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## In this issue

### COVER STORY

#### UGC and CDA § 230 ..... 1

User-generated content is now commonplace as media companies turn to bloggers and citizen journalists to populate their websites and social media with instant content. The authors discuss how far § 230 of the Communications Decency Act goes to protect them for posting content created by others.

#### Copyrights in California ..... 4

California recognizes the entertainment industry's "custom and practice" that producers compensate creators of an unsolicited idea if it forms the basis for a movie, TV program, or some other tangible medium. But the intersection of copyright law and the concept of these "implied-in-fact" contracts can be tricky to navigate.

#### Who Owns the Privilege? ..... 9

When a court orders journalists to reveal their identify of a confidential source or turn over their work products, the question of whether the journalists' privilege can be waived becomes paramount.

#### Federal Right of Publicity ..... 14

In view of the widespread dissemination of media on a national and even global scale, the authors argue that a federal right of publicity statute is necessary to replace the existing crazy patchwork of divergent state laws.

#### FOIA Can Be Costly ..... 22

One sign of the bad economy: access suits filed by the media have declined sharply. Media lawyers discuss innovative alternatives to the billable hour to help keep access cases affordable.

#### Courtside ..... 28

A review of the Supreme Court's First Amendment decision during its most recent Term.

## Protection Under CDA § 230 and Responsibility for "Development" of Third-Party Content

EDWARD FENNO AND CHRISTINA HUMPHRIES

For fifteen years, Section 230 of the federal Communications Decency Act (CDA)<sup>1</sup> has provided protection to publishers, broadcasters, and other media entities from a broad range of claims relating to content posted on their websites by third parties.

Lawyers for media entities that sought to regulate this user-generated content (or UGC) were initially asked how the company could treat that content and still receive the protection of Section 230. Can we host it? Can we delete it? Are we required to delete it when asked? Can we edit it to remove objectionable content? What other types of editing are allowed without assuming responsibility for the content?

But as we have entered Web 2.0, audience participation and UGC have become more the norm than the exception. In addition, many media entities are seeing a reduction in their resources along with a growing need to populate their websites and social media sites with greater volumes of instant content. As a result, a different set of questions has arisen. Can we give assignments to our users/readers and still receive the protection of Section 230? Can we contract with our users? Can we pay them? Are we responsible if we host a blog operated by someone else? How does CNN's iReport<sup>2</sup> work? Can we create our own team of "citizen journalists" to help us deliver the news?

This article summarizes the development of the case law under

Section 230 relating to these and similar questions, and is intended to provide guidance in determining when a website owner becomes liable as publisher of third-party content in these more complicated situations.

### Another Information Content Provider

By its text, Section 230(c) protects a "provider or user" of an "interactive computer service" from certain types of liability as "publisher" of content that is "provided by another information content provider."<sup>3</sup> [See sidebar on page 28.]

For media entities seeking to solicit substantive submissions from users, the issue then becomes: what is "another information content provider"? Section 230 defines an information content provider as "any person or entity that is responsible, in whole or in part, for the creation or development of information provided

*(Continued on page 28)*

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# “Boca”: A State of Mind, a Seat at the Grown-Ups’ Table

CHARLES D. TOBIN

I love to throw parties. Even where I don’t get to wear my “Kiss the Cook” apron. And especially where the guests spend as much time exercising their brains as they do their bodies and palates.

At this time each year, a dedicated group of hardworking volunteers begins planning the ABA Forum on Communications Law Annual Conference, the signature program that our forum began in 1996 in Florida.

To those of us who have been hanging around this conference since its inception, our gatherings are simply known as “Boca.” That’s not just the name of the locale in which we first convened. For the faithful forum followers who have attended our subsequent meetings in Scottsdale, San Diego, Palm Springs, or Key Largo, “Boca” is also a state of mind.

And to those who have started to attend more recently, our gatherings are a warm welcome to the grown-ups’ table. Newer media lawyers learn incredible lessons from seasoned pros all morning; face these same veterans on the tennis court, on the golf course, or poolside in the afternoon; and mingle with them over cocktails in the evening.

The planning committee is currently preparing for the Forum’s 17th Annual Conference, which will be held on February 9–11, 2012, at the Ritz Carlton



Charles D. Tobin

Grande Lakes in Orlando. Go ahead and put a big note on your calendar now. Trust me, you won’t want to miss it.

Meanwhile, here are the reminiscences of a trio of lawyers—Barbara Wall, Lee Levine, and George Freeman, all former chairs of the forum—about the origins of this magical mix of learning and fun, which they collaborated to create.

### **Barbara Wall, Vice President and Associate General Counsel, Gannett, Tyson’s Corner**

In the early 1990s, my husband, Chris, a lawyer in Washington, D.C., was active in the ABA Section of Litigation. The section leadership met each quarter in wonderful locations like Bermuda, Pebble Beach, and The Greenbrier. Spouses and children were encouraged to attend; meetings, cocktail parties, dances, and childrens’ events were all part of the program. Initially, I went along to the meetings as a spouse (which, in retrospect, was probably the most fun), but then Bob Callagy appointed me as his successor to head the Litigation Section’s First Amendment and Media Law Committee. All those Litigation Section meetings had opened my eyes to the charms of warm weather ABA gatherings.

Sometime in the early 1990s, Chris organized the Litigation Section’s London Conference. As a committee chair, I put together a program on free speech issues as part of the conference. London barrister Geoffrey Robertson, solicitor David Hooper, and other British counsel were on the panel, along with Cam Devore and Dan Waggoner from Seattle, Lee Levine from Washington, D.C., Dave Kohler from CNN in Atlanta, and

George Freeman from the *New York Times*. At the time, I was also on the governing committee of the Forum on Communications Law, which jointly sponsored the London program.

One night in London, George and I went out to dinner. Over short ribs and smash, we cooked up the idea of a February conference in Florida that would be jointly sponsored by the forum and the Litigation Section. George had long lobbied—unsuccessfully—for other media lawyer associations to hold their conferences someplace warm with tennis courts!

Initially, I thought the Litigation Section would run the meeting because it had so much experience organizing programs of this type. But when it came time to approve the program, the section passed. It was in the midst of a staffing dispute with the ABA—the section chair wanted to hire more staff—and one of the ways they planned to demonstrate the need for staff was to say that they had not been able to approve special programs. As we began our planning, Lee was the chair of the forum (and I was chair-elect), and we made the decision to go forward with the program as a forum-only event. Lee, George, and

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I did a lot of the work ourselves—reviewing contracts with the hotel, choosing cheap menus, etc.

The first conference was a real nail biter. I'd invited all Gannett outside counsel, and George had done the same for the *Times* outside counsel. I planned a Gannett counsel meeting, which later became the Gannett golf outing that Jim Stewart from Detroit and Bob Callagy put together each year. Lee twisted the arms of his golfing buddies. We cajoled everyone else we could think of into signing up.

Then, the weekend before the conference, there was a snowstorm to end all snowstorms. Airports up and down the East Coast closed down. Early in the week, I was stuck in Birmingham after a family event. Lee was in California. I recall our nervous conference calls. But the skies cleared, the snow melted, and everyone got down to the Boca Resort just fine.

I recently came across my initial proposal seeking the Litigation Section's authorization for the program. In hindsight, I am glad the section decided not to co-sponsor the event. The annual conference has become our signature event. Not only has it allowed us to draw many new members, but we've also been able to build a community of attendees who look forward each year to the brief respite from winter weather and the warmth of fellowship our conference offers.

**George Freeman, Vice President and Assistant General Counsel, The New York Times Co., New York City**

I came to this conversation in the mid '90s, having had little success in persuading other organizations, such as LDRC, to leave us with two free hours to play volleyball or softball, or do anything not involving a tie and jacket. The organizers had rebuffed me, saying there was no time for such frivolities. So when Barbara and I had our fateful London dinner, I was ready to take my ball and play elsewhere. After all, I felt that having media lawyers relate to each other on the golf course and tennis courts, and at beachside cocktail parties and pm after dinner dance floors, would foster a bond and closer social ties. I thought that might well be useful the next time we were co-defendants in a libel suit or co-subpoenaees in a privacy litigation. And, sixteen years later, I am firmly

convinced we were right.

In addition, I had recently attended a Litigation Section Corporate Counsel meeting at the Boca Resort, and I came away really impressed, not only with the site, but with the program schedule and format of plenaries, workshops, and, of course, sports. Also, I had recently been invited to a Wall Street traders' conference in Colorado, where the working hours were 7–8 A.M. and 5–7 P.M., and I remember Barbara and I asking each other: Why can't we do that?

The three of us—Barbara, Lee, and I—complemented each other perfectly: Lee with his thorough attention to detail, reading every clause of the hotel contracts; Barbara with her political savvy, cajoling everyone, including the army of Gannett outside lawyers, to attend and participate; and me, although I think all I really added were the sports and games, the concept and some ideas for the retrospective plenaries, and the "Journalism Jeopardy" game that has our competitive crowd jumping out of their seats at our luncheons.

I thought I may have made a big mistake, when a federal judge made a girl cry, in having us hold our Moot Court libel case for kids. But over the years, that program has provided some of the more tender and fun moments of the conference—and, who knows, may have led my daughter and others to law school.

And, yes, hour-long debates about meatballs, shrimp, or a pasta station . . . what were we thinking?

**Lee Levine, Partner, Levine Sullivan Koch & Schulz, LLP, Washington, D.C.**

Ah, memories. Here are my recollections (which ain't worth much these days given the increasingly suspect state of my memory!).

I will never forget the dinner at the Garrick Club in London during the Section of Litigation's conference, where the idea for what is now the forum's annual conference was hatched. The image of our gracious host, London solicitor David Hooper, serving blue eggs to a delegation of American media lawyers, stays with me to this day.

At the same time that George and Barbara were first talking about doing a conference through the Litigation Section, I was forum chair-elect. At that time, Dan Waggoner had been forum chair for an extra year for reasons I no

longer remember, and he had asked me to go to various ABA leadership meetings in his place. At my first meeting of the Committee on Forums (or something like that), which was made up of the chairs of all the ABA forums, I learned that pretty much every forum except ours had an annual conference, usually at some warm weather locale. I talked with Dan about doing the same thing for our forum, and he urged me to pursue it.

Shortly thereafter, I got a call from George and Barbara telling me about their plans and that it didn't look like the Litigation Section could or would lead the charge. They asked if I thought the forum might be up for sponsoring such a conference. I said, "Funny you should mention that . . ." I also explained that, unlike Litigation, the forum had very little red tape. The rest, as they say, is history.

Barbara's recitation of our nervousness and uncertainty is spot-on. I remember we created an elaborate advisory committee (they are listed on the first brochure), made up of in-house counsel at major media companies and the lions of our bar (Bob Sack, Dick Winfield, Victor Kovner, and Floyd Abrams), with the idea that it would give us legitimacy and would encourage outside counsel to come because their clients would be there. We also literally ordered members of the governing committee to guarantee that they would each get ten people to attend. (I remember keeping a running list and dunning people who weren't making sufficient progress.) I don't remember how we came up with the "25 Years Later" idea for one of the plenary panels at each conference. But I do recall that after the first plenary panel, which focused on the Pentagon Papers, we knew we had hit on something. After the second year, when we did both Watergate and *Branzburg v. Hayes*, there was no turning back.

For the first three years, it was just the three of us doing the planning. In year four, Kelli Sager from Los Angeles became chair, and joined the planning group. After that, as each new chair was elected, he or she joined the planning group as well. After year ten, the number of cooks in the kitchen became unwieldy, so I retired. I think Tom Kelley, who also served as a forum chair, did the same thing the following year.

Do you want to hear about negotiating menus and room rates? I could go on for hours.



# Montz v. Pilgrim Films & Television, Inc.: Copyright Preemption and Idea Submission Cases

ANNA R. BUONO AND ALONZO WICKERS IV

At some point in his or her life, almost everyone has an idea for a television show or movie. In Los Angeles in particular, it often seems that everyone—from the waiter to the lawyer to the personal trainer—is writing a screenplay or treatment of some sort. These authors are not laboring over their ideas for nothing; they obviously hope to sell them. To do so, authors typically pitch their ideas, often embodied in a written treatment, to studios, networks, production companies, and others (collectively, producers).

The vast majority of these pitch meetings are unremarkable: the producer listens for thirty minutes, reviews a short written treatment, and eventually passes on the author's idea. On rare occasions, the producer may make a deal with the author to develop her idea. And then there are the pitch meetings that lead to litigation, where the producer "passes" on the author's pitch and later develops a television series or motion picture that the author believes is based on or incorporates some of her ideas.

Copyright law may not be of much help to the author in this circumstance. Although it protects any material that the author disclosed that was fixed in a tangible medium, it does not protect the author's ideas, and the burdens on a plaintiff in a copyright action are onerous. For more than fifty years,<sup>1</sup> however, California law has recognized a "custom and practice" in the entertainment industry that the producer and the author go into these pitch meetings with the mutual understanding that the author will be compensated and credited if the producer uses her ideas. This purported

mutual understanding is the basis of the implied-in-fact contracts that form the foundation of most idea submission claims in California.

The intersection of copyright law and implied contracts can be difficult to navigate. If a producer passes on a pitch but later creates a show that contains similar ideas to what was pitched, does the author have any recourse? Alternatively, if a network hears twenty pitches for, say, an elimination-style, singing-competition reality show, how (absent a submission release) does the network avoid being sued (perhaps by several different plaintiffs) when it later approves a more compelling or commercially viable elimination-style, singing-competition reality show?

## Implied Contract Cases and Venue Selection

In California, these fact patterns most often give rise to breach of implied-in-fact contract claims rather than copyright infringement claims, presumably because these state law claims impose lesser burdens on the plaintiff. For more than thirty years, courts have grappled with whether the Copyright Act preempts these implied contract claims. After a recent opinion from a divided en banc panel in *Montz v. Pilgrim Films & Television, Inc.*, the answer, in the Ninth Circuit at least, again appears to be "no."<sup>2</sup>

*Montz* involved a parapsychologist and his partner who pitched a concept for a reality television show that would follow paranormal investigators searching for evidence of ghosts. After NBC Universal (NBC) and its Sci Fi Channel passed on the project, Sci Fi Channel launched a television show entitled *Ghost Hunters*, which followed a team of investigators of paranormal activity. Plaintiffs sued, alleging state law claims for breach of implied contract and breach of confidence. After the district court dismissed and the Ninth Circuit affirmed, breathing new

life into copyright preemption as a defense to idea submission claims under California law, the Ninth Circuit took it up en banc. Last month, an en banc panel reinstated plaintiffs' claims and reaffirmed the rule that most breach of implied contract claims will survive a preemption challenge in California. The en banc opinion does not substantially change the law in the Ninth Circuit but arguably expands the range of claims that may withstand preemption.

The majority opinion in *Montz* also signals a further divergence in the law between the Second and Ninth Circuits. Only a few days after the Ninth Circuit declined to find preemption, the U.S. District Court for the Southern District of New York reached the opposite conclusion in a similar idea submission case.<sup>3</sup> There, plaintiffs Forest Park Pictures, Tove Christensen, and Hayden Christensen pitched an idea to USA Networks for a television series entitled *Housecall*, in which the main character is a doctor who is "expelled from the conventional medical community for treating patients" who were unable to pay. The doctor then becomes a concierge doctor to the rich and famous in Malibu. USA Networks passed on the idea but later began airing a television show entitled *Royal Pains*, in which a doctor is "expelled from the conventional medical community for treating patients . . . unable to pay" and ends up as a concierge doctor to the rich and famous in the Hamptons.<sup>4</sup> Although plaintiffs alleged a claim styled after *Desny v. Wilder*,<sup>5</sup> the court held that Second Circuit law governed the issue of whether the claim was preempted. Following the Second Circuit's recent decision in *Muller v. Twentieth Century Fox Film*,<sup>6</sup> the district court held that plaintiffs' implied contract claim was equivalent to the exclusive rights protected by copyright law and thus was preempted.

The conflicting outcomes in the two circuits highlight the importance of

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venue selection and choice of law in these cases (and explains why plaintiffs inevitably seek to have California law apply and why defendants look for any way to have New York law apply). This conflict also raises the possibility that the U.S. Supreme Court may eventually address the issue. So how did these courts end up with two very different results?

### Protection of Works Under the Copyright Act

To begin with, the first and most obvious line of protection for a work of authorship is the Copyright Act. The Copyright Clause (and the Copyright Act) grants authors a series of exclusive rights to their writings. Subject to certain limitations, § 106 of the Copyright Act grants to the owner of the copyright

the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.<sup>7</sup>

These rights extend specifically to any “writing,” that is, a work fixed in a tangible form. In an effort to square First Amendment concerns with the constitutional protection afforded to authors under the Copyright Clause,<sup>8</sup> the Copyright Act explicitly extends only to this fixed expression. In fact, the Copyright Act explicitly provides that “[i]n no case does copyright protection of an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is

described, explained, illustrated, or embodied in such work.”<sup>9</sup> This “idea/expression dichotomy” prevents the protection of facts or ideas while still providing security for the work as expressed in the writing.<sup>10</sup>

Under such circumstances, however, the Copyright Act gives little protection in the context of a pitch meeting in which an idea is expressed and then later utilized by the recipient without compensation. And even where the pitch includes a written treatment or a DVD, a plaintiff has a high burden of showing that the protectable portions of a copyrighted work have been copied and that the defendant’s allegedly infringing work is substantially similar to the copyrighted work.<sup>11</sup>

In the Ninth Circuit, substantial similarity is determined by applying both an “extrinsic” and an “intrinsic” test. The extrinsic test focuses on “articulable similarities between plot, themes, dialogue, mood, setting, pace, characters, and sequence of events”<sup>12</sup> while disregarding nonprotectable facts and “scènes à faire that flow naturally” from the plot.<sup>13</sup> The intrinsic test, on the other hand, “examines an ordinary person’s subjective comparisons of the similarities between two works” and is only to be applied by the jury after the plaintiff has survived the extrinsic test.<sup>14</sup>

Despite this rule, in an overwhelming number of cases where a plaintiff alleges access on the basis of a pitch meeting or other submission (e.g., a treatment, screenplay, one-sheet, or other fixed form), courts do not find substantial similarity between the works.<sup>15</sup> Even with proof of access through such meetings, the courts require the similarity to be focused on what is expressed in the work rather than the ideas embodied in the expression, a high hurdle when comparing a one-sheet or treatment to a completed film or television series. So how can authors protect their ideas while still being able to disclose the work to those who can produce it?

### Copyright Preemption

The *Montz* case illustrates this gap between copyright law and state law protection for an author’s work. At one time, federal and state law protection coexisted for works of authorship. In 1976, however, Congress amended the Copyright Act to provide for a

uniform system of copyright application. Section 301(a) of the Copyright Act provides that

all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by Section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by Sections 102 and 103 . . . are governed exclusively by this title[.]<sup>16</sup>

Consequently, “no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.”<sup>17</sup> State and federal courts have frequently used this provision to dismiss claims that do nothing more than mimic a copyright claim.<sup>18</sup> To determine whether a claim is preempted, courts apply a two-prong test: (1) Does the state claim involve a “work of authorship . . . fixed in a tangible medium of expression?”<sup>19</sup>; and (2) Does the state claim assert “legal or equitable rights within the general scope of copyright as specified by Section 106?”<sup>20</sup>

In the case of an author pitching his work, the first prong is frequently met by the written or visual materials that he provides. Thus, the focus is on the second prong, or whether there is any “extra element” alleged that would take the claim outside of the scope of copyright.<sup>21</sup> If the state law claim requires something that is qualitatively different from the rights protected under § 106, it is not preempted.

