Amendment rights of its users to exchange information.

Responding to these arguments, the court of appeals observed that a preliminary injunction in a copyright case does not constitute a prior restraint in violation of the First Amendment, and pointed out that "the First Amendment concerns in copyright are allayed by the presence of the fair use doctrine." The court noted the lower court's preliminary determination that the uses of the copyrighted material by Napster users were not fair uses. The Ninth Circuit stated that, in the absence of fair use, the unauthorized use of copyrighted materials is not protected by the First Amendment.

## Trademark and Anticybersquatting Claims

The impact of the First Amendment on the use of trademarks in domain names was addressed by several courts of appeals, which held that a cybersquatter does not have a First Amendment right to operate a Web site under a domain name that infringes on the plaintiff's trademark.

The U.S. Court of Appeals for the Fourth Circuit held that the unauthorized use of the PETA trademark in the Web site domain name "peta.org" was infringing. *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001). The owner of the domain name claimed he created the Web site, styled as the home page for the non-existent organization "People Eating Tasty Animals," as a parody.

The appeals court held that the use of the "peta.org" domain name was not itself a parody. The court observed that a parody must convey simultaneously that: (1) it is the original; and (2) it is not the original and is instead the parody. The court held that the use of another's trademark as a domain name is not a parody protected by the First Amendment, because the domain name conveys only the message that it is the original -- the "parody" is revealed only after the infringer has already redirected the user from the trademark owner's Web site to the infringer's site.

The U.S. Court of Appeals for the Third Circuit applied the Anticybersquatting Consumer Protection Act (ACPA) in ruling that the bad-faith registration of domain names confusingly similar to a distinctive mark is unlawful. *Shields v. Zuccarini*, 254 F.3d 476 (3rd Cir. 2001). The defendant had registered common domain names confusingly similar to the famous mark "joecartoon.com" (e.g., joescartoon.com, joecarton.com, etc.) to bring users who mis-typed the "joecartoon.com" domain name to sites where they were exposed to advertising that generated revenue for the defendant.

After the defendant was sued, he transformed these Web sites into purported "protest" sites, and claimed that he had a First Amendment right to operate the sites. The court held that the post-filing

changes to the Web sites did not absolve the defendant from his liability for his earlier activities violative of the ACPA.

In another trademark case where a First Amendment defense was attempted, the owner of the “Barbie” trademark sued the operator of two Web sites selling women’s clothing -- [barbiesbeachware.com](http://barbiesbeachware.com) and [barbiesclothing.com](http://barbiesclothing.com) -- claiming that the use of the “Barbie” trademark in the domain names diluted the trademark. *Mattel, Inc. v. Adventure Apparel*, 2001 WL 1035140 (S.D.N.Y. 2001).

The federal district court found that the defendant’s Web sites were commercial sites, and rejected the defendant’s argument that the First Amendment protected his right to use the “Barbie” trademark as the domain names for those sites. The court refused to transfer the domain names to the plaintiff, however, finding that there were conceivable, non-infringing uses for the domain names and that the plaintiff had not established that it was entitled to the domain names.

**-- Kurt Wimmer**

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*The author wishes to thank Michael Listgarden, an associate at Covington & Burling in Washington, D.C., for his assistance in the preparation of this chapter.*

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