### Do Idea Submission Claims Qualitatively Differ from Copyright Claims?

*Montz* began like many idea submission claims. Decades ago, parapsychologist Larry Montz came up with the idea for a television show that would follow a team of paranormal investigators searching for evidence of ghosts.<sup>22</sup> By 1996, Montz and publicist Daena Smoller began to pitch the idea to several television studios, producers, and their representatives.<sup>23</sup> Between 1996 and 2003, Montz and Smoller developed screenplays, videos, and other materials, using these to pitch the show to various entities, including representatives of Sci Fi Channel and NBC (parent to Sci Fi Channel).<sup>24</sup>

Despite “a number of meetings and discussions,” NBC and Sci Fi Channel passed on the project.<sup>25</sup>

Several years later, Sci Fi Channel began airing *Ghost Hunters*. As its title suggests, the show tracks a team of investigators who travel across the country seeking out and studying paranormal activity.<sup>26</sup> The show was produced by Pilgrim Films & Television, Inc. and distributed by NBC. Montz and Smoller sued Pilgrim and NBC, along with individual defendants, alleging

## ... the courts require the similarity to be focused on what is expressed in the work rather than the ideas. . .

copyright infringement, breach of implied contract, and breach of confidence, among other causes of action. Specifically, they claimed that:

Plaintiffs communicated their ideas and creative concepts for the “Ghost Hunters” Concept to the Defendants, pursuant to the standard custom and practice in the industry with respect to the exchange of creative ideas, under the following terms: (a) that Plaintiffs’ disclosure of their ideas and concepts was strictly confidential; (b) that the Defendants would not disclose, divulge or exploit the Plaintiffs’ ideas and concepts without compensation and without obtaining the Plaintiffs’ consent; and (c) that, by accepting the Plaintiffs’ disclosure of its concept, the Defendants accepted and agreed to abide by the foregoing terms.<sup>27</sup>

Montz and Smoller also alleged that they expressly conditioned the presentation of their concepts as an offer to partner with defendants, with the expectation that they would receive a share of the profits derived from any use of the idea.<sup>28</sup> Plaintiffs alleged that their confidential relationship was breached by defendants taking and exploiting their ideas and concepts, profiting from them to the exclusion

of plaintiffs.<sup>29</sup> After some procedural wrangling in which plaintiffs voluntarily dismissed their copyright claim, the district court dismissed the state law claims on the grounds that they were preempted by the Copyright Act.<sup>30</sup>

On June 3, 2010, a three-judge panel of the Ninth Circuit affirmed, with Judge Diarmuid O’Sannlain authoring the opinion holding that both the implied contract and breach of confidence claims were preempted.<sup>31</sup> The court focused on the second prong of the preemption test—specifically, whether the implied-in-fact contract claim “protect[ed] rights which are qualitatively different from the copyright rights.”<sup>32</sup> The court noted that the “gravamen of the claim is that defendants used the plaintiffs’ work, without authorization, to create (and then profit from) a new television program.”<sup>33</sup> Consequently, the court held that “the rights asserted by the plaintiffs under the implied contract are thus equivalent to the rights of copyright owners under § 106—namely, the exclusive rights to use and to authorize use of their work.”<sup>34</sup> On that basis, the court affirmed the district court’s order granting defendants’ motion to dismiss the implied-in-fact contract claim.<sup>35</sup> But that was not the end of it. Shortly thereafter, the Ninth Circuit sua sponte ordered a rehearing of the case en banc.<sup>36</sup>

This, of course, was not the first time that the Ninth Circuit considered whether the Copyright Act preempts implied contract claims under California law. In 2004, the court issued a brief opinion in *Grosso v. Miramax Film*, in which plaintiff Jeff Grosso claimed that defendants infringed his copyright and breached an implied contract regarding his screenplay *The Shell Game*, which they allegedly used to create the movie *Rounders*.<sup>37</sup> The district court granted summary judgment on the copyright claim and dismissed the implied contract claim on the basis that it was preempted by the Copyright Act.<sup>38</sup> With Judge Mary Schroeder writing the opinion, a three-judge panel of the Ninth Circuit affirmed summary judgment on the copyright claim, finding that the works were not substantially similar. Despite the lack of similarity, however, the court reversed the order dismissing the implied contract claim.<sup>39</sup>

Judge Schroeder explained that the implied contract claim, modeled after

*Desny*, survived a motion to dismiss because the contract was not a bargain for the idea itself “but for the services of conveying that idea.”<sup>40</sup> The court held that Grosso had alleged the extra element to take the claim outside of preemption because he asserted that “the idea was submitted by Plaintiff to Defendants with the understanding and expectation, fully and clearly understood by Defendants that Plaintiffs would be reasonably compensated for its use by Defendants.”<sup>41</sup> Notably, the opinion in *Grosso* neither explains how that submission was made nor identifies any specific facts alleged in the complaint. In its amended opinion, the court makes clear that it was “compelled by the procedural posture” to reverse the implied contract decision, holding “only that the First Amended Complaint states a *Desny* claim.”<sup>42</sup>

Given that *Grosso* reflected the state of the law in the Ninth Circuit, how did the three-judge *Montz* panel come to a contrary conclusion? It did not criticize *Grosso* but instead distinguished that opinion by pointing out that plaintiffs in *Montz* alleged that they conditioned their disclosure of their idea on entry into a partnership with NBC to develop the show and share in its profits rather than offering the concept for sale as in *Grosso* (or in *Desny*).<sup>43</sup> Judge O’Sannlain wrote that this partnership allegation was inconsistent with a *Desny* claim and that plaintiffs would not be able to amend to allege differently.<sup>44</sup>

Judge Schroeder authored the seven-to-four majority opinion that reversed the district court’s order in *Montz* and reaffirmed her opinion in *Grosso*. With more detail and analysis than the three-page decision in *Grosso*, the majority held that where there is an expectation of compensation, the claim contains the extra element that defeats preemption: “The extra element, the implied agreement of payment for use of a concept, is a personal one, between the parties.”<sup>45</sup> The court assumed (as had been alleged) that the standard custom and practice in the industry created a bilateral expectation that a writer will be compensated for use of his idea.<sup>46</sup> Noting that this approach “recognizes the gap that would otherwise exist between state contract law and copyright law in the entertainment industry,”<sup>47</sup> the majority



explained that its holding would offer some protection for those who create concepts and ideas that cannot be protected by copyright. The court also held that plaintiffs' breach of confidence claim contained an extra element, specifically, the duty of trust or confidential relationship between the parties, making it qualitatively different from a copyright claim.<sup>48</sup>

By allowing a so-called *Desny* claim to survive a motion to dismiss, the court "offered some protection for those who wish to find an outlet for creative concepts and ideas with the understanding that they are not being given away for free."<sup>49</sup> Citing Woody Allen's film, *Crimes and Misdemeanors* (Orion Pictures, 1989), the court posited that this protection was needed to protect "valuable creative sources" "in a dog-eat-dog business."<sup>50</sup> As the court had previously noted in *Benay v. Warner Bros. Entertainment, Inc.*, "[c]ontract law, whether through express or implied-in-fact contracts, is the most significant remaining state-law protection for literary or artistic ideas."<sup>51</sup>

Judge O'Scannlain dissented, focusing on plaintiffs' allegation that they expected to partner with defendants to develop and produce the program (and presumably to retain some creative control). "Where a copyright owner authorizes the use of his work, but does not receive the consideration he was promised"—in other words, payment for the use of his work—"he has a contract claim." But "where a copyright owner does not authorize the use of his work, but, nonetheless, someone uses it to produce a substantially similar work, he has a copyright claim."<sup>52</sup> In Judge O'Scannlain's view, plaintiffs did not authorize defendants' use of their concept and thus had a copyright claim, not a contract claim. Judge O'Scannlain cautioned that the majority ruling effectively grants broader rights than those under the Copyright Act because "California implied contract law does not require as strict a showing of substantial similarity as federal copyright law."<sup>53</sup>

In a separate dissent, Judge Ronald Gould observed that

[t]here is no virtue in permitting a supplemental state law jurisdiction that in substance expands federal copyright law. Studios and

network ventures need stable law that does not unsettle expectations. The majority's decision, however, will lead to uncertainty by making state law—with its ambiguity, variability, and volatility—available to litigants who bring nebulous state law claims that in substance assert rights in the nature of copyright.<sup>54</sup>

### **Forest Park: Divergence from Montz**

The recent *Forest Park* decision from the Southern District of New York (McMahon, J.) echoes Judge Gould's concern and offers a narrower view of implied contract claims than the majority opinion in *Montz*. The implied contract claim in *Forest Park* was similar to the claim in *Montz* and was even closer to the allegations in *Desny* in that it sought compensation for use of the pitched concept rather than a partnership.<sup>55</sup> Not surprisingly, plaintiffs in *Forest Park* sought to apply California law, but the district court held that because preemption is a federal question, a federal court must apply the law of the circuit in which it sits.<sup>56</sup>

The claim was filed in the Southern District of New York, and so Second Circuit authority applied to the issue of preemption. Citing several lower court decisions finding preemption and a recent Second Circuit decision summarily dismissing an implied contract claim, the district court had little trouble finding preemption<sup>57</sup> and reminding us of the conflict between the two circuits that hear the greatest number of idea submission claims.

### **Why Montz Matters**

As a threshold issue, and as pointed out by the dissenting judges, the Ninth Circuit's en banc opinion will make it more difficult for defendants to defeat idea submission claims on a demurrer or motion to dismiss and thus may encourage even more litigation. The opinion also may be read as the Ninth Circuit's endorsement of the underlying assumption in *Desny*, i.e., as the majority put it, "since the writer is looking for someone to turn [his] written work into an entertainment production, writers often pitch scripts or concepts to producers with the understanding that the writer will be paid if the material is used."<sup>58</sup>

Because the appeal in *Montz* followed the grant of a motion to dismiss,

the majority did not have any evidence upon which to base this assumption. One may question whether the assumption is valid; there may be many reasons why an author pitches an idea to a producer (including to establish a relationship with the producer) and various reasons why a producer agrees to a meeting with an author (including to do a favor for a third party). Unfortunately, the combination of *Desny* and *Montz* may make it very difficult for any defendant to dispute this assumption. Finally, the opinion may open the door for other plaintiffs to allege that they disclosed their concepts with a mutual expectation of receiving something more than simply credit and compensation if their ideas were used; they, too, may allege that they expected to partner with the producer and receive a share of the show's profits. This possibility may set the stage for more frequent disputes over the appropriate scope of financial discovery in idea submission cases.

But *Montz* need not lead to the "chaotic prospects" predicted by Judge Gould in his dissent. Ultimately, the law in the Ninth Circuit remains largely the same that it was between 2004 and 2010. However, prudent producers, networks, studios, and others targeted by these claims may want to become more aggressive about requiring many individuals (and especially those who are not represented by a well-known agency or manager) to execute submission releases that expressly acknowledge that the pitch meeting does not create any implied agreement between the parties and that generally limit the individual to a copyright infringement claim.

These submission releases should be written in plain English, especially because they often will be presented to unsophisticated (and unrepresented) parties. To negate the purported industry custom and practice that the California Supreme Court recognized in *Desny*, the releases should succinctly spell out that the submission or pitch does not create any implied-in-fact agreement between the parties. To avoid the breach of confidence claims that frequently accompany implied contract claims, releases should require authors to acknowledge that their treatment or idea is not confidential or proprietary. But the release should not

be so onerous or one-sided that a court might deem it unenforceable. In particular, it should not purport to waive the author's ability to sue for copyright infringement should the producer use protectable elements of the author's work without permission. An effective submission release can achieve these goals in one or two pages.

Although the law in the Second Circuit is better at present than in the Ninth Circuit, New York-based producers may want to consider requiring authors to sign similar releases in the event that a particular plaintiff brings suit in California or convinces a court to apply California law or in the event that the U.S. Supreme Court someday sides with the Ninth Circuit on the preemption issue.

### Endnotes

1. See *Desny v. Wilder*, 299 P.2d 257 (Cal. 1956).
2. 2011 U.S. App. LEXIS 9099 (9th Cir. May 4, 2011).
3. *Forest Park Pictures v. Universal Television Network, Inc.*, 2011 WL 1792587 (S.D.N.Y. May 10, 2011).
4. *Id.* at \*2.
5. 299 P.2d 257 (Cal. 1956).
6. 2011 WL 1330632 (S.D.N.Y. Mar. 30, 2011).
7. 17 U.S.C. § 106.
8. U.S. CONST., art. I, § 8, cl. 8.
9. 17 U.S.C. § 102(b).
10. See *Harper & Row v. Nation Enters.*, 471 U.S. 539, 556 (1985); see also *Feist Publ'ns v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991).
11. *Funky Films, Inc. v. Time Warner Entm't Co., L.P.*, 462 F.3d 1072, 1077 (9th Cir. 2006).
12. *Kouf v. Walt Disney Pictures & Television*, 16 F.3d 1042, 1045 (9th Cir. 1994).
13. *Metcalf v. Bochco*, 294 F.3d 1069, 1074 (9th Cir. 2002).
14. *Funky Films*, 462 F.3d at 1077.
15. See, e.g., *Shaw v. Lindheim*, 919 F.2d 1353, 1355 (9th Cir. 1990) ("We have frequently affirmed summary judgment in favor of copyright defendants on the issue of substantial similarity."); see also *Benay v. Warner Bros. Entm't, Inc.*, 607 F.3d 620 (9th Cir. 2010); *Grosso v. Miramax Film Corp.*, 383 F.3d 965 (9th Cir. 2004); *Funky Films*, 462 F.3d 1072; *Kouf*, 16 F.3d 1042; *Berkic v. Crichton*, 761 F.2d 1289 (9th Cir. 1985); *Litchfield v. Spielberg*, 736 F.2d 1352 (9th Cir. 1984); *Gable v. NBC*, 727 F. Supp. 2d 815 (C.D. Cal. 2010); *Bernal v. Paradigm Talent & Literary Agency*, 2010 U.S. Dist. LEXIS 142573 (C.D. Cal. Feb. 22, 2010); *Milano v. NBC Universal, Inc.*, 584 F. Supp. 2d 1288 (C.D. Cal. 2008); *Thomas v. Walt Disney Co.*, 2008 U.S. Dist. LEXIS 14643 (N.D. Cal. Feb. 14, 2008); *Bethea v. Burnett*, 2005 U.S. Dist. LEXIS 46944 (C.D. Cal. June 28, 2005); *Merrill v. Paramount Pictures Corp.*, 2005 U.S. Dist. LEXIS 45401 (C.D. Cal. Dec. 19, 2005); *Green v. Schwarzenegger*, 1995 U.S. Dist. LEXIS 14031 (C.D. Cal. July 11, 1995).
16. 17 U.S.C. § 301(a).
17. *Id.*
18. See, e.g., *Selby v. New Line Cinema Corp.*, 96 F. Supp. 2d 1053 (C.D. Cal. 2000); *Del Madera Props. v. Rhodes & Gardner, Inc.*, 820 F.2d 973 (9th Cir. 1987), *overruled on other grounds by Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994); *Symantec Corp. v. McAfee Assocs., Inc.*, 1998 U.S. Dist. LEXIS 22591 (N.D. Cal. 1998); *Trenton v. Infinity Broad. Corp.*, 865 F. Supp. 1416 (C.D. Cal. 1994); *Fleet v. CBS*, 50 Cal. App. 4th 1911 (1996).
19. *Laws v. Sony Music Entm't, Inc.*, 488 F.3d 1134, 1139 (9th Cir. 2006).
20. *Fleet*, 50 Cal. App. 4th at 1919.
21. *Laws*, 448 F.3d at 1143; see also *Kabehie v. Zoland*, 102 Cal. App. 4th 513, 521 (2002).
22. *Montz v. Pilgrim Films & Television, Inc.*, 2011 U.S. App. LEXIS 9099, at \*4-5 (9th Cir. May 4, 2011).
23. *Id.* at \*5.
24. *Id.*
25. *Id.*
26. *Id.* at \*5-6.
27. *Id.* at \*6 (citing Complaint ¶ 46).
28. *Id.* at \*6-7.
29. *Id.* at \*7.
30. *Id.* at \*7-8.
31. *Montz v. Pilgrim Films & Television, Inc.*, 606 F.3d 1153, 1158 (9th Cir. 2010), *reversed en banc*, 2011 U.S. App. LEXIS 9099.
32. *Id.* at 1157.
33. *Id.*
34. *Id.*
35. *Id.*
36. *Montz v. Pilgrim Films & Television, Inc.*, 623 F.3d 912 (9th Cir. 2010).
37. 383 F.3d 965, 967 (9th Cir. 2004).
38. *Id.*
39. *Id.*
40. *Id.*
41. *Id.*
42. *Grosso v. Miramax*. 2004 U.S. App. LEXIS 28043, at \*7 (9th Cir. Sept. 14, 2004).
43. *Montz v. Pilgrim Films & Television, Inc.*, 606 F.3d 1153, 1158 (9th Cir. 2010).
44. *Id.* at 1159-60.
45. *Montz v. Pilgrim Films & Television, Inc.*, 2011 U.S. App. LEXIS 9099, at \*13 (9th Cir. May 4, 2011).
46. *Id.* at \*9.
47. *Id.* at \*15.
48. *Id.* at \*16.
49. *Id.* at \*15-16.
50. *Id.* at \*16.
51. 607 F.3d 620, 629 (9th Cir. 2010).
52. *Montz*, 2011 U.S. App. LEXIS 9099, at \*28.
53. *Id.* at \*29.
54. *Id.* at \*32.
55. *Forest Park*, 2011 WL 1792587, at \*1 (S.D.N.Y. May 10, 2011).
56. *Id.* at \*2.
57. *Id.* at \*3.
58. *Montz*, 2011 U.S. App. LEXIS 9099, at \*7.

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# Who Owns the Journalist's Privilege—the Journalist or the Source?

KURT WIMMER AND STEPHEN KIEHL

Testimonial privileges, by their nature, involve two parties: the lawyer and the client, the doctor and the patient, or the reporter and the source. Absent unusual circumstances, such as the finding of a contractual understanding between the parties,<sup>1</sup> the decision concerning whether to continue to honor the privilege belongs to one of the two parties. The distinction about which party has the right to determine if the privilege should be waived or enforced becomes of paramount importance when a court compels a journalist to disclose the identity of a confidential source or turn over work product that could reveal confidential information.

The journalist's privilege is different from some testimonial privileges that are based solely on the confidentiality of the information protected by the privilege. The journalist's privilege, whether based on the First Amendment, state shield laws, or the common law, exists to protect unique societal goals in the free flow of information. Although journalists invoke the privilege and should be spared from testifying as a result, it is not their rights that are paramount in considering the enforcement of the privilege. Without an effective privilege, whistle-blowers would stop relying on reporters, and the public would be denied the benefit of investigative reporting uncovering wrongdoing. As most courts addressing this issue have found, this societal value can only be honored by a determination that the journalist "owns" the privilege.

Most state and federal courts that have addressed the issue of a qualified journalist's privilege have concluded that journalists hold the right to waive or enforce the privilege for two principal reasons. First, the public policy rationale underlying the privilege is the promotion of the free flow of information. This is a concern that rests with the journalist, who has a responsibility to disseminate information to the public, and is not a primary concern for the source. Second, if the source owned the privilege and was able to waive it, the journalist would have trouble knowing if the waiver was genuine or coerced. The source may face external pressures, such as from supervisors or prosecutors, to waive the privilege, thereby undercutting the purpose of the privilege.

As is the case with many areas in which journalism and the law intersect, a determination that the journalist should control the privilege is the beginning of the inquiry rather than the end. Journalists may, of course, determine that they cannot waive the privilege and reveal confidential information as a matter of their own professional experience, their relationships with sources, and, ultimately, their ability to obtain the confidence of future sources. This determination is fully in line with the spirit of ensuring that the privilege furthers the public policy goal of maintaining the free flow of information.

## Most Courts Hold That Journalists Own the Privilege

The weight of state and federal case law and the plain language of shield laws passed by a majority of the states demonstrate that the journalist, not the source, owns the privilege. As the Maryland Court of Appeals noted, "The privilege belongs to the reporter and he cannot be compelled to disclose the source of his news, whether it was given to him in confidence or not."<sup>2</sup>

Quashing a subpoena sent to CBS, the Third Circuit stated, "The privilege belongs to CBS, not the potential witnesses, and it may be waived only by its holder."<sup>3</sup> A federal district judge in California observed, "The journalist's privilege belongs to the journalist alone and cannot be waived by persons other than the journalist."<sup>4</sup> Delaware's shield law, like others, allows waiver of the privilege only by journalists; it cannot be waived by others.<sup>5</sup>

## Why the Journalist's Privilege Should Be Upheld

The press serves an important function as a government watchdog, monitoring those in power for abuses of their positions and informing the public on matters of local and national significance. This function is essential to our form of representative democracy. For the public to make informed decisions, people must know what is happening in their government and in their communities.<sup>6</sup> The press "has been a mighty catalyst in awakening public interest in governmental affairs, exposing corruption among public officers and employees and generally informing the citizenry of public events and occurrences."<sup>7</sup>

To ensure that the press continues to fulfill that role and does not become an investigative arm of the government, courts have recognized a qualified journalist's privilege. Although the Supreme Court, in *Branzburg v. Hayes*,<sup>8</sup> held that the First Amendment does not provide an absolute privilege in criminal cases, lower courts have found a common law privilege under Rule 501 of the Federal Rules of Evidence, which were promulgated three years after *Branzburg* in 1975. In relevant part, Rule 501 states that "the privilege of a witness, person, government, State, or political subdivision thereof shall be governed by the principles of the common law as they may be interpreted by the

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courts of the United States in the light of reason and experience.”<sup>9</sup>

Reason and experience, courts have found, militate for a journalist’s privilege. The District of Columbia Circuit noted that “the press’ function as a vital source of information is weakened whenever the ability of journalists to gather news is impaired” and that “compelling a journalist to disclose the identity of a source may significantly interfere with this news gathering ability.”<sup>10</sup> Noting the strong public policy arguments supporting “unfettered communication to the public of information, comment and opinion,” the

**“... a privilege subject to waiver may, again, amount to no privilege at all.”—*In re Judith Miller* (Judge Tatel)**

Third Circuit held that under Rule 501, “journalists have a federal common law privilege, albeit qualified, to refuse to divulge their sources.”<sup>11</sup>

The rationale supporting the privilege points to the conclusion that the journalist, not the source, holds the privilege. Judge Tatel of the D.C. Circuit observed in *In re Grand Jury Subpoena, Judith Miller*, “[T]he reporter privilege safeguards public dissemination of information—the reporter’s enterprise, not the source’s.”<sup>12</sup> Judge Tatel continued, “Consistent with that purpose, the privilege belongs to the reporter. Not only are journalists best able to judge the imperatives of newsgathering, but while the source’s interest is limited to the particular case, the reporter’s interest aligns with the public.”<sup>13</sup>

### **Sources Cannot Waive the Journalist’s Privilege**

Numerous courts have held that although journalists may waive the privilege, usually by disclosure of confidential information to a third party,<sup>14</sup> sources cannot. A federal judge in Alabama, for example, held that a journalist who gave a taped deposition to a plaintiff’s attorney in

a civil case had waived his journalist’s privilege and therefore had to respond to a subpoena regarding information revealed in the deposition.<sup>15</sup> Similarly, the federal court for the Southern District of California held that an investigative book author who provided a copy of an unpublished manuscript to defense attorneys in a death penalty case could not use the journalist’s privilege to withhold the manuscript from the state.<sup>16</sup> The court noted, “In the interests of fairness, a journalist/author should not be permitted to disclose information to advance the interests of one litigant and then invoke the journalist’s privilege to prevent discovery of this same information by another litigant.”<sup>17</sup>

State courts also have found that the journalist holds the privilege under state shield laws and state and federal common law.<sup>18</sup> The Iowa Supreme Court, in holding that two newspaper editors did not have to reveal confidential sources of information under a state common law journalist’s privilege, found that “the privilege is strictly held by the editors and is subject to waiver only by their actions.”<sup>19</sup> In a 1983 case involving the first state shield law to be enacted in the United States, the Maryland Court of Appeals noted that “it is for the newsman to determine whether he will disclose the ‘source’ of his news or information” and that a journalist’s voluntary disclosure of a source waives the statutory privilege.<sup>20</sup>

A majority of the courts that have considered the issue have held that a source’s waiver of the privilege cannot operate to defeat it. In *United States v. Cuthbertson*,<sup>21</sup> a fast-food chain subpoenaed CBS for taped interviews, outtakes, and notes from an investigative report.<sup>22</sup> The witnesses who had spoken with CBS signed waivers permitting disclosure of their statements. But CBS still moved to quash the subpoena, arguing that under federal common law, the journalist’s privilege belonged to the journalist. The Third Circuit agreed, holding that “journalists possess a qualified privilege not to divulge confidential sources and not to disclose unpublished information in their possession in criminal cases.”<sup>23</sup> The court held that defendant’s need for the information must be balanced against the underlying reasons for the

privilege, including the public policy in favor of open communication of information to the public.<sup>24</sup> The balancing often considers if the requested material is “(1) unavailable despite exhaustion of all reasonable alternative sources; (2) noncumulative; and (3) clearly relevant to an important issue in the case.”<sup>25</sup>

The D.C. Circuit, conducting such a balancing in what was perhaps the most famous journalist’s privilege case since *Branzburg*, held in *Miller* that if there is a common law journalist’s privilege, it did not shield Judith Miller of the *New York Times* and Matthew Cooper of *Time* magazine from testifying before a grand jury investigating a leak that implicated national security.<sup>26</sup> The D.C. Circuit panel hearing the case sharply splintered, with Judge Sentelle writing that there was no common law journalist’s privilege, Judge Tatel stating that there was a privilege but it had been overcome by the government’s need for the information, and Judge Henderson finding that the court need not reach the question.<sup>27</sup>

In *Miller*, special prosecutor Patrick Fitzgerald was investigating the leak by a senior government official of the name of CIA operative Valerie Plame to various Washington journalists.<sup>28</sup> As part of the investigation, Fitzgerald asked White House officials to sign blanket waivers freeing journalists from promises of confidentiality.<sup>29</sup> The officials signed the waivers, but Miller and Cooper, believing the waivers to be coerced, refused to comply with the subpoenas. The district court held the journalists in contempt, and they appealed to the D.C. Circuit, which affirmed the lower court’s ruling.<sup>30</sup>

Cooper narrowly avoided jail time when he received a personal waiver from his source, then White House adviser Karl Rove.<sup>31</sup> But Miller had received only the blanket waiver that had been signed at Fitzgerald’s request from her source, Scooter Libby, and felt that she had to stand by her confidentiality agreement. She was jailed on the contempt charge. “I served 85 days in jail because of my belief in the importance of upholding the confidential relationship journalists have with their sources,” she later said.<sup>32</sup>

Miller finally agreed to testify after she received a personal letter and

phone call from Libby assuring her that he wanted her to testify and was waiving their confidentiality agreement.<sup>33</sup> Libby wrote to her: "It's okay to testify about a privileged communication, when the person you seek to protect has waived the privilege and would be better off if you testify."<sup>34</sup> Miller said that the personal waiver was essential for her to believe that Libby genuinely wanted her to testify: "What I tried to do and think I have done is set a standard that basically says these blanket waivers demanded by your boss or by a special prosecutor are not enough; they're not personal."<sup>35</sup>

The *Miller* case illustrates why journalists are held to be the owners of the privilege. Journalists are vested with the responsibility underlying the privilege: disseminating information to the public. Journalists should be deemed to own the privilege that protects this enterprise because it is their duty, rooted in the First Amendment, to inform the public. That job does not belong to the source, who may have other motivations. The work of journalists—and, indeed, democracy itself—will be harmed if the spigot of information is shut off because confidential sources do not believe that journalists will protect their identity even under intense pressure. As Judge Tatel observed, "[A] source's waiver is irrelevant to the reasons for the privilege. Because the government could demand waivers—perhaps even before any leak occurs—as a condition of employment, a privilege subject to waiver may, again, amount to no privilege at all."<sup>36</sup>

### "Contracts" Between Journalists and Sources

It has become well settled that the traditional reporter's pledge to maintain the confidentiality of a source's identity does not rise to the level of an enforceable contract.<sup>37</sup> However, in *Cohen v. Cowles Media Co.*,<sup>38</sup> the U.S. Supreme Court acknowledged a lower court finding that the state law doctrine of promissory estoppel can provide a cause of action for sources who feel that a reporter broke a promise to keep their names confidential. The Minnesota Supreme Court, on remand in *Cohen*, awarded Cohen damages of \$200,000 under promissory estoppel principles, holding that the award was necessary to prevent an injustice.<sup>39</sup>

Cohen had been fired after two newspapers revealed him as a source, breaking a promise of confidentiality.

In the wake of *Cohen*, other disappointed sources have attempted to plead contract theories. In *Steele v. Isikoff*,<sup>40</sup> a federal district court judge dismissed the breach of contract claims brought by a source who said that she had been promised confidentiality by *Newsweek* reporter Michael Isikoff, holding that "the relationship between a reporter and a source is not contractual in nature."<sup>41</sup> However, the court recognized that the source could be entitled to relief under the doctrine of promissory estoppel. The claim was ultimately rejected because Virginia law, which was controlling, does not recognize promissory estoppel. Even if it did, the court found that the source had unclean hands because she initially lied to Isikoff, thereby barring any equitable relief.<sup>42</sup>

To support a promissory estoppel claim, "the plaintiff must prove: (1) that the promise was clear and definite; (2) that the promisor intended to induce reliance on the part of the promisee, and such reliance occurred to the promisee's detriment; and (3) the promise must be enforced to prevent injustice."<sup>43</sup> The Eighth Circuit held in *Ruzicka v. Conde Nast Publications, Inc.* that a promise to not identify a source in a magazine article was a matter of fact, not law, and remanded for fact finding into "the circumstances surrounding the making of the promise and the promisee's reliance."<sup>44</sup> Therefore, when a source can show a definite promise of confidentiality, the breach of which caused harm to the source, promissory estoppel may provide a remedy. The Eighth Circuit quoted approvingly the Minnesota Supreme Court's statement in *Cohen*: "[A]bsent the showing of any compelling need in this case to break that promise, we conclude that the resultant harm to [Ruzicka] requires a remedy here to avoid an injustice."<sup>45</sup>

In light of the stringency of the promissory estoppel test, it is not surprising that only a few disappointed sources have invoked the test. On its face, it would appear applicable only if the reporter actually persuaded a reticent source to come forward, a scenario that often does not exist in the case of whistle-blowers who have

determined on their own to reveal a perceived injustice. It also requires a "clear and definite" pledge that the source would not be revealed, regardless of whether the journalist faced contempt, imprisonment, or potentially ruinous financial fines. Although the promissory estoppel theory remains a potential exception to the rule that the journalist alone controls the privilege, it is an exception that has been rarely invoked and even more rarely successful.

### Journalist's Privilege Versus Other Privileges

The grounding of the journalist's privilege in the public interest to promote a free flow of information sets the privilege apart from other privileges recognized at common law, including those between attorney and client, spouses, and doctor and patient. Although courts have declined to hold that a source can waive the journalist's privilege, clients are able to waive the attorney-client privilege.<sup>46</sup> Similarly, the U.S. Supreme Court, in recognizing a common law privilege between a psychotherapist and patient, held that the privilege may be waived by the patient.<sup>47</sup>

Courts have noted that these other privileges are different in several ways from the journalist's privilege. Attorney-client, doctor-patient, and spousal privileges "shield the confidentiality of communications within special relationships and are not designed or intended to assist the fact-finding process or to uphold its integrity."<sup>48</sup> The Nevada Supreme Court has noted that the other privileges "are justified by the public's interest in encouraging socially useful communications and by certain notions of legitimate privacy expectations."<sup>49</sup> The journalist's privilege, on the other hand, is not strictly the result of a confidence or special relationship, and other public interest factors come into play. "This [journalist's] privilege arises when a journalist gathers information within his or her professional capacity for the purpose of dissemination. The policy rationale behind this privilege is to enhance the newsgathering process and to foster the free flow of information encouraged by the First Amendment."<sup>50</sup>

In *Miller*, Judge Tatel noted that attorney-client and psychotherapist-



patient privileges may be waived by the client and patient, respectively, “because those privileges exist to prevent disclosures of sensitive matters related to legal and psychological counseling, . . . a rationale that vanishes when the source authorizes disclosure.”<sup>51</sup> The rationale for the journalist’s privilege, however, does not vanish when the source discloses information or wishes to waive the privilege. The purpose of the journalist’s privilege extends beyond the “parochial personal concerns of particular newsmen or informants”<sup>52</sup> to the broad democratic concerns for the public to be informed about its government. As one author has noted, “The reporter’s privilege is also uniquely rooted in the Constitution and is tied to the core principles and structural arrangements of American democracy.”<sup>53</sup>

Reporters therefore might have principled reasons for not disclosing the identity of their sources even if the source has given permission to do so. A beat reporter covering, for instance, national security may wish to keep confidential sources confidential as a signal to other potential sources that the reporter can be trusted. A reporter may be aware that the disclosure of a single source’s name could lead to the identification of other sources who have been promised confidentiality. Lowering the bar for when a journalist will disclose confidential sources or information could redound to the detriment of an entire news organization or, if it happened often enough, the industry itself. That, in turn, would leave the public less informed and the government less accountable. Gene Roberts, a former top editor at the *New York Times* and *Philadelphia Inquirer*, said, “Once everybody starts cutting corners and shaving and dealing with waivers, then this long-held tradition of inviolability and source agreements sort of starts collapsing, and I think it’s going to cause many, many problems in the future.”<sup>54</sup>

### Conclusion

State and federal courts have held that the journalist holds the journalist’s privilege and that only the journalist, not the source, can waive the privilege. This finding is rooted in public policy concerns regarding the dissemination

and free flow of information, which are the province of journalists but not necessarily of their sources. Courts have also expressed concerns that allowing sources to waive the privilege would effectively nullify the privilege because sources could be coerced into signing such waivers. Potential sources who know that coerced waivers would defeat the privilege may not come forward to provide information to journalists and, by extension, to the public. This concern for the public interest distinguishes the journalist’s privilege from other testimonial privileges, such as attorney-client and doctor-patient, which can be waived by the client and patient, respectively. But as courts have become more skeptical of the privilege<sup>55</sup> and the public more skeptical of the media,<sup>56</sup> the case for a journalist’s privilege owned by the journalist must be made anew to legislators, judges, and the public.

### Endnotes

1. See *Cohen v. Cowles Media Co.*, 501 U.S. 663, 669 (1991) (finding of contract by promissory estoppel based on reporter’s promise to maintain the confidentiality of the source’s identity).
2. *Tofani v. Maryland*, 465 A.2d 413, 418 n.2 (Md. 1983).
3. *United States v. Cuthbertson*, 630 F.2d 139, 147 (3d Cir. 1980).
4. *L.A. Mem’l Coliseum Comm’n v. Nat’l Football League*, 89 F.R.D. 489, 494 (C.D. Cal. 1981).
5. DEL. CODE ANN., tit. 10, § 4325.
6. The press serves this role, leading some to point out that this role was intended by the text of the First Amendment: “Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.” U.S. CONST. amend. I.
7. *Estes v. Texas*, 381 U.S. 532, 539 (1965).
8. 408 U.S. 665 (1972).
9. FED. R. EVID. 501.
10. *Zerilli v. Smith*, 656 F.2d 705, 711 (D.C. Cir. 1981).
11. *Riley v. City of Chester*, 612 F.2d 708, 715 (3d Cir. 1979).
12. 438 F.3d 1141, 1177 (D.C. Cir. 2006) (emphasis in original) (Tatel, J., concurring).
13. *Id.*

14. See, e.g., *Wheeler v. Goulart*, 593 A.2d 173 (D.C. 1991) (holding that a journalist’s disclosure of the source of confidential information to two people outside the newsgathering process functioned as a waiver of the privilege); *Las Vegas Sun v. Eighth Judicial Dist. Court*, 761 P.2d 849, 852–53 (1988) (“When a newspaper or broadcaster names its source and quotes statements made by that source, the underlying purpose of the shield law is vitiated and the statutory privilege is waived.”).

15. *Pinkard v. Johnson*, 118 F.R.D. 517, 523 (M.D. Ala. 1987).

16. *Ayala v. Ayers*, 668 F. Supp. 2d 1248, 1250 (S.D. Cal. 2009).

17. *Id.*

18. Thirty-six states and the District of Columbia have passed shield laws that provide statutory protection to journalists. Utah’s Supreme Court in 2008 adopted an evidentiary rule that creates a reporter’s privilege. The Reporters Committee for Freedom of the Press publishes a useful compendium, broken down by state, of the reporter’s privilege, available at [www.rcfp.org/privilege/index.php](http://www.rcfp.org/privilege/index.php). See also Erik Ugland, *The New Abridged Journalist’s Privilege*, 71 OHIO ST. L.J. 1, 3 (2010), for a discussion of the reporter’s privilege in various states.

19. *Waterloo/Cedar Falls Courier v. Hawkeye Cmty. Coll.*, 646 N.W.2d 97, 102 (Iowa 2002).

20. *Tofani v. Maryland*, 465 A.2d 413, 416 (Md. 1983) (quoting *Lightman v. Maryland*, 294 A.2d 149, 156 (Md. Ct. Spec. App. 1972)). Maryland passed its shield law in 1896 after a *Baltimore Sun* journalist, John T. Morris, was jailed for refusing to identify his sources for a story reporting that a number of police officers and elected officials were on the payrolls of illegal gambling establishments. *Id.* at 415. The case became something of a cause célèbre with the *New York Times* reporting that Morris’s “popularity has been trebled by his manliness in this matter.” *He Is a Journalist*, N.Y. TIMES, Dec. 23, 1896.

21. 630 F.2d 139 (3d Cir. 1980).

22. *Id.* at 147.

23. *Id.*

24. *Id.* at 146.

25. *Schoen v. Schoen*, 48 F.3d 412, 416 (9th Cir. 1995).

26. *In re Grand Jury Subpoena*, Judith Miller, 438 F.3d 1138, 1139 (D.C. Cir. 2006) (per curiam).

27. *Id.* (citing *In re Judith Miller*, 397 F.3d 964, 973 (D.C. Cir. 2005)).

28. The facts of the case are set forth in

Judge Sentelle's concurring opinion. *Id.* at 1142–45.

29. Rachel Smolkin, *Waivering*, AM. J. REV., Feb./Mar. 2006, available at [www.ajr.org/Article.asp?id=4038](http://www.ajr.org/Article.asp?id=4038).

30. *Miller*, 397 F.3d 964.

31. Carol D. Leonning & Jim Vande-Hei, *Freed Writer Testifies in CIA Leak Probe*, WASH. POST, Oct. 1, 2005.

32. *Id.*

33. Smolkin, *supra* note 29.

34. *Id.*

35. *Id.*

36. *In re Grand Jury Subpoena*, Judith Miller, 438 F.3d 1141, 1177 (D.C. Cir. 2006) (Tatel, J., concurring).

37. *See, e.g.*, *Steele v. Isikoff*, 130 F. Supp. 2d 23, 31 (D.D.C. 2000) (holding that a reporter's promise of confidentiality to a source is a "moral obligation" that does not give rise to contractual duties).

38. 501 U.S. 663 (1991).

39. *Cohen v. Cowles Media Co.*, 479 N.W.2d 387, 392 (Minn. 1992).

40. 130 F. Supp. 2d 23 (D.D.C. 2000).

41. *Id.* at 33.

42. *Id.* at 33–34.

43. *Ruzicka v. Conde Nast Publ'ns, Inc.*, 999 F.2d 1319, 1320 (8th Cir. 1993); *see also* RESTATEMENT (SECOND) OF CONTRACTS § 90(1) (1981).

44. 999 F.2d at 1322–23.

45. *Id.* at 1323 (quoting *Cohen v. Cowles Media Co.*, 479 N.W.2d 387, 392 (Minn. 1992)).

46. *See, e.g.*, *Weil v. Inv./Indicators Research & Mgmt., Inc.*, 647 F.2d 18, 23–25 (9th Cir. 1981) (finding attorney-client privilege waived when a corporate agent testified in a deposition about advice received from counsel); *Smith v. Alyeska Pipeline Serv. Co.*, 538 F. Supp. 977, 979 (D. Del. 1982) ("A client, nevertheless, may waive the privilege by deliberately injecting into the case the advice which he received from his attorney.").

47. *Jaffee v. Redmond*, 518 U.S. 1, 15 n.14 (1996) ("Like other testimonial privileges, the patient may of course waive the protection.").

48. *Diaz v. Eighth Judicial Dist. Court*, 993 P.2d 50, 57 (Nev. 2000).

49. *Id.*

50. *Id.*

51. *In re Grand Jury Subpoena*, Judith Miller, 438 F.3d 1141, 1177 (D.C. Cir. 2006) (Tatel, J., concurring).

52. *Branzburg v. Hayes*, 408 U.S. 665, 726 n.2 (1972) (Stewart, J., dissenting).

53. Uglund, *supra* note 18, at 34. The author adds in a footnote, "Even if one does not believe that the First Amendment compels recognition of the journalist's privilege, it still bears a linkage to constitutional principles, which is not true of most other privileges." *Id.* at 34 n.191.

54. Smolkin, *supra* note 29.

55. *See, e.g.*, *McKevitt v. Pallasch*, 339 F.3d 530, 533 (7th Cir. 2003) (Posner, J.) (stating that courts that recognize a reporter's privilege "may be skating on thin ice").

56. A Pew Research Center survey found that the percentage of Americans who believe the news media generally "get the facts straight" declined from 55 percent in 1985 to 29 percent in 2009. Pew Research Ctr. for the People & the Press, *Press Accuracy Rating Hits Two Decade Low* (Sept. 13, 2009), available at <http://people-press.org/2009/09/13/press-accuracy-rating-hits-two-decade-low>.

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# Why a Federal Right of Publicity Statute Is Necessary

KEVIN L. VICK AND JEAN-PAUL JASSY

## Introduction

The time has come for a federal right of publicity statute. Because of technological advances, expressive works and advertisements are increasingly disseminated on a national, if not international, scale. Right of publicity law, however, remains entirely a creature of state law. Different states have widely divergent right of publicity laws. This divergence results in a multistate patchwork that forces national content producers to engage in self-censorship and tailor their content to the laws of states that provide the least amount of protection to free speech rights.

The outsized role of Indiana's right of publicity law provides a good example. In recent years, numerous lawsuits have been brought against non-Indiana defendants for violations of Indiana right of publicity law by celebrities and heirs of deceased celebrities who have had little or no connection to Indiana. The reason is simple. Indiana's right of publicity statute is the most plaintiff-friendly in the nation, and it contains sweeping jurisdictional and choice of law provisions. This is no accident. The statute's principal author is the CEO of a powerful Indiana-based management company that represents huge numbers of estates and heirs of deceased celebrities, ranging from Marilyn Monroe to Babe Ruth.

National content providers should not be required to navigate a hodge-podge of right of publicity laws. They should not have to tailor their content to laws such as Indiana's that aim to create a de facto national law that inadequately protects other states' interests and their citizens' First Amendment rights. The best solution to this problem is a federal right of publicity

statute that expressly preempts state law and brings uniformity and predictability to right of publicity law.

## Need for a Federal Right of Publicity Statute—A Brief History

Much of the lack of uniformity in state right of publicity laws is attributable to the "spasmodic" development of the right of publicity and its divergent and often controversial justifications.<sup>1</sup> The historical origin of the right of publicity lies in the law of privacy.<sup>2</sup> The right of publicity is linked to the "misappropriation" prong of the four-part invasion of privacy tort analyzed by scholar William Prosser and later adopted by the Restatement (Second) of Torts and numerous states.<sup>3</sup>

Because of its origins in privacy law, the cause of action for misappropriation of a person's name or likeness "remained deeply rooted for many years in offense to person, to acts that caused 'pain and mental stress,'" rather than economic injuries caused by a person's lost opportunities to commercially exploit his image for his own financial gain.<sup>4</sup>

However, spurred by the Second Circuit's decision nearly sixty years ago in *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, which coined the term *right of publicity*, the right began to be viewed more as economic, based on the commercial value of one's name or likeness, instead of a personal right based on dignity and bruised feelings.<sup>5</sup> Viewed as property, a right of publicity could be used to recover damages for the economic value of a defendant's unauthorized exploitation of a plaintiff's name or likeness.<sup>6</sup>

Over the ensuing half-century, the recognition of the right of publicity as an expansive economic right has been widespread:

Since *Haelan* was decided, more than half of the states have adopted some form of a right of publicity, either through common law or statute. . . .

The right of publicity has been applied in a wide range of cases: sound-alikes; look-alikes; use of the celebrity's nickname in a fictional work; use of address; statutes; and the use of a robot that barely resembles the celebrity but evokes her image.<sup>7</sup>

Nonetheless, based on its historical origin, some courts have continued to characterize the right of publicity as a personal "right of privacy," not an economic property right.<sup>8</sup> This causes confusion and exacerbates the lack of uniformity in right of publicity laws across the country.<sup>9</sup> For example, a court or legislature viewing the right of publicity as a personal right that protects privacy interests and individual dignity might limit recovery to general damages. If, however, the right of publicity is viewed as a property right protecting commercial interests, then damages should be limited to the commercial value of a misappropriation of a plaintiff's name and likeness.<sup>10</sup> Characterization of the right of publicity as a personal right or a property right could also impact whether a descendible postmortem right of publicity should be recognized. If the right is personal, it should die with the person.

Just as the characterization of the right of publicity has changed over time, so have its proffered justifications. Generally, "[t]he justifications offered for the right of publicity fall into two categories, economic and noneconomic."<sup>11</sup> The economic justifications include "stimulating athletic and artistic achievement, promoting efficient allocation of resources, and protecting consumers."<sup>12</sup> The noneconomic justifications include "safeguarding natural rights, securing the fruits of celebrity labors, preventing unjust enrichment, and averting emotional harm."<sup>13</sup>

Critics and courts have questioned the validity and strength of both the economic and noneconomic justifications. The Tenth Circuit has stated

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that “[t]he incentive effect of publicity rights, however, has been overstated” because “most celebrities with valuable commercial identities are already handsomely compensated,” and “[t]he extra income generated by licensing one’s identity does not provide a necessary inducement to enter and achieve in the realm of sports and entertainment.”<sup>14</sup>

Moreover, it is far from clear whether, as a normative question, the law should be providing greater incentives for people to pursue celebrity. When the throngs of *American Idol* and reality television hopefuls are considered alongside the United States’ ongoing need to import skilled technical workers from abroad, concerns for economic incentives and efficient allocation of resources may weigh against recognizing a right of publicity at all.

The noneconomic justifications have also been criticized. The Tenth Circuit dismissed the natural rights justification: “blind appeals to first principles carry no weight in our balancing analysis.”<sup>15</sup> The court also criticized the argument that the right of publicity allows celebrities to enjoy the fruits of their labors. The court explained, “Celebrities, however, are often not fully responsible for their fame” as “a celebrity’s fame may largely be the creation of the media or the audience,” although some celebrities such as professional athletes may be more responsible for their fame.<sup>16</sup> The fruit of labor and unjust enrichment justifications for publicity rights were also criticized by Ninth Circuit Judge Alex Kozinski as “beg[ging] the question” of whether celebrities should have the exclusive right to control the use of their “identity” in the first place.<sup>17</sup> Vesting exclusive property rights in celebrities “impoverishes the public domain, to the detriment of future creators and the public at large.”<sup>18</sup>

The right of publicity also has been criticized as contravening the First Amendment. One judge opined, “[I]n proclaiming this new ‘right of publicity,’ we have created an open-ended and ill-defined force which jeopardizes a right of unquestioned authenticity—free speech.”<sup>19</sup> Some scholars maintain that the right of publicity is inconsistent with free speech and permits private censorship of popular culture and discourse.<sup>20</sup> Professor Eugene Volokh stated that “there is good reason to think . . . that the right of publicity is

unconstitutional as to all noncommercial speech and perhaps even as to commercial advertising as well.”<sup>21</sup> Although others disagree, the ongoing dispute over the validity of the justifications for a right of publicity fuels the unpredictability and lack of uniformity in right of publicity laws across the country.

### **Right of Publicity Is a Creature of State Law**

There is no federal right of publicity; it is entirely a matter of state law.<sup>22</sup> The closest federal analogue to the right of publicity is a Lanham Act claim for false endorsement. However, although the right of publicity and the Lanham Act apply to some of the same situations, they are far from identical. In general, the right of publicity is significantly broader than the Lanham Act and applies to many situations in which the Lanham Act does not. For example, the Lanham Act requires that there be some element of falsity, deception, or confusion as to whether the plaintiff is endorsing or associated with the defendant’s product, but no such requirement exists for the right of publicity.<sup>23</sup>

There is a trend toward more states recognizing a right of publicity. Currently, at least thirty-one states recognize a right of publicity by statute and/or common law.<sup>24</sup> Only two state courts have rejected a common law right of publicity (New York and Nebraska). However, the Nebraska legislature subsequently overrode the decision, and New York has its own limited statutory right of publicity.<sup>25</sup> In the states that have not recognized a right of publicity, it seems likely that if their courts were required to decide, they would recognize a common law right of publicity. Besides looking to all the states that have recognized such a right, the courts might be influenced by the Supreme Court’s largely positive acknowledgement of Ohio’s right of publicity law in *Zacchini v. Scripps-Howard Broadcasting Co.*<sup>26</sup>

### **Lack of Uniformity Among State Laws**

Although there is a trend toward more states recognizing a right of publicity, there is a dramatic lack of uniformity concerning the scope and substance of the rights of publicity recognized by different states.

At one extreme is Indiana’s incredibly expansive right of publicity law. Indiana’s right of publicity extends to

one’s “personality,” a fluid label defined by statute to encompass pretty much every attribute that any court across the country has ever found to fall within the right of publicity, including a person’s name, likeness, signature, voice, photograph, image, gestures, appearance, and mannerisms.<sup>27</sup> Indiana recognizes a 100-year postmortem right of publicity that even retroactively grants a right of publicity to heirs of people who died a century ago.<sup>28</sup> Plaintiffs are given a wide range of remedies, such as statutory and punitive damages, attorney fees, and injunctive relief, including confiscation and destruction of infringing goods.<sup>29</sup>

Indiana law also includes sweeping choice of law and jurisdictional provisions. The Indiana right of publicity statute “applies to an act or event that occurs within Indiana, regardless of a personality’s domicile, residence, or citizenship.”<sup>30</sup> Defendants are subject to jurisdiction if they “cause” infringing materials “to be transported” or “published, exhibited, or disseminated within Indiana,” which could encompass virtually anything on the Internet and much of what is on television and in print.<sup>31</sup> In theory, heirs of a celebrity who dies in a state not recognizing a postmortem right of publicity could sue a non-Indiana defendant in Indiana as long as the allegedly infringing materials were disseminated there.

At the other end of the spectrum, New York has no common law right of publicity and recognizes only a narrow statutory right of publicity limited to unauthorized uses of a person’s “name, portrait, picture or voice . . . for advertising purposes or for the purposes of trade” within New York.<sup>32</sup> New York’s statute does not provide for a postmortem right of publicity.<sup>33</sup>

In between Indiana and New York are dozens of other states whose laws combine to create a “crazy quilt” of divergent rights of publicity that confound any meaningful classification.<sup>34</sup> Right of publicity champion J. Thomas McCarthy states that “[i]t is difficult to group the [state right of publicity] statutes into any sort of coherent ‘types’ or subspecies. . . . Each statute is really ‘one of a kind’ in that it is largely a product of its time and place.”<sup>35</sup>

Probably the largest piece of the crazy quilt of state right of publicity laws is California, home to celebrities and much of the country’s right of publicity

litigation. California recognizes a common law right of publicity and provides a separate statutory right of publicity.<sup>36</sup>

California right of publicity law has been substantially broadened by a series of decisions by the Ninth Circuit that are as expansive as plaintiffs' counsel's imaginations. In one case, the Ninth Circuit held that a race car driver had a viable right of publicity claim based solely on the look of his car even though plaintiff was not named and "the 'likeness' of plaintiff is itself unrecognizable."<sup>37</sup>

In another case, the Ninth Circuit upheld the right of publicity claim of Vanna White, a svelte blonde who turns letters on the game show *Wheel of Fortune*, when she sued an electronics manufacturer that produced an ad-

## The state-by-state approach to the right of publicity risks causing a "race to the bottom . . ."

vertisement with a stocky robot (resembling Rosie from *The Jetsons*) sporting a blonde wig and standing near some block letters.<sup>38</sup> Then Judge (now Chief Judge) Kozinski wrote a blistering and hilarious dissent from the denial for rehearing en banc deriding "the Court of Appeals for the Hollywood Circuit" for making "dangerous," "insidious," and "bad law" that "raises serious First Amendment problems."<sup>39</sup>

Different states have been creative in inventing tests to grapple with the right of publicity. The California Supreme Court created a heavily criticized "transformative use" test that asks, among other things, whether a defendant's use of a plaintiff's image adds "significant expression," which is protected, or is merely a "literal depiction or imitation" of plaintiff's image for commercial gain, which is not.<sup>40</sup>

The Supreme Court of Missouri rejected California's transformative use test, creating instead a "predominant use" test in right of publicity cases.<sup>41</sup> Under that test, the use of a person's name in a creative and expressive work

can give rise to a right of publicity claim if it was the author's "intention" to use the name in order to "attract attention" to the expressive work "to obtain a commercial advantage."<sup>42</sup>

Tennessee, one of the capitals of the music industry, is another important state for right of publicity law. Tennessee establishes a postmortem right of publicity that leaves copyright law in its dust and potentially runs in perpetuity as long as it continues to be exploited commercially—a boon to the estate of Elvis Presley.<sup>43</sup> In addition, in contrast to California and some states, Tennessee prohibits the unauthorized use of a person's name or likeness in solicitations for donations and fund-raising, even in connection with political campaigns.<sup>44</sup>

Washington's right of publicity law has been in the news recently based on a new statute and litigation involving heirs of musician Jimi Hendrix. In 2008, Washington amended its right of publicity statute to add expansive choice of law and postmortem provisions similar to those of Indiana.<sup>45</sup> However, a federal district court recently held that the amended statute violated the Due Process, Full Faith and Credit, and Dormant Commerce Clauses of the U.S. Constitution and invited forum shopping.<sup>46</sup>

### Existing Patchwork of State Laws Needs to Be Cleaned Up

The state-by-state approach to right of publicity law risks causing a "race to the bottom," where a handful of states provide ever-expanding rights of publicity that invite forum shopping and give short shrift to First Amendment rights and public domain interests. Indiana is a perfect example. One of the primary reasons why Indiana has the most expansive right of publicity law in the country is the efforts of CMG Worldwide, an Indiana-based company that represents the heirs and estates of large numbers of deceased celebrities, ranging from Babe Ruth to Marilyn Monroe. CMG Worldwide's website states, "Indiana is widely recognized for having the most comprehensive and progressive right of publicity law in the world, and CMG Worldwide Chairman and C.E.O., Mark Roesler, is recognized as the principle author of this legislation."<sup>47</sup>

By contrast, Indiana is not known as a hotbed for the types of entities

that generally push back against expansive rights of publicity that threaten First Amendment rights, e.g., media, entertainment, and advertising companies. Nonetheless, media, entertainment, and advertising defendants risk being haled into Indiana courts because of the state's aggressive choice of law and jurisdictional rules. Although those rules might be successfully challenged as unconstitutional,<sup>48</sup> there is a risk that Indiana could become a gathering point for right of publicity plaintiffs, similar to what Delaware is to corporate law defendants. The growth in the Internet and other technologies increases that risk.

Nor is Indiana alone in broadening its right of publicity statutes in response to pressure from celebrities and their representatives. In the 1990s, California significantly broadened its postmortem right of publicity after the Screen Actors Guild and prominent celebrities such as Tom Cruise, as well as heirs of deceased celebrities like Fred Astaire, pressed the Legislature.<sup>49</sup> In 1984, Tennessee enacted the so-called Elvis Law to provide for a postmortem right of publicity after some courts had ruled that Tennessee common law did not provide Presley's heirs with such a right.<sup>50</sup> As discussed previously, Washington's right of publicity statute was revised in 2008 in response to a ruling against heirs of Jimi Hendrix.<sup>51</sup>

The patchwork of right of publicity laws encourages forum shopping by plaintiffs. Again, Indiana is a good example. In 2005, the estate of Marilyn Monroe sued a photography archive and a licensing company in Indiana for allegedly violating the actress's postmortem right of publicity under Indiana law, despite the fact that Monroe had little or no connection with Indiana during her life.<sup>52</sup> That same year, the heirs of musician Duke Ellington sued a piano company in a federal court in Indiana for alleged violations of Indiana's right of publicity law.<sup>53</sup> In 2009, California-based Bruce Lee Enterprises filed suit in Indiana against a clothing company based in New York and New Jersey, alleging violation of Indiana's right of publicity statutes.<sup>54</sup> In December 2010, a Danish rock singer sued Mattel in Indiana for allegedly violating her right of publicity in connection with a Barbie doll.<sup>55</sup> Former college athletes from all over the United States

have sued California-based video game maker Electronic Arts in federal court in California for violating Indiana's right of publicity law.<sup>56</sup>

*Carson v. Here's Johnny Portable Toilets, Inc.* highlights another danger: nationwide injunctions based on one state's right of publicity laws.<sup>57</sup> There, the Sixth Circuit affirmed an injunction barring defendant from engaging in activities infringing Johnny Carson's right of publicity in any state, not just Michigan where Carson's right of publicity allegedly had been violated.<sup>58</sup>

Finally, a relatively unexplored issue is the potential use of the single publication rule, which courts have held applies to right of publicity claims,<sup>59</sup> as a springboard to seek damages in a single lawsuit in one state for infringements occurring all over the country.<sup>60</sup>

Although many states have no right of publicity laws (at least not yet), content providers and disseminators based in those states can take little comfort in that fact. Because of the wide distribution of all forms of media, those producing content—whether it be advertising, news, expressive works, etc.—must consider and account for the right of publicity laws of every jurisdiction nationwide. These considerations increase compliance and transaction costs. They lead to uncertain and inconsistent results based on choice of law determinations that are outcome-determinative and possibly result-oriented.<sup>61</sup> They lead to courts in plaintiff-friendly states issuing decisions that may affect parties in other states, e.g., “a national injunction and damages for national injury.”<sup>62</sup>

What results is a race to the bottom of the free speech ladder, forcing all media to tailor their content to the most plaintiff-friendly or speech-unfriendly jurisdiction around or else (1) face uncertain and potentially daunting liability or (2) selectively avoid particular jurisdictions. The current state of the law results in unacceptable levels of potential liability and self-censorship, and it turns certain jurisdictions into magnets of litigation and pariahs of content—none of which is healthy.

### **A Proposal—Federal Right of Publicity Statute That Expressly Preempts State Law**

The right of publicity is exploited and potentially infringed via channels of interstate commerce such as the Internet,

television, and radio.<sup>63</sup> The right of publicity also affects interstate commercial activities such as multistate advertising campaigns and the distribution and sale of products and works that are the subject of right of publicity law and disputes.<sup>64</sup> Thus, the Commerce Clause provides Congress with authority to enact a federal right of publicity statute.<sup>65</sup>

The right of publicity's connection to interstate commerce is sufficient such that Congress also should have the power to enact a federal right of publicity statute that expressly preempts state right of publicity laws. “[W]hen acting within constitutional limits, Congress is empowered to pre-empt state law by so stating in express terms.”<sup>66</sup> On that basis, § 301(a) of the Copyright Act expressly preempts state law claims that fall within the general subject matter of copyright law and seek redress of rights equivalent to the exclusive rights in § 106 of the Copyright Act.<sup>67</sup> A federal right of publicity statute should pre-empt state law in the same way.

A federal right of publicity law is not a new idea. It was championed in the mid-1990s by the International Trademark Association and the ABA's Intellectual Property Section.<sup>68</sup> It also has been urged in numerous law review articles.<sup>69</sup> Despite such advocacy, a federal right of publicity statute has not been enacted. To the contrary, there appear to have been no significant efforts in recent years to enact a federal statute.

The following is a nonexhaustive list of some of the attributes that a federal right of publicity should have.

### **Scope of the Federal Right of Publicity**

The proper scope of a federal right of publicity should take into account several considerations. First, several states have yet to recognize a right of publicity at all. Second, some states already recognize an extensive right of publicity. Third, and most important, any federal right of publicity must be limited to avoid constitutional concerns. Those constitutional concerns could be solved by strong defenses. Even better, however, is to work constitutional limitations directly into the definition of the statutory claim.

This article advocates a limited federal right of publicity that would pre-empt more expansive rights recognized in various states while staying true to the First Amendment and not shocking

the system of states with no right of publicity laws at all. In order to be consistent with the First Amendment, a federal right of publicity should, as a definitional matter, apply only to names and likenesses and not apply to news, commentary, expressive works, or advertising attendant to such works.<sup>70</sup> As one judge put it: “Just as a public figure's ‘right of privacy’ must yield to the public interest so too must the ‘right of publicity’ bow where such conflicts with the free dissemination of thoughts, ideas, newsworthy events and matters of public interest.”<sup>71</sup> By limiting the definition of the federal right of publicity, the burden unquestionably remains at all times on the plaintiff to prove an infringement and potentially spares a court from ruling directly on the application of a constitutional defense, which courts typically are loathe to do.

Limitations on the definition of a federal right of publicity would be well-founded in case law. It is clear that the First Amendment protects the use of names and likenesses in news accounts and reports on matters of public interest.<sup>72</sup> In a New York case, for example, the court held that a factually based biography of Howard Hughes could not give rise to a publicity rights claim.<sup>73</sup> This protection extends to expressive works, including works of entertainment in different media.<sup>74</sup>

In another case, a federal court rejected a misappropriation claim under California law where defendants used images of plaintiff kissing a man in a bathroom stall as part of a documentary television program about music groups and also used plaintiff's image to advertise the same program.<sup>75</sup> The court explained that the broadcast was “an expressive work protected by the First Amendment,” which precluded plaintiff from stating a misappropriation claim “based on the use of her likeness in the program or the advertisements for the program.”<sup>76</sup>

The First Amendment also protects the depiction of real people in fictional accounts. A California case involved a postmortem publicity rights claim alleging that defendants used deceased actor Rudolph Valentino's “name, likeness and personality in a fictionalized film which did not accurately portray his life.”<sup>77</sup> In a concurring opinion adopted by a majority of the California Supreme Court, former Chief Justice Rose



Bird explained that “[i]t is clear that works of fiction are constitutionally protected in the same manner as political treatises and topical news stories,” and, as a consequence, “no distinction may be drawn in this context between fictional and factual accounts of Valentino’s life.”<sup>78</sup>

A federal court in New York court came to the same conclusion concerning a fictionalized biography and movie of deceased author Agatha Christie, holding that “the right of publicity does not

## **[C]ritical portrayals of celebrities can result in lawsuits . . . or at least threats designed to chill expression.**

attach here, where a fictionalized account of an event in the life of a public figure is depicted in a novel or a movie.”<sup>79</sup>

The First Amendment also protects the depiction of real people in accounts blending fiction and nonfiction. In a case decided under Pennsylvania’s right of publicity law, a federal court held that a docudrama “combin[ing] fiction with history” did not violate plaintiff’s right of publicity because “the Defendants’ use of the Plaintiff’s name and likeness was for the purpose of First Amendment expression.”<sup>80</sup> Other courts have come to similar conclusions.<sup>81</sup> As the Fifth Circuit held, “[c]ourts long ago recognized that a celebrity’s right of publicity does not preclude others from incorporating a person’s name, features or biography in a literary work, motion picture, news or entertainment story.”<sup>82</sup>

There is good reason to prohibit right of publicity claims that target news, commentary, expressive works of fiction, and docudramas. Without such prohibition, the right of publicity could provide celebrities and other powerful individuals with a tool that allows them to effectively censor the public discourse through lawsuits and the threat of litigation. Sycophantic coverage of celebrities does not result in litigation. But critical portrayals of celebrities can result in lawsuits for alleged violations of publicity rights, or at least threats designed to

chill expression. Critical depictions serve as an important antidote to a culture that idolizes and obsesses about celebrities and their carefully manipulated public images. Celebrities also constitute common reference points for wide swaths of the public, and discussions of celebrities’ lives are often vehicles for larger discussions regarding culture, values, national character, and politics.<sup>83</sup>

Consistent with the foregoing authorities and the First Amendment, no right of publicity claim should lie where a plaintiff’s name or likeness is used in advertising attendant or adjunct to an underlying protected work.<sup>84</sup>

### **Scienter Requirement**

One treatise author asserts that it is the “majority rule” that intent is irrelevant in a right of publicity analysis.<sup>85</sup> The better rule avoids strict liability for a tort that invariably (even in the commercial speech context) implicates First Amendment rights.<sup>86</sup> Free speech rights should not be forfeited on a strict liability basis.

### **Postmortem Rights**

Twenty states recognize a postmortem right of publicity, i.e., a right of publicity that survives death that may be exploited by a person’s heirs or assigns.<sup>87</sup> Some states extend the right for extraordinarily long periods of time, e.g., 100 years in Indiana, 70 years in California, and potentially in perpetuity in Tennessee.<sup>88</sup> Two states, New York and Wisconsin, have considered and expressly rejected a postmortem right of publicity.<sup>89</sup>

The fact that only twenty states recognize a postmortem right of publicity militates against recognizing such a right as part of a federal statute. However, most courts and legislatures that have actually addressed the issue have recognized a postmortem right of publicity.<sup>90</sup>

If there were to be a federal postmortem right of publicity, it should be strictly circumscribed to avoid indeterminate restrictions on speech interests. The shortest possible duration (for example, five to ten years) would be preferable because it would free uses as soon as possible. Longer durations would be more likely to vest rights in distant heirs or corporate assignees, serving no discernible public purpose and running contrary to basic notions that the right is at least somewhat personal and its postmortem aspect is meant to protect the financial interests of immediate family.<sup>91</sup>

### **Right of Publicity Should Not Be Assignable During a Person’s Lifetime**

The right of publicity should not be assignable during a person’s lifetime, although a person should be permitted to license his right of publicity. Although the right of publicity is commonly characterized as a property right, many of its proffered justifications are personal in nature, i.e., “safeguarding natural rights, securing the fruits of celebrity labors, preventing unjust enrichment, and averting emotional harm.”<sup>92</sup> These noneconomic justifications show that the right of publicity is very different from ordinary property such as a car and weigh against permitting assignment of the right of publicity. With regard to economic justifications, the same desire to protect consumers from confusion and deception that underlies the prohibition against assignments of trademarks in gross also weighs strongly against permitting celebrities to assign their publicity rights.<sup>93</sup>

Moreover, if the right of publicity were assignable like ordinary property, it would lead to strange results. A person’s right of publicity might be seized by the government to settle tax liabilities and then exploited to serve governmental and political interests. It might be ordered sold and its proceeds split as part of a divorce settlement, with the buyer viewing it as a purely economic property to be exploited without regard to the celebrity’s persona or wishes. These results seem inappropriate because of the unmistakably personal dimension of publicity rights.

### **Some Key Defenses**

Although this article does not intend to provide a comprehensive list of all of the defenses that should apply to a federal right of publicity statute, a couple deserve special mention here.

First, the Communications Decency Act, 47 U.S.C. § 230(c), immunizes Internet service providers (ISPs) from state law claims based on content posted by third parties. If the right of publicity is elevated from a patchwork of state law claims to one federal claim, ISPs arguably would lose that immunity for right of publicity claims simply because they are no longer founded in state law.<sup>94</sup> A federal right of publicity law should make clear that § 230 immunizes ISPs from right of publicity claims.<sup>95</sup>

Second, the fair use and nominative

fair use defenses set forth in the Copyright Act and the Lanham Act should also apply to the federal right of publicity statute.<sup>96</sup> Although fair use is sometimes an awkward fit as a defense to right of publicity claims, fair use serves important free speech interests that should be vindicated regardless of whether a plaintiff's claim is based on copyright, the Lanham Act, or the right of publicity.

### Statutory Damages, Actual Damages, and Defendants' Profits

The federal right of publicity statute should provide for statutory damages that permit an individual to vindicate his rights and dignity in the absence of demonstrable economic damages. But statutory damages should be modest, for example, \$500, perhaps with the possibility of doubling statutory damages if the infringement is willful.<sup>97</sup> If a plaintiff seeks greater compensation, he should be required to demonstrate entitlement to general damages.

Although a plaintiff should be permitted to seek a defendant's profits from infringement based on principles of unjust enrichment, the Copyright Act's approach to burden shifting should not apply. The Copyright Act only requires a plaintiff to introduce evidence of an infringing defendant's gross revenues. It is then the defendant's burden to prove deductible costs and to demonstrate that a certain portion of the gross revenues were not due to the infringement. If the defendant fails to meet those burdens, then its entire gross revenues are treated as "profits" to which the plaintiff is entitled.<sup>98</sup>

Such an approach might have its merits in cases of straightforward copyright piracy where a presumption that all profits flow from the infringement is reasonable. But it is a poor fit for publicity rights because it is often difficult, if not impossible, to determine what portion of consumers' purchase decisions can be attributed to some ephemeral connection between a celebrity and the goods and services purchased.<sup>99</sup> Instead, ordinary rules regarding unjust enrichment should apply, and it should remain the plaintiff's burden to establish entitlement to whatever portion of a defendant's profits are sought.

### Attorney Fees and Costs

The federal right of publicity statute should allow the prevailing party in a

lawsuit to recover reasonable attorney fees and costs, regardless of whether the prevailing party is a plaintiff or defendant.<sup>100</sup> This will provide plaintiffs with an incentive not to bring tenuous claims and will provide defendants with an incentive to settle meritorious claims.

### Punitive Damages

Punitive damages should not be available for infringement of the right of publicity. The availability of such damages risks overdeterrence of speech and expression and thereby threatens First Amendment interests. The Copyright Act does not permit punitive damages for copyright infringement,<sup>101</sup> and neither should a federal right of publicity statute.

### Injunctive Relief and Prior Restraints

Although some injunctive relief may be appropriate for publicity rights violations, injunctions that amount to prior restraints of speech should not be permitted.<sup>102</sup> The Supreme Court has rejected the issuance of a temporary injunction to block distribution of leaflets that allegedly violated plaintiff's right of privacy.<sup>103</sup> Courts routinely reject prior restraints to prevent alleged defamation that plaintiffs claim will destroy their reputations.<sup>104</sup> There is no compelling reason why alleged infringements of the right of publicity should be treated differently.

### Conclusion

After several decades of experimentation in statehouses and courts around the country, two things are clear about the right of publicity: (1) there is no uniformity of laws, and (2) that lack of uniformity is a serious threat to the First Amendment. The time has come for a federal right of publicity law that adequately protects free speech and press rights.

### Endnotes

1. *Lugosi v. Universal Pictures*, 25 Cal. 3d 813, 836 (1979) (Bird, C.J., dissenting) (characterizing the development and recognition of a right of publicity as "spasmodic" and opining that "[t]his is in part a consequence of courts adjudicating claims which might be categorized as invasions of plaintiff's right of publicity as privacy claims").

2. The right of privacy often is traced to the famous 1890 law review article *The Right to Privacy* by Samuel D. Warren and Louis D. Brandeis, 4 HARV. L. REV.

193 (1890).

3. William L. Prosser, *Privacy*, 48 CAL. L. REV. 383 (1960); see also THOMAS MCCARTHY, *THE RIGHTS OF PUBLICITY AND PRIVACY* § 1:24 (2011).

4. Stacey L. Dogan & Mark A. Lemley, *What the Right of Publicity Can Learn from Trademark Law*, 58 STAN. L. REV. 1161, 1170–71 (2006).

5. 202 F.2d 866, 868 (2d Cir. 1953).

6. See *id.*; see also Dogan & Lemley, *supra* note 4, at 1172–75.

7. Dogan & Lemley, *supra* note 4, at 1174–75; see also MCCARTHY, *supra* note 3, §§ 1:28–1:36.

8. See, e.g., *McBee v. Delica Co., Ltd.*, 2004 WL 2634465, at \*3 (D. Me. Aug. 19, 2004) ("the right of publicity flows from the right of privacy").

9. MCCARTHY, *supra* note 3, §§ 1:30, 1:34 (arguing that privacy terminology has led to confusion in right of publicity law).

10. Cf. *id.* § 1:30 (discussing how characterization of a right of publicity as a personal right or property right could impact what types of damages are available).

11. *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 973 (10th Cir. 1996).

12. *Id.*; see also *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 576 (1977).

13. *Cardtoons*, 95 F.3d at 973.

14. *Id.* at 973–74; see also Dogan & Lemley, *supra* note 4, at 1184–86 (characterizing the allocative efficiency justification for the right of publicity as antimarket and inimical to ordinary tenets of free and efficient markets); Steven J. Hoffman, *Limitations on the Right of Publicity*, 28 BULL. COPYRIGHT SOC'Y 111, 120 (1980) (arguing that celebrity endorsements of products and services may be a net negative for consumers and society).

15. *Cardtoons*, 95 F.3d at 975; see also JEREMY BENTHAM, *ANARCHICAL FALLACIES* (1843) (criticizing claims of natural rights as "nonsense upon stilts").

16. *Cardtoons*, 95 F.3d at 975; see also Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 125, 184–96 (1993) (questioning justifications for right of publicity).

17. *White v. Samsung Elec. Am.*, 989 F.2d 1512, 1517 (9th Cir. 1992) (Kozinski, J., dissenting from denial of petition for rehearing).

18. *Id.* at 1516.

19. *Martin Luther King, Jr., Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc.*, 296 S.E.2d 697 (1982) (Weltner, J.,

concurring); *see also* *White*, 989 F.2d at 1519–21.

20. *See generally* Madow, *supra* note 16; Eugene Volokh, *Freedom of Speech and the Right of Publicity*, 40 HOUS. L. REV. 903 (2003).

21. Volokh, *supra* note 20, at 930.

22. *See* C.B.C. Distrib. & Mktg., Inc. v. MLB Advanced Media, 505 F.3d 818, 822 (8th Cir. 2007).

23. *See* 15 U.S.C. § 1125(a).

24. *See* MCCARTHY, *supra* note 3, § 6:3. The Media Law Resource Center's *50-State Survey: Media Privacy and Related Law, 2009–2010* indicates that the number of states recognizing a common law and/or statutory right of publicity may be significantly more than thirty-one.

25. *Id.*

26. 433 U.S. 562, 572–77 (1977).

27. IND. CODE §§ 32-36-1-6, 32-36-1-7.

28. IND. CODE § 32-36-1-8.

29. IND. CODE §§ 32-36-1-10, 32-36-1-12, 32-36-1-14, 32-36-1-15.

30. IND. CODE § 32-36-1-1(a). *But see* Shaw Family Archives Ltd. v. CMG Worldwide, Inc., 589 F. Supp. 2d 331, 333 (S.D.N.Y. 2008) (choice of law should depend on where person was domiciled at time of death).

31. IND. CODE § 32-36-1-9.

32. N.Y. CIVIL RIGHTS LAW § 51; *see also* *Stephano v. News Group Publ'ns, Inc.*, 485 N.Y.2d 220 (N.Y. Ct. App. 1984) (no common law right of publicity).

33. N.Y. CIVIL RIGHTS LAW § 51.

34. MCCARTHY, *supra* note 3, § 6:6.

35. *Id.*

36. *See, e.g.*, *No Doubt v. Activision Publ'g, Inc.*, 192 Cal. App. 4th 1018, 1028–29 (Cal. Ct. App. 2011).

37. *Motschenbacher v. R.J. Reynolds, Inc.*, 498 F.2d 821, 827 (9th Cir. 1974).

38. *White v. Samsung Elec. Am., Inc.*, 971 F.2d 1395 (9th Cir. 1993); *see also* *Waits v. Frito-Lay, Inc.* 978 F.2d 1093 (9th Cir. 1992) (California right of publicity applies to advertisement featuring vocals by performer who sounds like plaintiff Tom Waits).

39. *White v. Samsung*, 989 F.2d 1512, 1513–14, 1518, 1521 (1993).

40. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 25 Cal. 4th 387, 405, 407 (2001); *see also* *Winter v. DC Comics*, 30 Cal. 4th 881, 891 (2003) (explaining that in California, liability will not turn on whether defendant's use in an otherwise expressive manner will increase profits because “[t]he question is whether the work is transformative, not how it is marketed; if the work is sufficiently transformative

to receive legal protection, ‘it is of no moment that the advertisements may have increased the profitability of the [work]’”).

41. *Doe v. TCI Cablevision*, 110 S.W.3d 363, 370–72, 373–74 (Mo. 2003).

42. *Id.* at 372, 374–75.

43. TENN. CODE ANN. § 47-25-1104.

44. *Compare* TENN. CODE ANN. § 47-25-1105(a), with CAL. CIV. CODE § 3344(d).

45. WASH. REV. CODE § 63.60.020.

46. *Experience Hendrix LLC v. HendrixLicensing.com, Ltd.*, 2011 WL 564300, at \*11–12 (W.D. Wash. Feb. 8, 2011).

47. CMG WORLDWIDE, available at [www.cmgworldwide.com/services/legal/ip-strategies.htm](http://www.cmgworldwide.com/services/legal/ip-strategies.htm) (last visited May 31, 2011).

48. *Cf. Experience Hendrix LLC*, 2011 WL 564300, at \*11–12.

49. CAL. CIV. CODE § 3344.1; *see also* [www.assembly.ca.gov/acs/committee/c15/publications/sb209\\_99.pdf](http://www.assembly.ca.gov/acs/committee/c15/publications/sb209_99.pdf) (describing legislation that created § 3344.1 and listing bill's supporters).

50. *See* *Elvis Presley Int'l Mem'l Found. v. Crowell*, 733 S.W.2d 89, 95, 99 (Tenn. Ct. App. 1987).

51. WASH. REV. CODE § 63.60.010 et seq. (amended in 2008).

52. Defendants brought a declaratory relief action in New York, and the Indiana action was later transferred to New York and consolidated with the declaratory relief action there. *See* *CMG Worldwide, Inc. v. Bradford Licensing Assocs.*, 2006 WL 3248423, at \*6 (S.D. Ind. Mar. 23, 2006).

53. *Ellington v. Gibson Piano Ventures, Inc.*, 2005 WL 1661729 (S.D. Ind. June 24, 2005) (denying summary judgment of Indiana right of publicity claim).

54. *Bruce Lee Enters., LLC v. Ecko Complex, LLC*, Case No. 09-CV-0398 WTL-DML (S.D. Ind. filed Apr. 1, 2009). Although the district court granted defendants' motion to transfer venue to the Southern District of New York based on the convenience of the parties, the court suggested that Indiana law could be applied by the New York court. *See* *Bruce Lee Enters., LLC v. Ecko Complex, LLC*, 2010 WL 989909, at \*2 (S.D. Ind. Mar. 16, 2010).

55. *Day v. Wonderama Toys*, Case No. 1:10-cv-01689-RLY-MJD (S.D. Ind. filed Dec. 23, 2010).

56. *In re NCAA Student-Athlete Name & Likeness Litig.*, 2011 WL 1642256, at \*3 (N.D. Cal. May 2, 2011).

57. 810 F.2d 104 (6th Cir. 1987).

58. *Id.* at 105. *But see* *Herman Miller, Inc. v. Palazzetti Imps. & Exps., Inc.*, 270 F.3d 298, 326–27 (6th Cir. 2001) (holding that nationwide injunction based on

infringement of Michigan postmortem right of publicity was improper because many states did not recognize postmortem right of publicity, including New York, home of defendant).

59. *See, e.g.*, *Christoff v. Nestle USA, Inc.*, 47 Cal. 4th 468, 476 (Cal. 2009).

60. *See* MCCARTHY, *supra* note 3, § 11:20; *see also* *Zoll v. Jordache Enters., Inc.*, 2001 WL 1550943, at \*2 (S.D.N.Y. Dec. 5, 2001).

61. For example, in *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1007 (9th Cir. 2001), the Ninth Circuit applied California's right of publicity law to the claims of Hawaii residents where the allegedly offending publication was distributed in California and Hawaii had no right of publicity law.

62. MCCARTHY, *supra* note 3, § 11.12. McCarthy also states that conflict of law analysis can be “fantastically complicated.” *Id.* § 11.13.

63. *See* *Gonzales v. Raich*, 545 U.S. 1, 16–17 (2005) (discussing Congress's power under the Commerce Clause).

64. Besides the Commerce Clause, authority for a federal right of publicity statute might be found in the Dormant Copyright Clause and the First Amendment. *See* *White v. Samsung*, 989 F.2d 1512, 1518–19 (9th Cir. 1993).

65. U.S. CONST. art. 1, § 8, cl. 8.

66. Cal. Fed. Sav. & Loan Ass'n v. Guerra, 479 U.S. 272, 280 (1987).

67. 17 U.S.C. § 301(a); *see also* U.S. CONST. art. 6, cl. 2 (Supremacy Clause); *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1137–38 (9th Cir. 2006) (discussing test for copyright preemption); *Bonito Boats Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 151–56 (discussing patent preemption).

68. INT'L TRADEMARK ASS'N, FEDERAL RIGHT OF PUBLICITY: REQUEST FOR ACTION BY THE INTA BOARD OF DIRECTORS (1998), available at [www.inta.org/Advocacy/Pages/USFederalRightofPublicity.aspx](http://www.inta.org/Advocacy/Pages/USFederalRightofPublicity.aspx); *Right of Publicity*, ABA SEC. INTELL. PROP. L. ANN. REP. 202, 250 (1995–1996).

69. *See, e.g.*, Richard S. Robinson, *Preemption, the Right of Publicity, and a New Federal Statute*, 16 CARDOZO ARTS & ENT. L.J. 183 (1998); Eric J. Goodman, *A National Identity Crisis: The Need for a Federal Right of Publicity Statute*, 9 DEPAUL-LCA J. ART & ENT. L. 227 (1999); Sean D. Whaley, *I'm a Highway Star: An Outline for a Federal Right of Publicity*, 31 HASTINGS COMM. & ENT. L.J. 257 (2009); Brittany A. Adkins, *Crying Out for Uniformity: Eliminating State Inconsistencies*



in *Right of Publicity Protection Through a Uniform Right of Publicity Act*, 40 CUMB. L. REV. 499 (2009–10) (advocating nonpreemptive federal right of publicity law).

70. Some states have statutes with laundry lists of other realms of protection—nicknames, signatures, voices, etc.—but such expansive protections lead to questionable results, e.g., protecting robots and cars that are not consistent with a limited and constitutionally passable right of publicity. See *White v. Samsung*, 989 F.2d 1512, 1513–14, 1518, 1521 (9th Cir. 1993).

71. *Rosemont Enters., Inc. v. Random House, Inc.*, 294 N.Y.S.2d 122, 129 (Sup. Ct. 1968), *aff'd*, 301 N.Y.S.2d 948 (N.Y. App. Div. 1969).

72. *Id.* (the “right of publicity” must “bow” to “newsworthy events and matters of public interest”).

73. *Id.* at 127–29.

74. Courts have held that the First Amendment bars Lanham Act false endorsement claims targeting expressive works unless the use of the plaintiff’s mark has no artistic relevance to the expressive work or the use “explicitly misleads” consumers to believe that the plaintiff endorses the work. See, e.g., *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 902 (9th Cir. 2002).

75. *Daly v. Viacom, Inc.*, 238 F. Supp. 2d 1118, 1122–23 (N.D. Cal. 2002).

76. *Id.* at 1123.

77. *Guglielmi v. Spelling-Goldberg Prods.*, 603 P.2d 454, 456 (Cal. 1979) (Bird, C.J., concurring).

78. *Id.* at 459; see also *Polydoros v. Twentieth Century Fox Film Corp.*, 79 Cal. Rptr. 2d 207, 208–09, 212 (1997) (despite similarities between plaintiff and movie’s character, the court held that defendants “were creating a fictionalized artistic work,” that “their endeavor is constitutionally protected,” and that “[t]his right was not diminished when [defendants] advertised and then sold their work as mass public entertainment”).

79. *Hicks v. Casablanca Records*, 464 F. Supp. 426, 428–33 (S.D.N.Y. 1978).

80. *Seale v. Grammercy Pictures*, 949 F. Supp. 331, 334–35 (E.D. Pa. 1996), *aff’d without opinion*, 156 F.3d 1225 (3d Cir. 1998).

81. See, e.g., *Partington v. Bugliosi*, 56 F.3d 1147, 1154 (9th Cir. 1995) (holding that “[d]ocudramas”—i.e., works that mix historical fact and fiction—are entitled to “substantial latitude” under the First Amendment); *Ruffin-Steinback v. de Passe*, 82 F. Supp. 2d 723, 726, 728–31 (E.D. Mich. 2000) (foreclosing publicity

rights liability for docudrama about music group *The Temptations* and holding that “to the extent that courts have been reluctant to extend the right of publicity to depictions of life-stories based on First Amendment considerations, those considerations are no less relevant whether the work in question is fictional, nonfictional or a combination of the two”), *aff’d*, 267 F.3d 457, 461–62 (6th Cir. 2001); *Guglielmi*, 603 P.2d at 461–62 (Bird, C.J., concurring) (“[w]hether the publication involved was factual and biographical or fictional, the right of publicity has not been held to outweigh the value of free expression”); *Donahue v. Warner Bros. Pictures Distrib. Corp.*, 272 P.2d 177, 184 (Utah 1954) (dramatized biographical film not subject to publicity rights law); *Frosch v. Grosset & Dunlap, Inc.*, 427 N.Y.S.2d 828, 829 (N.Y. App. Div. 1980) (although a book claimed to be a “biography,” the court reasoned that “it [did] not matter whether the book is properly described as a biography” since it was protected free expression whether described as a “biography, fictional biography, or any other kind of literary work”).

82. *Matthews v. Wozencraft*, 15 F.3d 432, 439 (5th Cir. 1994) (affirming the dismissal of a misappropriation claim based on the use of an individual’s persona in a book and subsequent motion picture dramatizing real events); see also *Ruffin-Steinback*, 82 F. Supp. 2d at 726 (“[t]he scope of the right of publicity does not depend . . . on the fictional or nonfictional character of the work”); *Leopold v. Levin*, 259 N.E.2d 250, 254–57 (Ill. 1970) (generally recognizing a misappropriation right but holding that the First Amendment limited such a claim in the context of “knowingly fictionalized accounts”).

83. See *Madow*, *supra* note 16, at 128.

84. *Ruffin-Steinback*, 267 F.3d at 461–62 (affirming finding that a movie about the musical group *The Temptations*, which employed the “fictionalized likenesses” of plaintiffs, was “protected by the First Amendment” and that “the advertising incidental to such uses did not give rise to a claim for relief under the plaintiffs’ rights of publicity”); *Cher v. Forum Int’l, Ltd.*, 692 F.2d 634, 639 (9th Cir. 1982) (“[c]onstitutional protection extends to the truthful use of a public figure’s name and likeness in advertising which is merely an adjunct of the protected publication and promotes only the protected publication”); *Guglielmi*, 603 P.2d at 455–56, 462 (defendants used Rudolph Valentino’s name in the title of a film and in advertising for film; such

uses did not remove constitutional protections because “[i]t would be illogical to allow [defendants] to exhibit the film but effectively preclude any advance discussion or promotion of their lawful enterprise”).

85. *McCARTHY*, *supra* note 3, § 3:32; see, e.g., *Douglass v. Hustler Magazine, Inc.*, 769 F.2d 1128, 1140 (7th Cir. 1985) (holding that intent is “irrelevant” to a right of publicity claim under Illinois law); *Pooley v. Nat’l Hole-In-One Ass’n*, 89 F. Supp. 2d 1108, 1114–15 (D. Ariz. 2000) (holding that Arizona’s right of publicity “does not include the element of fault”); *Fairfield v. Am. Photocopy Equip. Co.*, 138 Cal. App. 2d 82, 87 (1955) (common law claim in California does not require showing of intent: “[i]nadvertence or mistake is no defense where the publication does in fact refer to the plaintiff in such manner as to violate his right of privacy”).

86. See, e.g., CAL. CIV. CODE § 3344(a) (California statutory right of publicity claim requires showing that defendant “knowingly use[d]” plaintiff’s identity); *Tana v. Dantanna’s*, 611 F.3d 767, 783 (11th Cir. 2010) (Georgia law requires that there must be a taking with “an intent to use the likeness for one’s benefit”); *Kovotovich v. K-Mart Corp.*, 88 F. Supp. 2d 975, 987 (D. Minn. 1999) (inadvertent use of name in promotional mailing would not give rise to misappropriation claim without evidence of intent).

87. *McCARTHY*, *supra* note 3, § 9:18.

88. *Id.*; see also IND. CODE § 32-36-1-8; CAL. CIV. CODE § 3344.1(g); TENN. CODE ANN. § 47-25-1104.

89. *McCARTHY*, *supra* note 3, § 9:19.

90. See *Jim Henson Prods., Inc. v. John T. Brady & Assocs., Inc.*, 867 F. Supp. 175, 190 (S.D.N.Y. 1994) (holding that Connecticut Supreme Court would, “like the vast majority of courts that have considered the issue,” find the goals of a post-mortem right “relevant and persuasive” and “would interpret the right of publicity as descendible”).

91. Although most states tie the post-mortem right to a particular number of years after death, another possibility is to tie it to the life span of specifically identified surviving heirs. See Comment, *The Right of Publicity: “You Can’t Take It with You,”* 12 PEPP. L. REV. 999, 1023 (1985) (suggesting right could extend for lifetime of surviving spouse and children).

92. *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 973 (10th Cir. 1996).

(Continued on page 37)

# KEEPING ACCESS CASES AFFORDABLE: ALTERNATIVE FEE ARRANGEMENTS

## Media Coalitions in the Research Triangle

HUGH STEVENS, AMANDA MARTIN,  
AND MIKE TADYCH

When life gives you lemons, make lemonade.

When life gives you the Internet and a recession that send your ad revenue into a tailspin, make coalitions.

In an era of reduced and ravished litigation budgets, the idea of joining forces to pursue access cases, resist gag orders, and fight subpoenas is a no-brainer for media organizations. Economic necessity has made coalitions the order of the day for many news organizations that often chose to go it alone in flusher times. Happily, experience demonstrates that the benefits of working together often go far beyond saving money. This is the story of how informal media coalitions arose and are working in one media market—Raleigh/Durham/Chapel Hill, i.e., the Research Triangle of North Carolina.

### Tough Times

No one who reads this article needs to be reminded that economic times are tough for daily newspapers, local television stations, national television networks, and other advertising-based media outlets. Although the high-tech, research-based economy in which we live and work has been booming for the past forty years, our clients have not been immune to the economic tsunamis that have drowned many media companies in red ink in recent years. Raleigh's

population has grown from around 250,000 to more than 400,000 since 1996, the year that the *News & Observer*, Raleigh's daily newspaper, won the Pulitzer Gold Medal for Public Service by exposing the environmental and health risks associated with the hog industry. During the same period, the size of the newspaper's editorial staff has declined from 250 to 93. With two notable exceptions, WUNC-FM and Time Warner Cable's 24/7 news channel, the area's electronic news media also have not been spared by the recession or competition from online news. The Research Triangle's NBC affiliate, for example, laid off 20 percent of its staff in 2009. Capitol Broadcasting's WRAL, the locally owned station that has dominated the market's television news ratings for decades, announced two years ago that it was cutting its expense budget by 15 percent and offering buyouts to an unspecified number of news department employees.

Prolonged sales declines, of course, are a problem for any business, regardless of whether it is selling widgets or automobiles or advertising. If a recession dampens the demand for refrigerators or automobiles, though, manufacturers can try to weather the storm by temporarily cutting prices, curtailing operations, and reducing inventories—all of which are painful, but none of which requires a fundamental restructuring of their business.

By contrast, media companies can cut costs and reduce "inventories" only by compromising the scope and quality of the news, analysis, and commentary that they produce. Layoffs and buyouts have long since removed movie critics, book editors, and editorial cartoonists from most newspaper staffs; and many print and broadcast reporters who formerly covered important specialized beats such as health care, courts, and technology now find their hard-won expertise and

In these challenging economic times for many media companies, forum members have seen a sharp decline in the number of clients willing or able to support their newsgathering activities through legal action, especially in access and freedom of information matters, for purely economic reasons. This unfortunate development has prompted a number of law firms and clients to look at alternative fee arrangements for this type of work. The editors of *Communications Lawyer* asked attorneys involved in three successful, alternative approaches to share their experiences.

contacts going to waste as they rush about hither and yon at the direction of the general assignment desk. Meanwhile, "spell-check" software has replaced copy editors, leading to an explosion of bad grammar and misspelled words.

### More Investigative Reporting Is Needed

The most regrettable and lasting consequence of reductions in newsroom staffs, of course, is the media's diminished capacity to investigate corruption, hold public officials and institutions accountable, and insist on government transparency and openness. Such diminished capacity sometimes makes it necessary to invoke the assistance of the courts in aid of the search for truth or in defense of press freedom and independence.

To make matters worse, the kinds of events and circumstances in our part of the world that require a legal response have proliferated even as our clients' litigation budgets have shrunk. Until a few years ago, sealed search warrants were rarities in North Carolina; now they are commonplace, particularly in high-profile homicide

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cases. Autopsy reports and recordings and transcripts of 911 calls also have become frequent targets of sealing motions in criminal cases.

Public access also has become an issue in more and more civil cases of late; as this article was being written, national and local news organizations were seeking access to a series of sealed motions and a deposition transcript in a lawsuit brought by the mistress of former U.S. Senator John Edwards against former Edwards aide Andrew Young and his wife.

We also are seeing more fights with public officials over public records, including a case in which the University of North Carolina at Chapel Hill has attempted, thus far unsuccessfully, to use the Federal Educational Rights and Privacy Act to shield telephone records, campus parking tickets, and other records related to the suspension of several football players accused of accepting improper academic help from tutors and unauthorized gifts and benefits from sports agents.

#### **Coalitions—Cui Bono?**

Coalitions offer both economic and public interest benefits. In an era when legal budgets have been going lower and lower at the same time that barriers to access seemingly are being raised higher and higher, joining forces makes economic sense for media companies. By sharing and spreading the costs of litigation, news organizations literally can do more with less. Moreover, access litigation differs from other kinds of civil actions in that a win for one is a win for all; if a judge orders the release of public records, unseals a search warrant, or vacates a gag order, every news organization (and the public) shares in the benefits. Rick Willis, who oversees Time Warner's twenty-four-hour cable news channel and currently chairs the North Carolina Open Government Coalition, points out that cost sharing enables News 14, which he describes as "the 7-Eleven of news organizations," to participate in litigation over matters of significant public interest that it simply could not afford to pursue on its own.

Willis's characterization of media cooperation as both an opportunity and a necessity harkens back to 1991, when closure motions in a high-profile

child sex abuse case engendered unprecedented cooperation among North Carolina news organizations. The controversial "Little Rascals" case (so called because that was the name of the day care center in Edenton where defendants worked) generated enormous public interest, both locally and nationally. The press coverage reflected a wide gulf in public opinion between those who believed that defendants had engaged in sordid behavior with dozens of children and those who thought that the criminal charges were grounded in mass hysteria fanned by paranoid parents. When the case against Little Rascals owner Robert F. Kelly came to trial in Farmville, a sleepy tobacco town 100 miles from Edenton, the prosecutors moved to close the courtroom during the testimony of approximately twenty alleged child victims, to bar camera coverage of the trial, and to prohibit public disclosure of some materials that the state had turned over to the defendant in discovery. With the support of the North Carolina Press Association and the North Carolina Association of Broadcasters, five newspapers, the Associated Press, and a Greenville, television station joined forces to successfully oppose all three motions.<sup>1</sup> Like the economic crises that would hit news organizations years later, the state's motions to conduct critical portions of the Little Rascals trial out of public view gave competing news organizations a compelling reason to join forces.

#### **From Competition to Cooperation**

Although the case demonstrated the benefits of cooperation between and among clients and attorneys (three law firms represented the media companies), competition for scoops and exclusive stories remained the norm for several years thereafter. The competition between the *News & Observer* and WRAL, each of which viewed itself as the preeminent news organization in the area, was particularly dogged. Professor Jim Hefner of the UNC School of Journalism and Mass Communication, who was WRAL's general manager from 2002 through 2008, acknowledged in an interview that historically the station and the newspaper had proprietary attitudes about particular beats and competed

fiercely to be the first to break important stories. In those days, public records suits were the province of the *News & Observer*, which invariably acted alone.

According to Hefner, things began to change when the management of his station and their counterparts at the *News & Observer* realized that every news organization reaped the benefits of a successful outcome in an access case no matter who had paid the freight for it. As occasions arose and budget pressures mounted, they began to join forces, particularly to oppose gag orders, sealed search warrants, and closure motions. Over time, they began to reach out to other area news organizations such as AP, Time Warner Cable, and Media General.

As John Dresher, executive editor of the *News & Observer*, has noted, ". . . cooperation has proven to be enormously beneficial, not only from a financial standpoint, but also in terms of public perception. I don't know whether it matters to a judge when five or six news organizations join as plaintiffs in a public records suit, but I'm convinced that it sends an important signal to the public that something truly important is at stake and that the suit can't be shrugged off merely as one newspaper or one television station seeking grist for a story."

"In hindsight," Dresher said, "economic reality has forced us to do something that we would have been wise to do a long time ago. We are not just saving money by participating in coalitions; we are being smarter, too."

#### **E-Mail Handshakes**

In our area, the cooperation that has evolved out of the synergy between necessity and opportunity is fluid and informal. The coalition that fights for access in our market has neither a membership roll nor an organization chart. It operates on the basis of e-mail "handshakes," conference calls, and goodwill. In a typical case, it starts with a public official denying or stonewalling a public records request, a judge sealing the search warrants in a headline-grabbing murder case, or a defense lawyer issuing dozens of subpoenas to media companies in a vain attempt to support a motion for change of venue. As the matter unfolds, editors and news directors



begin talking to us and other lawyers about filing a lawsuit, a motion to unseal, or motions to quash. As the lawyers confer about strategies and estimate costs, the editors and news directors exchange e-mail and voice mail messages asking, "Are you in?" Eventually, the coalition for the matter is cobbled together, agreements about the rates and splits of legal fees are struck, and legal documents are drafted and circulated.

In many instances, a coalition's effectiveness can be enhanced by reaching out to media outlets that have special connections to the events or institutions involved. For example, in November 2009, the U.S. Army announced that the news media would not be permitted to cover a Sarah Palin book signing scheduled at Fort Bragg, one of the nation's largest military installations. The army said that prohibiting news organizations from interviewing Palin admirers who brought their books to the signing would deny her a platform from which to mount a political attack against President Obama. In an impeccable display of reverse logic, base spokesman Thomas D. McCollum said, "Because this book signing is turning into a political platform with the addition of media coverage, we are restricting the media coverage."

AP, the *News & Observer*, and other regular coalition members immediately reached out to the *Fayetteville Observer*, whose editors and reporters are very familiar with the base command structure and its public information officials. While AP's national editors lobbied their high-level Pentagon contacts, the *Observer's* executive editor, Mike Arnholt, talked to his Fort Bragg neighbors. After initially offering to loosen its restrictions to allow pool coverage and having that offer rejected by our clients, the army gave in and lifted the media ban entirely.

The involvement of the *Daily Tar Heel*, the student newspaper at UNC, has proven similarly important in access cases related to the university. The newspaper's contacts within the UNC campus parallel those of the *Fayetteville Observer* at Fort Bragg, and the students' willingness to sue the very administrators who sign their diplomas adds credibility to the media's push for transparency.

### Dealing with the Details

Logistics are the downside of cooperative action. As Dresher correctly observed, "strategy conferences where you have a dozen people on the telephone can be unwieldy." It's certainly true that matters in which we represent multiple clients, often with other law firms, present special challenges in communication and case management. In these situations, it's indispensable to have all communications to and from the coalition members go through one lawyer, preferably, but not necessarily, the lead attorney on the matter. If possible (and it often isn't), it's also helpful to have the coalition participants designate one or two of their members as go-to decision makers. Sometimes seemingly trivial case management issues, such as making sure that every coalition member is aware of the time and place of a hearing or conforming the invoice to a variety of corporate billing guidelines, can be as thorny and time-consuming as deciding whether to sue in the first place.

Representing multiple clients also can be daunting in other ways. As we drove to Winston-Salem for a federal court hearing in which we had filed motions to quash deposition subpoenas on behalf of fourteen clients, Amanda Martin spoke for all of us when she said, "We'd better win," she said, "because I surely don't want to have to call fourteen clients and tell them all we lost." Amanda argued the motions and won.

The most important thing about a media coalition is not who its members or its lawyers are or even whether it prevails in a particular case. The most important thing is that it exists because by coming together and joining forces, the members extend their reach with the courts and their credibility with their readers and viewers. As one of our client representatives put it, "News organizations today should remember Benjamin Franklin's admonition to the founders who gathered in Philadelphia in 1776. 'Gentlemen,' he said, 'we must all hang together, else we shall surely all hang separately.'"

### Endnotes

1. The trial judge's order denying the state's motions is reported at 19 Media

L. Rep. 1283 (1991). After a nine-month trial, Kelly, who operated the day care center with his wife Betsy was convicted of ninety-nine charges, including first-degree sexual offense, first-degree rape, taking indecent liberties with children, and crimes against nature. He was sentenced to twelve consecutive life sentences. The North Carolina Court of Appeals reversed the conviction in 1995. *State v. Kelly*, 456 S.E.2d 861 (N.C. Ct. App. 1995). Dawn Wilson, an employee of the day care center, also was convicted and sentenced to life in prison. Her conviction also was overturned on appeal. *State v. Wilson*, 456 S.E.2d 870 (N.C. Ct. App. 1995). In 1994, Betsy Kelly, who had been held in prison awaiting trial for more than two years, entered a plea of no contest and accepted a prison sentence of seven years. She was released in 1995. Eventually, the state did not prosecute five other defendants. The history of the case was chronicled extensively in three *Frontline* documentaries broadcast by PBS in 1991, 1993, and 1997. See <http://www.pbs.org/wgbh/pages/frontline/shows/innocence/>.

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## Contingent Fee Access Litigation in Wisconsin

ROBERT J. DREPS

Wisconsin has a long and proud history of open government. In 1856, just eight years after statehood, the Wisconsin Supreme Court considered a records access statute that required every county officer "to keep his office open during business hours, Sundays excepted, and all books and papers required to be kept in his office shall be open for the examination of any person."<sup>1</sup> The court ruled this statute implicitly obligated Jefferson County to pay a bill that its clerk of courts had incurred for wood and candles. "To require these officers to keep their offices open during business hours, for the convenience of the citizens having

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business to transact in them, and yet provide no means of warming or lighting them, would be simply absurd.”<sup>2</sup>

Today, Wisconsin’s Open Records Law broadly presumes that virtually every record created or kept by a local or state government authority is open to public inspection, but the law allows those authorities to deny inspection by claiming that some public policy interest in secrecy outweighs the public’s presumptive right of access.<sup>3</sup> It is a strong access statute. By preserving this common law balancing test, which must be applied case-by-case and document-by-document, however, Wisconsin’s Open Records Law invites litigation.

Wisconsin courts have, with few exceptions, respected the legislature’s mandate that the law “shall be construed in every instance with a presumption of complete public access, consistent with the conduct of governmental business. The denial of public access generally is contrary to the public interest, and only in an exceptional case may access be denied.”<sup>4</sup> The news media have won the vast majority of records access cases decided since the Open Records Law became effective in 1983. My firm has been privileged to represent the media in dozens of those cases.

### **Enforcement Actions on the Decline**

Beginning in 2008, however, requests by news media clients to bring enforcement actions under the Open Records Law began to decline sharply. We knew the government continued to deny records requests at about the same rate based on calls to the hotline service we have long provided for the Wisconsin Newspaper Association and Wisconsin Broadcasters Association. But the willingness of newspaper publishers and broadcast station managers to authorize and fund litigation to enforce the public’s rights under the law nevertheless fell, in large part due to the economic challenges facing the media generally. By 2009, enthusiasm for public access and open records litigation had almost evaporated.

The same trend in Wisconsin was occurring nationwide. News media resources devoted to access and open records litigation had decreased substantially since 2005, according to a survey conducted by the Media Law

Resource Center in conjunction with the National Freedom of Information Coalition.<sup>5</sup> Media organizations, forced to downsize because of declining revenue, found it difficult to justify simultaneously funding access litigation. Their public interest commitment to hold the government accountable using the records law had not diminished, of course, but the resources available to fulfill the watchdog role had dramatically declined.

### **A Feasible Alternative**

We developed a partial, and perhaps interim, solution to the problem. In April 2010, we began representing news media clients in public records enforcement actions on a contingent fee basis. The client agrees to pay litigation expenses, like filing fees, and the opponents’ taxable costs if the case is lost, but all fees for legal services are contingent upon success.

This alternate fee arrangement is feasible primarily because of the strong and frequently used fee shifting language in Wisconsin’s Open Records Law: “[T]he court shall award reasonable attorney fees, damages of not less than \$100, and other actual costs to the requester if the requester prevails in whole or in substantial part in any action . . . relating to access to a record or part of a record.”<sup>6</sup> Not surprisingly, many media clients enthusiastically accepted our offer.

We have brought nearly two dozen access cases for journalists in the last year, showing that immediate financial concerns were the principal, if not sole, cause of the decline in access litigation in Wisconsin. A surprising number of those cases settled shortly after filing, with the government disclosing the requested records and paying fees rather than defending the improvident decision to deny access. To date, only one case has been lost, and that ruling is under appeal. The program has been a resounding success for the media and, more importantly, for the public.

### **Green Bay Legal Services**

The first case that did not settle sought access to the billing statements of outside counsel hired by the City of Green Bay in 2007 and 2008. The *Green Bay Press-Gazette* had requested records of payments

for legal services from twenty-three communities in its coverage area and received complete, unredacted copies of law firm invoices from most. Only the City of Green Bay claimed that every entry on every bill was protected by the attorney-client privilege and provided the newspaper only the names of the nine law firms it paid for services performed in 2007 and 2008, the general description of the work each firm performed (e.g., “civil litigation defense work”), and the amount that the city paid each firm during the period.

We filed suit for the newspaper on July 23, 2009; and after the city answered, we promptly moved for summary judgment. The circuit court heard argument and granted the motion on September 18, 2009, after considering the parties’ briefs and reviewing the billing records at issue in camera. The city elected not to appeal and paid \$18,000 for the newspaper’s litigation fees and expenses.

The Open Records Law worked as designed. The enforcement action was decided in less than two months, and the resulting newspaper series titled “Legally Taxed” was cited in the Lifetime Achievement Golden Gavel Award given by the State Bar of Wisconsin to reporter Andy Nelesen. The firm’s contingent fee litigation program also worked as designed by enabling the *Green Bay Press-Gazette* to enforce the public’s right of access to the government records that it wanted for the investigation.

### **Access to Prison Video Recording**

We brought another notable case, this one for the Associated Press to obtain a video recording that the Wisconsin Department of Corrections (DOC) made of its officers using a stinger grenade to extract a noncooperative prisoner from his cell in a maximum security prison. A stinger grenade is a type of explosive device that, upon detonation, emits a loud blast accompanied by smoke and fires 180 small rubber balls in a fifty-foot radius. The device was intended by its manufacturer for outdoor use in crowd control and had never previously been used in any Wisconsin prison. AP learned of the incident and the video recording’s existence from a decision by the federal court for the District of

Wisconsin that denied the guards' claims of qualified immunity in the prisoner's subsequent suit for injuring his hearing.<sup>7</sup> DOC first denied AP's request for the video by inaccurately claiming that its disclosure would reveal the surveillance capabilities of its security camera system. Upon being informed that the court decision states that the video was from a handheld camera, DOC switched its rationale for nondisclosure to preventing other inmates from learning about and devising strategies to resist staff during a planned use-of-force procedure.

We won a quick settlement for AP, after starting an enforcement action, by noting that DOC's public representation that it would never again use a stinger grenade for cell extraction defeated its asserted public policy rationale for secrecy. The public was able to see for itself how three guards in full protective gear managed to avoid injury at the hands of a 135-pound inmate, who had admittedly refused to follow their orders and stated his intent to play "Gangsta," by tossing a stinger grenade into his cell while they ran down the hallway.

The prisoner's suit forced DOC to alter its practices and won him a \$49,000 settlement. AP's enforcement action, which might not have been possible without contingent fee representation, provided the public with the factual context necessary to evaluate DOC's conduct toward and settlement with the prisoner—just as the drafters of the Open Records Law intended.

### Conclusion

Our approach has proven to be successful. It works because there is a strong fee shifting provision in Wisconsin's open records statute. In other places without the benefit of such a provision, this approach would involve a greater economic risk for the law firm. In those states, adoption of a strong, nondiscretionary fee shifting provision could provide a legislative solution that goes a long way toward addressing the problem of how the media can continue to pursue public access and open records cases in difficult economic times.

### Endnotes

1. County of Jefferson v. Besley, 5 Wis. 134 (1856).

2. *Id.* at 136. The court explained, however, that this did not mean the clerk was "required to keep a tavern."

3. WIS. STAT. § 19.35(1)(a); see generally Comment, *The Wisconsin Public Records Law*, 67 MARQ. L. REV. 65 (1983).

4. WIS. STAT. § 19.31.

5. NAT'L FREEDOM OF INFO. COAL. (NFOIC), MLRC-NFOIC OPEN GOVERNMENT SURVEY, [www.nfoic.org/uploads/foi\\_pdfs/MLRC-NFOIC-Open-Govt-Survey.pdf](http://www.nfoic.org/uploads/foi_pdfs/MLRC-NFOIC-Open-Govt-Survey.pdf) (last visited May 25, 2011).

6. WIS. STAT. § 19.37(2)(a).

7. Jackson v. Gerl, 622 F. Supp. 2d 738 (W.D. Wis. 2009).

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## Fixed Fees for Access Cases

NATALIE J. SPEARS

What will that access motion cost? With shrunken budgets and limited resources, it is often hard for newsroom editors or station directors to move forward with an access motion not knowing what it will cost them—really cost them, not just maybe or hopefully cost them if all goes as expected. These days, they need a concrete bottom line.

It's hard to criticize that request. Think about it. When we are buying services in our personal lives, we want to know what the service is going to cost up front. We don't want our accountant or roofer or hairdresser to tell us a wide range of possibilities based on how many hours and minutes it could take them to perform their services and then hope for the best price outcome.

Legal work is really not so different and certainly does not have to be. But getting away from the billable hour is a change. And any change can be a little frightening and requires some trust on both sides. However, the economic climate facing many of our media clients in the past few years has forced us to move in that direction in access cases, and, so far, it has worked for both sides.

A few years ago, one of my more well-known partners, Scott Turow,

wrote an article for the *American Bar Journal* entitled "The Billable Hour Must Die." Scott has a flare for catchy titles. Some people might find the sentiment too strong, but, in my opinion, his title and point were right on.

The billable hour has come under attack on several fronts in recent years. Some critics, like Scott, have focused on the negative impact that the ever-escalating pressure to bill hours has on the quality of life lawyers lead and the inherent tension that the billable hour creates between the interests of clients and law firms. Others, like the Association of Corporate Counsel (ACC), have focused on the value to the client that is not captured in hourly increments and the common reality that the billable hour often does not lead to a final price tag that matches the value of the completed service to the client.

Today, a growing number of in-house lawyers are joining the alternative fee crusade, including the people who run newsrooms. It is not exactly a death march for the billable hour, but encouraging nonetheless. According to a survey by the ACC and the *American Lawyer*, "[t]wenty-nine percent of in-house counsel reported an increase in their use of alternative fee arrangements in 2010." ACC reports that "[a]lthough still a small percentage of total outside counsel spend[ing], the increase in the number of 'value-based' fees demonstrates legal departments' determination to continue to increase the use of alternative pricing and valuation methods, regardless of the market rebound." Other findings from the survey included that "[f]ifty-three percent of GCs surveyed said that they had used flat fee billing for an entire matter, up from 48 percent in 2009," and "[l]arge company GCs (working in companies with over \$1 billion revenue) are generally more likely to expect alternative arrangements, with 62 percent using flat fees for an entire matter in 2010, up from 60 percent in 2009."

At SNR Denton, we increasingly use alternative fee arrangements on litigation matters of all kinds. But for quite some time now, we have utilized fixed flat fees for access matters. Fixed fees work particularly well for volume or repeat matters that are relatively predictable, well defined, and



short-lived. Most access matters fall into this bucket. We typically set up three or four categories of fees for different types of access matters, which vary depending on the complexity of the issues, the number of briefs and court appearances anticipated, and the court or geographic location involved. When clients call with a potential access matter, we quickly analyze the issues and determine whether, for example, it is a Category I, II, or III matter; and we are able to quote a fixed fee for the work. This approach greatly enhances the ability of clients to assess

the value of the effort and make the call on whether to approve it or not. If they do, they know exactly what it will cost and can budget accordingly.

As for the firm, over time, some access matters require more work than the fee charged (if measured in terms of recorded hours), and some require less. In the end, we are rewarded for our efficiency with the fixed fee and with more work from successful results. And, yes, there have been some matters over the years with unforeseen developments that resulted in dramatically more or less work than initially

predicted. In those cases, we have done an informal review with the client and made fair adjustments. That's where the trust comes in. But it really is not a huge leap of faith. The attorney-client relationship is one fundamentally grounded in trust. If you don't trust your lawyer, you should get a new one. And if you don't trust your client, same advice. On the other hand, if you do, then perhaps it's time to kill the billable hour in favor of value-based fees. Access cases that otherwise might never be pursued for economic reasons are a great place to start.



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## UGC & Section 230

continued from page 1

through the Internet or any other interactive computer service.”<sup>4</sup> So, what makes someone “responsible, in whole or in part, for the creation or development” of the content?

Thus far, courts have rarely found website owners to be responsible for the creation or development of content outside of materials authored by their own employees.<sup>5</sup> But there are exceptions, and while some areas of concern have more established case law to provide guidance, in other areas the law is less settled and more controversial.

### Providing Forum for Others to Post

The law is clear that websites and other services that merely allow users to post content that may be actionable, without any interaction with the content or its source, are not “responsible” for “the creation or development” of the content—and are thus immunized from liability for defamation and similar claims by Section 230.<sup>6</sup> As noted by the U.S. Court of Appeals for the Fourth Circuit in *Zeran v. American Online, Inc.*:

It would be impossible for service providers to screen each of their millions of postings for possible problems. Faced with potential liability for each message republished by their services, interactive computer service providers might choose to severely restrict the number and type of messages posted. Congress considered the weight of the speech interests implicated and chose to immunize service providers to avoid any such restrictive effect.<sup>7</sup>

### Failure to Remove After Notice or Promise to Remove

The case law is equally clear that a website owner or other interactive computer service cannot be held liable in tort for failing to remove defamatory or other harmful content posted by third parties, even after receiving notice of the content’s objectionable nature.<sup>8</sup> When the website promises to remove the content, however, the website may be susceptible to claims under other legal theories such as promissory estoppel.<sup>9</sup>

In *Barnes v. Yahoo!, Inc.*, for example, the U.S. Court of Appeals for the Ninth Circuit denied Yahoo!’s motion to dismiss a claim for promissory estoppel based on Yahoo!’s promises to remove offending content and subsequent failure to do so.<sup>10</sup> In *Barnes*, plaintiff’s ex-boyfriend allegedly created a false Yahoo! member profile for her.<sup>11</sup> Plaintiff complied with Yahoo!’s takedown policies and contacted Yahoo! multiple times about the false profile.<sup>12</sup> Despite a telephone promise to remove the profile by Yahoo!’s director of communications, Yahoo! failed to remove the profile until after the lawsuit was filed.<sup>13</sup> The Ninth Circuit held that plaintiff’s claim for promissory estoppel, based on Yahoo!’s agreement to remove the content, was not barred by Section 230.<sup>14</sup>

Similarly, in *Scott P. v. Craigslist*, a California court denied Craigslist’s demurrer of plaintiff’s promissory estoppel claim where plaintiff alleged that he had asked Craigslist to remove offensive posts and take steps to prevent future harmful posts, and Craigslist allegedly said that it would “take care of it” but failed to do so.<sup>15</sup> In an earlier case reaching the opposite conclusion, however, a Southern District of New York court held that a search engine could not be liable for failing to remove content despite allegedly promising to remove it.<sup>16</sup>

### Review of Content Posted by Others

The vast majority of courts have held that Congress intended to allow websites and other interactive computer services to decide for themselves whether or not to review user-generated content without fear of liability in either case.<sup>17</sup> In *Green v. America Online, Inc.*, for example, plaintiff sought to recover from America Online, Inc. for the negligent failure to police its services and protect him against allegedly defamatory statements sent through its network.<sup>18</sup> The Third Circuit held that AOL was statutorily immune from liability under Section 230 and affirmed dismissal of all of plaintiff’s claims.<sup>19</sup> Similarly, a Southern District of New York judge dismissed plaintiff’s claims against Craigslist for “failure to block,

### CDA Section 230(c)

Section 230(c) reads as follows in its entirety:

Protection for “Good Samaritan” Blocking and Screening of Offensive Material.

- (1) Treatment of publisher or speaker  
No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.
- (2) Civil Liability  
No provider or user of an interactive computer service shall be held liable on account of –
  - (A) any action voluntarily taken in good faith to restrict access to or availability of material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or
  - (B) any action taken to enable or make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

screen or otherwise prevent the dissemination” of third-party content.<sup>20</sup>

The Seventh Circuit, however, has questioned the majority’s view. In *Doe v. GTE Corp.*, plaintiffs sued GTE for its role in providing web hosting services to youngstuds.com, a website selling hidden-camera videos of plaintiffs

in locker rooms, showers, and bathrooms.<sup>21</sup> The question before the court was whether the claims against GTE for failure to censor materials it hosted were barred by Section 230.<sup>22</sup> Judge Easterbrook, writing for the court, noted that there are different possible readings of Section 230(c)(2): as a grant of immunity or as a definitional clause.<sup>23</sup> If Section 230(c)(2) is read as granting immunity, as it is by the majority of other courts, GTE could not be liable under “any state-law theory to the persons harmed by [the third-party’s] material.”<sup>24</sup> On the other hand, if it is merely a definition, Judge Easterbrook asserted that Section 230(e)(2) “would not preempt state laws or common-law doctrines that induce or require ISPs to protect the interest of third parties, such as the spied on plaintiffs, for such laws would not be ‘inconsistent with’ this understanding of 230(c)(1).”<sup>25</sup> As there was no such state or common law at issue, however, the court did not need to determine which reading of Section 230(c) is correct.<sup>26</sup>

A few years later, in *Chicago Lawyers’ Committee for Civil Rights Under Law, Inc. v. Craigslist, Inc.* [*Chicago Lawyers’ I*], a Northern District of Illinois judge picked up on Judge Easterbrook’s opinion and noted that because, under its interpretation, Section 230 does not grant absolute immunity, state legislatures may be able to “enact . . . initiatives that induce or require online service providers to protect the interest of third parties.”<sup>27</sup>

Despite raising these questions, however, the *GTE* and *Chicago Lawyers’ I* courts each held that defendant was not liable.<sup>28</sup>

### Selection of Material for Publication

Courts have repeatedly held that Section 230 immunizes a website or other interactive computer service from liability for selecting which third-party content to publish,<sup>29</sup> as long as the website reasonably believed that the content was provided by a third party with the intent that it be published on the Internet.<sup>30</sup> As one New Jersey court said, “[T]here is no relevant distinction between a user who knowingly allows content to be posted to a website he or she controls and a user who takes affirmative steps to republish another person’s content; CDA immunity applies to both.”<sup>31</sup>

Nonetheless, one Ninth Circuit judge has published several dissents contending that selection of content for publication is tantamount to creation or development of the information. In his opinions, Judge Gould argues that where a defendant takes “an active role in selecting information for publication, the information is no longer ‘information provided by another’ within the meaning of § 230.”<sup>32</sup> Judge Gould would not allow any protection where the defendant engaged in prepublication selection or editing of the content and would only allow protection for post-publication removal.<sup>33</sup> Thus far, Judge Gould’s opinions have been relegated to the dissent.

### Editing—by Insertion or Deletion

Subsection (c)(2) of Section 230 explicitly provides that,

No provider or user of an interactive computer service shall be held liable on account of

—(A) any action voluntarily taken in good faith to restrict access to or availability of material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected . . .<sup>34</sup>

Therefore, websites and other interactive computer services cannot be held liable for good faith deletion of obscenities and other objectionable content.<sup>35</sup> Moreover, courts have consistently held that Section 230 preempts liability for “exercise of a publisher’s traditional editorial functions—such as deciding whether to . . . alter content.”<sup>36</sup>

Nonetheless, altering or editing third-party content is considered “creation or development” of the content, and can lead to liability, if the revisions “materially contribut[e] to [the] alleged unlawfulness” of the content.<sup>37</sup> In other words, if the third-party statement is not defamatory before the web publisher edits it, but is defamatory afterward (such as by removing the word “not” from a submission that read “Mr. Smith did *not* steal the artwork”), then the web publisher loses CDA protection.<sup>38</sup> If, on the other hand, the statement is defamatory or otherwise harmful prior to editing, and the editing does not add to the harmful nature of the statement, then

the website is protected by the CDA against liability for the statement.<sup>39</sup>

For example, in *Doe v. City of New York*, one defendant, a counterterrorism advisor for the City of New York, allegedly added his own comments to emails containing anti-Muslim and anti-Arab American Muslims statements and forwarded them to other city employees, including plaintiff.<sup>40</sup> Plaintiff was required to receive these emails as part of his job and sued claiming a hostile work environment.<sup>41</sup> Defendant asserted that he was protected by the CDA for publishing the emails.<sup>42</sup> The district court held that because defendant added his own commentary to the emails and that speech was also allegedly tortious, “he fell out of the statute’s protections.”<sup>43</sup> On the other hand, in another case a court determined that where a defendant added lines to a forwarded email but none of the added content could be interpreted as referring to plaintiff, defendant was shielded by the CDA from plaintiff’s libel claim.<sup>44</sup>

Similarly, where a website or other interactive computer service adds headings and titles to third-party content, and the headings or titles themselves contain objectionable material, CDA protection can be lost,<sup>45</sup> as happened in *MCW Inc. v. BadBusinessBureau.com, LLC* and *Hy Cite Corp. v. BadBusinessBureau.com, LLC*. Both cases involved the same defendant, BadBusinessBureau.com, LLC, and its website containing “Rip-Off Reports” published by consumers about various businesses.<sup>46</sup> In *MCW*, a Northern District of Texas judge held that because plaintiff’s claims were based on the “disparaging titles, headings, and editorial messages that [the plaintiff] allege[d] the defendants created,” defendants were information content providers with respect to the postings and not immune under Section 230.<sup>47</sup> Likewise, in *Hy Cite*, a District of Arizona judge found that plaintiff’s allegations that the defamatory content appeared in editorial comments and headings created by defendant were sufficient to survive defendants’ motion to dismiss (asserting the claims were barred by Section 230).<sup>48</sup>

### Questionnaires and Forms

The issue of CDA protection becomes less clear as web publishers interact



with users by soliciting responses. Many websites provide questionnaires or forms, such as for dating, classified advertisements, and the like, for users to fill out. Thus far, case law indicates that the website will be immune when using such forms as long as these forms ask neutral questions that are not themselves unlawful and do not require unlawful responses.<sup>49</sup>

For example, in *Carafano v. Metro-splash.com, Inc.*, an actress brought an action against Matchmaker.com relating to a false dating profile created by a third party with the actress's actual contact information.<sup>50</sup> Matchmaker.com provided its users with a questionnaire to be filled out, along with essay questions to be answered.<sup>51</sup> The Ninth Circuit found that although the third

## The issue of CDA protection becomes less clear as web publishers interact with users by soliciting responses.

party used Matchmaker's questionnaire, "the selection of the content was left exclusively to the [third-party] user."<sup>52</sup> Further, "[t]he fact that Matchmaker classifie[d] user characteristics into discrete categories and collect[ed] responses to specific essay questions" did not make Matchmaker responsible for the creation or development of the information.<sup>53</sup> The court also rejected plaintiff's argument that because Matchmaker provided "pre-prepared responses" for users that Matchmaker was responsible for the misinformation.<sup>54</sup> Finally, the court determined that the responses to the essay questions did not bear more than "a tenuous relationship to the actual questions asked."<sup>55</sup> Therefore, Matchmaker was not responsible for the creation or development of the content and was protected by Section 230.<sup>56</sup>

Similarly, in *Dart v. Craigslist, Inc.*, the Northern District of Illinois held that Craigslist was not an information content provider with respect to illegal advertisements posted by its users under its "adult services" category.<sup>57</sup> In *Dart*,

the court rejected the bare allegations that Craigslist "provides" the illegal content or "arranges" and "directs" the illegal content.<sup>58</sup> The court examined the allegedly illegal content and determined that the heading "adult services" and its subcategories were not themselves unlawful—nor did they "necessarily call for unlawful content."<sup>59</sup> The court also noted that Craigslist's express policies prohibited such content.<sup>60</sup> Finally, the court found that Craigslist's search function was merely a "neutral tool" and did not render it an information content provider.<sup>61</sup>

On the other hand, if the language of the form itself is unlawful, or if the form or questionnaire requires responses that are unlawful, the website may be considered to have "created or developed" the content and lose its CDA protection.<sup>62</sup> For example, in *Fair Housing Council of San Fernando Valley v. Roommates.com, LLC*, local fair housing councils brought an action against Roommates.com alleging violations of the Fair Housing Act.<sup>63</sup> Roommates.com required its users to input their sex, family status, and sexual orientation, and displayed those answers on the user's profile page.<sup>64</sup> The website also required users to list their preferences for a roommate in those categories.<sup>65</sup> The Ninth Circuit held that "[b]y requiring subscribers to provide the information as a condition of service, and by providing a limited set of pre-populated answers, Roommates.com becomes much more than a passive transmitter of information provided by others; it becomes the developer, at least in part, of that information."<sup>66</sup> Where "unlawful questions solicit (a.k.a. 'develop') unlawful answers," the website becomes an information content provider with respect to those answers.<sup>67</sup>

Notably, Roommates.com allegedly did more than merely "encourage or solicit" the unlawful content: it supposedly forced users to provide the unlawful content in order to use the website's service.<sup>68</sup> In so doing, Roommates.com "contribute[d] materially to the alleged illegality of the conduct" and was not shielded by the CDA.<sup>69</sup>

According to courts interpreting the CDA in the wake of the *Roommates* decision, simply supplying a broad choice of categories for third-party selection is not sufficient to lose CDA protection,

even when some of the choices may be harmful.<sup>70</sup> However, "[w]ebsite operators lose immunity where the questions posed and/or choice of answer is responsible for the creation [or] development of the alleged harmful content."<sup>71</sup>

### Solicitation

A number of CDA cases have arisen recently in which website defendants have encouraged or directed third-party submissions more "actively" than merely providing questionnaires and forms. As with the decisions relating to questionnaires and forms, the majority of courts have held that the website operators will not lose CDA protection if they neutrally solicit content to be submitted, even if the submission contains defamatory statements or other unlawful content.<sup>72</sup> The Tenth Circuit and several lower courts have held, however, that websites may lose CDA protection if they actively solicit or encourage submission of what is offensive about the content.<sup>73</sup>

For example, in *Federal Trade Commission v. Accusearch Inc.*, Accusearch provided confidential telephone records to its customers over the Internet.<sup>74</sup> Collection of the records at issue violated the Telecommunications Act, so the Federal Trade Commission alleged that Accusearch was engaged in an unfair practice in violation of the Federal Trade Commission Act.<sup>75</sup> To obtain the confidential records, Accusearch assigned searches to third-party researchers who sent the records and an invoice directly to Accusearch. Accusearch then passed the records on to its customers via email and its website.<sup>76</sup> Accusearch argued that the researchers were third parties, i.e., "another information content provider," so Accusearch could not be treated as publisher of the unlawful content under the CDA.<sup>77</sup>

In affirming the grant of summary judgment against Accusearch, the Tenth Circuit defined "development" and "being responsible for development" of information.<sup>78</sup> First, the court stated that "when confidential telephone information was exposed to public view through [defendant's website], that information was 'developed.'"<sup>79</sup> In so doing, the court relied on *Webster's Third New International Dictionary* definition for *develop*, i.e., "to make actually available or usable

something previously only potentially available or usable.”<sup>80</sup>

Although this broad definition would include many activities where courts have affirmed CDA immunity, including acting as a mere conduit for information, the court then narrowed liability for websites and other interactive computer services by holding that that the term *responsible* must mean something more than merely being a “neutral conduit” for the content.<sup>81</sup> Specifically, the Tenth Circuit found that one is not “responsible” for the development of harmful content submitted by third parties if “one’s conduct was neutral with respect to the offensiveness of the content.”<sup>82</sup> The court noted, “We would not ordinarily say that one who builds a highway is ‘responsible’ for the use of that highway by a fleeing bank robber, even though the culprit’s escape was facilitated by the availability of the highway.”<sup>83</sup> As a result, the court concluded that an interactive computer service is “‘responsible’ for the development of offensive content only if it in some way specifically encourages development of what is offensive about the content.”<sup>84</sup>

Accusearch could not claim protection under the CDA because it: (1) “solicited requests for confidential information,” (2) “paid researchers to obtain it,” (3) “knowingly sought to transform virtually unknown information into a publicly available commodity,” and (4) “knew that its researchers were obtaining the information through fraud or other illegality.”<sup>85</sup> Therefore, the Tenth Circuit affirmed the grant of summary judgment for the plaintiff.<sup>86</sup>

Arguably, the Tenth Circuit’s decision inserts a good faith element into portions of the CDA that do not explicitly require such analysis: did the defendant act in good faith when soliciting the third-party content?<sup>87</sup> Avoiding such an analysis, Judge Tymkovich’s concurring opinion in *Accusearch* argued that the CDA only protects against content, not conduct; and because Accusearch’s conduct (or the conduct of its agents) in acquiring the information was itself an unfair practice, the CDA would not apply.<sup>88</sup>

Another solicitation case yields a broader (although unpublished) holding in favor of plaintiffs. In *MCW*, the

court denied a motion to dismiss filed by defendant websites *BadBusiness-Bureau.com* and *RipoffReport.com* under the CDA for numerous reasons including that they

encouraged a consumer to take [and submit] photos of (1) the owner [of plaintiff company], (2) the owner’s car, (3) the owner handing out Rip-off Reports in front of [plaintiff’s] offices, and (4) the [plaintiff’s corporate] sign . . . all so that defendants could solicit these photos on the websites.<sup>89</sup>

Noting that the CDA “does not immunize an interactive computer service if it also functions as an information content provider for the portion of the statement or publication at issue,”<sup>90</sup> the Northern District of Texas court held that the “defendants cannot disclaim responsibility for disparaging material that they actively solicit.”<sup>91</sup> The court asserted that “actively encouraging and instructing a consumer to gather specific detailed information” goes beyond traditional publishing roles and constitutes development under the CDA.<sup>92</sup>

In *Doctor’s Associates, Inc. v. QIP Holder LLC a/k/a Subway v. Quiznos*, a District of Connecticut judge also found loss of CDA protection for “active solicitation” of content.<sup>93</sup> Sandwich company Quiznos started an advertising campaign with television commercials and a website at *meatnomeat.com* that compared the amount of meat in Quiznos’ sandwiches to that in Subway sandwiches.<sup>94</sup> Through the website, Quiznos encouraged consumers to enter into a contest called the “Quiznos v. Subway TV Ad Challenge,” whereby participants submitted videos showing “why [they] think Quiznos is better.”<sup>95</sup> Quiznos also posted sample videos to guide participants.<sup>96</sup>

Because Subway evidently offered selections with a comparable amount of meat to Quizno’s sandwiches, Subway sued alleging false and misleading advertising in violation of the Lanham Act.<sup>97</sup> Quiznos asserted that it was protected by the CDA for entrant submissions because it did not alter them.<sup>98</sup> Subway responded by asserting that (1) because Quiznos claimed ownership of all content under the contest rules, and (2) Quiznos

provided direction in the submission requirements, Quiznos was responsible for the creation or development of entrant content.<sup>99</sup> Quiznos maintained that because the contest rules expressly prohibited “false or misleading” content, any false or misleading submissions were in violation of those rules, and Quiznos should not be responsible for them.<sup>100</sup>

The court denied summary judgment to Quiznos on the grounds that “[a] reasonable jury may well conclude that the Defendants did not merely post the arguably disparaging content contained in the contestant videos, but instead actively solicited disparaging representations about Subway and thus were responsible for the creation or development of the offending contestant videos.”<sup>101</sup>

On the other hand, in *Nemet v. Chevrolet, Ltd. v. ConsumerAffairs.com, Inc.*, *ConsumerAffairs.com* was given protection under the CDA for solicitation of submissions.<sup>102</sup> *ConsumerAffairs.com* operated a forum for consumers to review goods and services<sup>103</sup> and allegedly “used the site to ‘solicit donations, sell advertising space, assist and encourage the formation of class action law suits, charge promotional fees on amounts collected by consumers, and advertise and sell ‘rip-off revenge’ packs that encourage consumers to avenge themselves on companies.”<sup>104</sup> In deciding defendant’s motion to dismiss under the CDA, the Fourth Circuit noted that the *ConsumerAffairs* website did not “require[] users to input illegal content as a necessary condition of use”<sup>105</sup> and thus held in favor of the defendant.<sup>106</sup> The court distinguished *ConsumerAffairs.com*’s actions from those of the defendant in *Roommates.com*<sup>107</sup> and the lower court distinguished them from the actions of the defendants in *MCW*.<sup>108</sup>

### Contract/Payment

The text of the CDA provides that if a website or other “interactive computer service” is “responsible, in whole or in part” for the “creation or development” of the content, the website loses its CDA protection.<sup>109</sup> As a result, one might assume that if the unlawful content is provided pursuant to a contract with the website, then the publisher becomes “responsible” at least “in part” for the content and thus loses CDA immunity.

Courts have not interpreted the CDA this way, however. Merely contracting for rights to publish the content, where the contract is neutral and does not specifically seek or encourage the defamatory or unlawful nature of the content, is not sufficient to lose CDA immunity.<sup>110</sup> One federal court indicated that immunity is not lost even if payment is made for the content and the publisher has the ability to remove harmful content,<sup>111</sup> although two other federal courts considered payment a factor in ruling that CDA protection was lost.<sup>112</sup>

In *Blumenthal v. Drudge*,<sup>113</sup> defendant American Online, Inc. (AOL) entered into a “written license agreement” with co-defendant Matt Drudge that allowed AOL to make Drudge’s *Drudge Report* “available to all members of AOL’s [Internet] service for a period of one year.”<sup>114</sup> Pursuant to the license agreement, Drudge “received a flat monthly ‘royalty payment’ of \$3,000 from AOL.”<sup>115</sup> Moreover, “during the time relevant to this case, defendant Drudge has had no other source of income.”<sup>116</sup> In addition, although Drudge was to “create, edit, update and ‘otherwise manage’ the content of the *Drudge Report*,” AOL could “remove content that AOL reasonably determine[d] to violate AOL’s then standard terms of service.”<sup>117</sup>

Notwithstanding AOL’s contract with Drudge, the court held that AOL had no role in “creating or developing any of the information in the *Drudge Report*,” and thus was protected from liability by the CDA.<sup>118</sup>

Although indicating some annoyance with the broad protection offered by the CDA and AOL’s exploitation of such protection,<sup>119</sup> the court nonetheless held that the CDA’s “language is clear: AOL is immune from suit.”<sup>120</sup> The court pointed to two factors that appeared to particularly influence its decision: (1) “plaintiffs affirmatively state that ‘no person, other than Drudge himself, edited, checked, verified, or supervised the information that Drudge published in the *Drudge Report*’”<sup>121</sup>; and (2) “there is no evidence to support the view originally taken by plaintiffs that Drudge is or was an employee or agent of AOL, and plaintiffs seem to have all but abandoned that argument.”<sup>122</sup> AOL’s contractual ability to remove content

from the *Drudge Report* was insufficient to result in loss of immunity.

This decision comports with the approach of the terms of use on most media websites. Users generally must “click” their agreement to those terms of use prior to submitting content for publication on the website, and terms typically specify that the media publisher may freely edit or delete content submitted by its users. Thus, if the *Drudge* court had held that publishers were liable for third-party content merely due to contractual provisions allowing the publisher to edit the content, nearly every publisher with a website would have to change its terms of use to provide for less control over content published on its site. This outcome would seem to have the reverse effect on web publishers than that which Congress intended when enacting the CDA. As noted by numerous courts, the CDA was intended to immunize publishers from liability for a “publisher’s traditional editorial functions—such as deciding whether to publish, withdraw, postpone or alter content. . . .”<sup>123</sup>

The *Drudge* decision that a mere contract is insufficient to trigger CDA immunity was reinforced by the Washington Court of Appeals in *Schneider v. Amazon.com*<sup>124</sup> and by the Tenth Circuit in *Ben Ezra, Weinstein, and Company v. America Online Inc.*<sup>125</sup> In *Schneider*, Amazon.com’s posting terms stated that “if you post reviews or comments on the site, you grant Amazon.com and its affiliates a non-exclusive, royalty-free, perpetual, irrevocable, and fully sublicensable right to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute and display such reviews and comments throughout the world in any media.”<sup>126</sup> Plaintiff argued that because Amazon claimed licensing rights in the posted material, CDA protection was lost. The Washington Court of Appeals held, however, that “*Schneider*’s licensing rights argument was rejected in *Blumenthal v. Drudge*” and ruled for Amazon.com.<sup>127</sup>

In *Ben Ezra*, AOL entered into contracts with two vendors that provided stock quotations for publication on AOL’s Internet service.<sup>128</sup> When AOL published allegedly inaccurate stock quotations provided by one of the vendors, plaintiff alleged that AOL “worked so closely” with the vendors

“in the creation or development of the stock quotation information that [AOL] also operated as an information content provider.”<sup>129</sup> The Tenth Circuit held that AOL was not an information content provider because plaintiff “presents no evidence to contradict [AOL’s] evidence that [the vendors] alone created the stock information at issue.”<sup>130</sup> Although not specifically ruling that the contract was insufficient to convert AOL into an information content provider, the court rejected the plaintiff’s claim that AOL was “responsible, in whole or in part, for the creation or development” of the incorrect stock quotes by noting that “in fact, the contract between [AOL] and [one of the vendors] specifically provided that ‘AOL may not modify, revise or change’ the information which [the vendor] provided.”<sup>131</sup>

Contract terms disclaiming responsibility are not necessarily sufficient to yield protection under the CDA, however. In *Accusearch*, defendant’s third-party vendors were “required by Accusearch to provide assurances that they would perform their work in accordance with applicable law.”<sup>132</sup> Nonetheless, the Tenth Circuit found that because Accusearch “knew” that its vendors obtained the submitted content “through fraud or other illegality” and continued to solicit and pay for it anyway, Accusearch was “responsible” for “development” of the offensive content under the CDA.<sup>133</sup>

In addition, despite the fact that the payment in *Drudge* was insufficient to cause a loss of CDA immunity, in *Hy Cite*, the court denied a website defendant’s motion to dismiss when plaintiff alleged that defendant “solicit[ed] individuals to submit [content] with the promise that individuals may ultimately be compensated for their reports.”<sup>134</sup> The court held that these “allegations arguably could support a finding that Defendants are ‘responsible . . . for creation or development’” of the information provided in response.<sup>135</sup>

### Badging

Badging occurs when website operators or users of a website invest a user with some symbol of authority or trustworthiness. eBay.com, for example, allows users to recommend or rate other users by providing feedback; as



positive feedback accrues, users gain stars indicating their positive ratings.<sup>136</sup> eBay.com also awards a “Power Sellers” endorsement to users with a large number of sales and positive feedback ratings. In *Gentry v. eBay, Inc.*, a California Court of Appeal held that this rating and endorsement system was not enough to remove eBay.com from the protections of the CDA for the content provided by its users. However, where the website rather than a user provides the badging, commentators have suggested the website may have vested the badged user with some authority as an agent and may then be liable for the badged user’s posts.<sup>137</sup>

### Employment/Agency

When the posting is made by an authorized agent of the website or an employee within the scope of employment, CDA protection is likely to be lost, because under agency and vicarious liability principles, the principal or employer would be responsible for the actions of its agent or employee in creating or developing the content.<sup>138</sup>

The question of whether an agency or employment relationship has been formed, however, has taken on greater significance recently as media entities consider whether they can contract with freelancers (such as bloggers) to submit content to their websites without losing CDA immunity. Although decisions about specific freelancer relationships are likely to be determined on a case-by-case basis using numerous factors,<sup>139</sup> several cases arising under the CDA are instructive.

In *Blumenthal v. Drudge*, content provider Matt Drudge was under contract and paid by AOL.<sup>140</sup> The court considered whether Drudge was an employee or agent of AOL and found “no evidence” to support such a claim.<sup>141</sup> Although the court did not provide its reasoning, the court did note that: (1) Drudge published his *Drudge Report* on his own website as well, independently of its publication through AOL; (2) Drudge had a list of regular readers or subscribers to whom he emailed each edition; and (3) during the term of the license with AOL, Drudge continued to distribute each new edition via e-mail and his own website.<sup>142</sup> This list suggests that the court believed Drudge was not an agent of AOL because AOL was not

the exclusive publisher of the content.

In *Raggi v. Las Vegas Metropolitan Police Department*, police union members posted offensive content on the union’s online bulletin board.<sup>143</sup> The Nevada district court acknowledged that in some instances a principal-agent relationship can be formed when a union member commits a tort while acting within the scope of union business (such as causing an automobile accident for the purposes of intimidating a person for crossing the union picket line), but held that in the present case no principal-agent relationship was formed.<sup>144</sup> Citing *Batzel v. Smith*, the court held that “a principal can be liable for ratifying an unauthorized tort only if a principal-agent relationship existed at the time of the tort,” but “here it is clear that the posters were not acting as agents” of the union.<sup>145</sup> As a result, the court held the police union was immune under Section 230.<sup>146</sup>

Similarly, where employees act outside of the scope of their employment, employers may receive CDA protection. In *Delfino v. Agilent Technologies, Inc.*, the allegedly defamatory statements were written by defendant’s employee, often using defendant’s computers and network.<sup>147</sup> The court found, however, that the employee’s conduct was outside the scope of his employment.<sup>148</sup> The court reasoned that (1) “the injury he inflicted was ‘out of personal malice, not engendered by the employment;’”<sup>149</sup> and (2) using the defendant employer’s computers and network to access and send message through his personal email account was never part of the employee’s job description.<sup>150</sup> As a result, the employer was granted protection under the CDA.<sup>151</sup>

### Conclusion

As interpreted by case law over the past fifteen years, Section 230 provides broad protection for neutral actions that media entities and other interactive computer services might take concerning third-party content posted on their websites. Hosting, reviewing, editing, and even soliciting content all typically are protected activities as long as the media entity does not create or solicit the offensive portion of the third-party submission.

Case law indicates, however, that

CDA protection may be lost when (1) the media entity promises to remove the offensive content and fails to do so; (2) the posting is made pursuant to an authorized agency or employment relationship with the media entity; (3) the media entity engages in conduct that is unlawful apart from the publication of the content; (4) the media entity inserts the offensive content; or (5) the media entity actively solicits the offensive portion of the third-party submission.

### Endnotes

1. 47 U.S.C. § 230.
2. See CNN iREPORT, available at <http://ireport.cnn.com>.
3. Note, however, that while most publication-based torts such as defamation are clearly covered, Section 230 excepts claims under criminal law, intellectual property law, consistent state laws, and certain communications privacy laws from these protections. 47 U.S.C. § 230(e).
4. 47 U.S.C. § 230(f)(3).
5. See discussion below. Moreover, on at least one occasion, the company was protected by the CDA even for content written by an employee using a company computer where the content was written by the employee outside of the scope of his employment and published without knowledge of the company on a website not owned by the company. *Delfino v. Agilent Tech., Inc.*, 52 Cal. Rptr. 3d 376 (Cal. Ct. App. 2006), cert. denied, 128 S. Ct. 98 (2007).
6. See, e.g., *Universal Commc’n Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 420–21 (1st Cir. 2007); *Green v. Am. Online, Inc.*, 318 F.3d 465, 470 (3d Cir. 2003), cert. denied, 540 U.S. 877 (2003); *Zeran v. Am. Online, Inc.*, 129 F.3d 327, 328 (4th Cir. 1997), cert. denied, 524 U.S. 937 (1998); *Collins v. Purdue Univ.*, 703 F. Supp. 2d 862, 879 (N.D. Ind. 2010); *Dimeo v. Max*, No. 06-3171, 2007 WL 2717865, at \*2 (3d Cir. Sept. 19, 2007) (*Dimeo II*); *Parker v. Google*, No. 06-3074, 2007 WL 1989660, at \*4 (3d Cir. July 10, 2007), cert. denied, 552 U.S. 1156 (2008).
7. *Zeran*, 129 F.3d at 331.
8. *Universal Commc’n Sys.*, 478 F.3d at 420; *Green*, 318 F.3d at 471–72; *Zeran*, 129 F.2d at 330–33; *Beyond Systems, Inc. v. Keynetics, Inc.*, 422 F. Supp. 2d 523, 536–37 (D. Md. 2006); *Parker v. Google*, 422 F. Supp. 2d 492, 500–01 (E.D. Pa. 2006), aff’d, 2007 WL 1989660 (3d Cir. July 10, 2007), cert. denied, 552 U.S. 1156 (2008); see also *Barnes v. Yahoo!, Inc.*, 570 F.3d

1096, 1102–05 (9th Cir. 2009).

It is important to note that the CDA differs from the Digital Millennium Copyright Act (DMCA) concerning the effect of notice. The DMCA creates a safe harbor for online service providers if they meet certain guidelines and requirements, but one of those includes having and following takedown procedures upon notice of content that infringes a copyright. 17 U.S.C. § 512. Because intellectual property claims are not preempted by the CDA (17 U.S.C. § 230(e)(2)), a media entity or other website operator must still comply with the DMCA for content provided by others that infringes a copyright.

9. *Barnes*, 570 F.3d at 1106–09; Scott P. v. Craigslist, No. CGC-10-CV-496687 (First Amended Complaint ¶ 77, Mar. 3, 2010; Order Sustaining in Part and Overruling in Part Craigslist, Inc.’s Demurrer, Cal. Sup. Ct. filed July 6, 2010).

10. *Barnes*, 570 F.3d at 1104–09.

11. *Id.* at 1098.

12. *Id.*

13. *Id.* at 1098–99.

14. *Id.* at 1104–09. Furthermore, on remand the district court held that the plaintiff provided sufficient facts in support of her promissory estoppel claim to survive defendant’s motion to dismiss. *Barnes v. Yahoo!, Inc.*, 2009 WL 4823840 (D. Or. Dec. 11, 2009) (*Barnes II*).

15. Scott P. v. Craigslist, No. CGC-10-CV-496687 (Cal. Sup. Ct.) (First Amended Complaint ¶ 77, filed Mar. 3, 2010; Order Sustaining in Part and Overruling in Part Craigslist, Inc.’s Demurrer, filed July 6, 2010).

16. *Murawski v. Pataki*, 514 F. Supp. 2d 577, 591 (S.D.N.Y. 2007) (“Deciding whether or not to remove content or deciding when to remove content falls squarely within [website operator’s] exercise of a publisher’s traditional role and is therefore subject to the CDA’s broad immunity”) (citing *Zeran* and the lower court’s decision in *Barnes* that dismissed the promissory estoppel claim on CDA grounds but was later reversed by the Ninth Circuit).

17. See, e.g., *Doe v. MySpace, Inc.*, 528 F.3d 413, 419–20 (5th Cir.), *cert denied*, 129 S. Ct. 600 (2008) (dismissing plaintiff’s claims against MySpace for failing to take security precautions to protect its users); *Green*, 318 F.3d at 470–71 (dismissing plaintiff’s claims against AOL for negligence in “failing to address certain harmful content on its network”); Chicago Lawyers’ Comm. for Civil Rights Under Law, Inc. v. Craigslist, Inc., 461 F. Supp. 2d 681,

696 (N.D. Ill. 2006) (*Chicago Lawyers I*) (“[W]hen Congress enacted Section 230(c), it did so to address the problem of holding liable for defamation ICSs that reviewed third-party content . . . while leaving free from liability ICS that did not review content.”); *Gibson v. Craigslist, Inc.*, No. 08 Civ. 7735 (RMB), 2009 WL 1704355, at \*4 (S.D.N.Y. June 15, 2009) (dismissing plaintiff’s claims against Craigslist for “failure to block, screen or otherwise prevent the dissemination” of third-party content); see also Chicago Lawyers’ Comm. for Civil Rights Under Law, Inc. v. Craigslist, Inc., 519 F.3d 666, 668–69 (7th Cir. 2008) (*Chicago Lawyers II*) (noting the expense and burden an interactive computer service would be forced to incur if required to vet all content posted through its service).

18. *Green v. Am. Online*, 318 F.3d 465 (3d Cir.), *cert. denied*, 540 U.S. 877 (2003).

19. *Green*, 318 F.3d at 468.

20. *Gibson*, 2009 WL 1704355, at \*4.

21. *Doe v. GTE Corp.*, 347 F.3d 655 (7th Cir. 2003).

22. *Id.*

23. *Id.* at 659–60.

24. *Id.* at 659.

25. *Id.* at 660. Section 230(e)(2) reads: “Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section. No cause of action may be brought and no liability may be imposed under any State or local law that is inconsistent with this section.” 47 U.S.C. § 230(e)(2).

26. *GTE*, 347 F.3d at 660.

27. *Chicago Lawyers I*, 461 F. Supp. 2d at 697 (disagreeing with the proposition from *Zeran* that 230(c)(1) provides immunity for “all causes of action,” and stating that as such, state legislatures may be able to “enact . . . initiatives that induce or require online service providers to protect the interest of third parties,” but not “definitively” reaching the issue of whether such initiatives are permissible).

28. In *GTE*, the Seventh Circuit found *GTE* was not liable to plaintiffs for the claim at issue (negligent entrustment of a chattel) because plaintiffs could not provide a “case in any jurisdiction holding that service provider must take reasonable care to prevent injury to third parties.” *GTE*, 347 F.3d at 661–62. In *Chicago Lawyers I*, the Northern District of Illinois found that defendant was protected by the CDA for alleged violations of the Fair Housing Act. *Chicago Lawyers I*, 461 F. Supp. 2d at 698.

29. See e.g., *Carafano v. Metrosplash*,

339 F.3d 1119, 1124 (9th Cir. 2003) (“So long as a third party willing provides the essential published content, the interactive service provider receives full immunity regardless of the specific editing or selection process.”); *Batzel v. Smith*, 333 F.3d 1018, 1032 (9th Cir.), *reh’g denied*, 351 F.3d 904 (9th Cir. 2003), *cert. denied*, 541 U.S. 1085 (2004) (*Batzel I*) (“The scope of the immunity cannot turn on whether the publisher approaches the selection process as one of inclusion or removal, as the difference is one of method or degree, not substance.”); *Dimeo v. Max*, 433 F. Supp. 2d 523, 530–31 (E.D. Pa. 2006), *aff’d*, No. 06-3171, 2007 WL 2717865 (3d Cir. 2007) (*Dimeo I*); *Corbis Corp. v. Amazon.com, Inc.*, 351 F. Supp. 2d 1090, 1118 (W.D. Wash. 2004) (quoting *Carafano*, 339 F.3d at 1125); *Shiamili v. Real Estate Group*, 892 N.Y.S.2d 52, 54 (N.Y. App. Div. 2009); *Riet v. Yelp!, Inc.*, 907 N.Y.S.2d 411, 414 (N.Y. Sup. Ct. 2010); *Kruska v. Perverted Justice Found. Inc. Org.*, No. CV-08-00054-PHX-SMM, 2011 WL 1260224, \*4 (D. Ariz. Apr. 5, 2011); *Novins v. Cannon*, No. 09-5354, 2010 WL 1688695, at \*2 (D.N.J. Apr. 27, 2010).

30. *Batzel I*, 333 F.2d at 1034 (stating that whether content was provided by another depends on whether a “reasonable person in the position of the service provider or user would conclude that the information was provided for publication on the Internet or other ‘interactive computer service.’”).

31. *Novins*, 2010 WL 1688695, at \*2.

32. *Batzel I*, 333 F.3d at 1038 (Gould, C.J., concurring in part, dissenting in part) (“If the defendant took an active role in selecting information for publication, the information is no longer “information provided by another” within the meaning of § 230”); see also *Batzel v. Smith*, 351 F.3d 904, 909 (9th Cir. 2003) (*Batzel II*) (Gould, C.J., dissenting) (“Section 230 demonstrates a clear Congressional intent to immunize screening and post-publication removal, but shows no corresponding Congressional intent to immunize pre-publication selection and editing.”).

33. See generally *Batzel I*, 333 F.3d at 1036–41 (Gould, C.J., concurring in part, dissenting in part); see also *Batzel II*, 351 F.3d at 905–10 (Gould, C.J., dissenting).

34. 47 U.S.C. § 230(c)(2)(A).

35. See *Barnes*, 570 F.3d at 1105 (“Subsection (c)(2), for its part, provides an additional shield from liability, but only for ‘any action voluntarily taken in good faith to restrict access to or availability of

material that the provider . . . considers to be obscene . . . or otherwise objectionable.”); *GTE*, 347 F.3d at 659 (“Under Section 230(c)(2), “[a] web host that does filter out offensive material is not liable to the censored customer.”); *Donato v. Moldow*, 865 A.2d 711, 726 (N.J. Super. Ct. App. Div. 2005) (defendant’s “act of deleting profanity from a posted message and then reposting it in redacted form” did not transform him into an “information content provider” or cause him to lose CDA protection); *but see* *Fair Housing Council v. Roommates.com, LLC*, 521 F.3d 1157, 1169 (9th Cir. 2008) (deleting a single word can result in liability if it changes the submitted statement from harmless to harmful).

36. *Zeran*, 129 F.3d at 330; *see also* *Nemet Chevrolet, Ltd. v. ConsumerAffairs.com, Inc.*, 591 F.3d 250, 258 (4th Cir. 2009) (“[Section] 230 forbids the imposition of publisher liability on a service provider for the exercise of its editorial and self-regulatory functions.”); *Barnes*, 570 F.3d at 1102 (citing *Zeran*, 129 F.3d at 330); *Universal Comm’n Sys., Inc.*, 478 F.3d at 422 (quoting *Zeran*, 129 F.3d at 330–31); *Green*, 318 F.3d at 471 (quoting *Zeran*, 129 F.3d at 330); *Batzel I*, 333 F.3d at 1031 n.18 (quoting *Zeran*, 129 F.3d at 330); *Ben Ezra, Weinstein and Co., Inc. v. Am. Online, Inc.*, 206 F.3d 980, 986 (10th Cir.), *cert. denied*, 531 U.S. 824 (2000) (citing *Zeran*, 129 F.3d at 331); *Dimeo II*, 2007 WL 2717865, at \*1 (quoting *Zeran*, 129 F.3d at 330). *But see* *Batzel I*, 333 F.3d at 1036–41 (Gould, C.J., concurring in part, dissenting in part); *Batzel II*, 351 F.3d at 905–10 (Gould, C.J., dissenting); *Chicago Lawyers I*, 461 F. Supp. 2d at 695 (disagreeing with the proposition from *Zeran* that 230(c)(1) protects traditional publishing functions, including alteration of content, and asserting that “[b]y altering content, an ISP would no longer be posting information provided by ‘another content provider—a prerequisite under Section 230(c)(1),’” but noting that “to succeed on any claim, [a plaintiff] would still have to show that [the defendant’s] alteration is what caused the alleged injury.”).

37. *Roommates.com*, 521 F.3d 1157, 1167–68 (9th Cir. 2008); *see also* *Goddard v. Google, Inc.*, 640 F. Supp. 2d 1193, 1196 (N.D. Cal. 2009) (quoting *Roommates*, 521 F.3d at 1167–68); *Milo v. Martin*, 311 S.W.3d 210, 217 (Tex. App. 2010) (citing *Roommates*, 521 F.3d at 1167–68); *Hung Tan Phan v. Lang Van Pham*, 105 Cal. Rptr. 3d 791, 793 (Ct. App. 2010),

*reh’g denied* (Mar. 23, 2010), *review denied* (May 12, 2010) (citing *Roommates*, 521 F.3d at 1165, 1167–68, and 1169); *Swift v. Zynga Game Network, Inc.*, No. C 09-05443 SBA, 2010 WL 4569889, at \*4 (N.D. Cal. Nov. 3, 2010) (citing *Roommates*, 521 F.3d at 1163); *Hill v. StubHub, Inc.*, No. 07 CVS 11310, 2011 WL 1675043, at \*3–4 (N.C. Super. Ct. Feb. 28, 2011) (discussing *Roommates*, 521 F.3d at 1163–64); *Certain Approval Programs, LLC v. XCentric Ventures, LLC*, No. CV08-1608-PHX-NVW, 2009 WL 596582, at \*2 (D. Ariz. Mar. 9, 2009).

38. *Roommates.com, LLC*, 521 F.3d at 1169 (“A website operator who edits user-created content, such as by correcting spelling, removing obscenity or trimming for length, retains his immunity for any illegality in the user-created content, provided that the edits are unrelated to the illegality. However, a website operator who edits in a manner that contributes to the alleged illegality, such as by removing the word ‘not’ from a user’s message reading ‘[Name] did not steal the artwork’ in order to transform an innocent message into a libelous one—is directly involved in the alleged illegality and thus not immune.”).

39. *Carafano*, 339 F.3d at 1124 (“[S]o long as a third party willing provides the essential published content, the interactive service provider receives full immunity regardless of the specific editing or selection process.”); *Donato*, 865 A.2d at 726 (because the “essential published content,” the defamatory statements, were provided by third parties,” CDA protection was not lost (citing *Carafano*, 339 F.3d at 1124–25); *Mitan v. A. Neumann & Assocs., LLC*, No. 08-6154, 2010 WL 4782771, at \*5 (D.N.J. Nov. 17, 2010) (holding that where defendant added nondefamatory language to an allegedly defamatory email before forwarding to others, defendant was protected by the CDA); *see also* *Batzel I*, 333 F.3d at 1031 (holding that defendant was not a content provider where he made “minor alterations,” including wording changes, to the email being forwarded).

40. *Doe v. City of New York*, 583 F. Supp. 2d 444, 446 (S.D.N.Y. 2008).

41. *Id.* at 446.

42. *Id.* at 449.

43. *Id.*

44. *Mitan*, 2010 WL 4782771, at \*5; *see also* *Batzel I*, 333 F.3d at 1031.

45. *Hy Cite Corp. v. BadBusinessBureau.com, LLC*, 418 F. Supp. 2d 1142 (D. Ariz. 2005); *Global Royalties, Ltd. v. XCentric Ventures, LLC*, No.

07-956-PHX-FJM, 2007 WL 2949002, at \*3 (D. Ariz. Oct. 10, 2007) (holding *BadBusinessBureau.com* was protected by the CDA where it only supplied the title of “Con Artists” as an option to the third party who provided the content); *MCW Inc. v. BadBusinessBureau.com, LLC*, No. 3:02-CV-2727-G, 2004 WL 833595 (N.D. Tex. Apr. 19, 2004).

46. *See e.g.*, *Hy Cite*, 418 F. Supp. 2d at 1142; *MCW*, 2004 WL 833595.

47. *MCW*, 2004 WL 833595, at \*10.

48. *Hy Cite*, 418 F. Supp. 2d at 1148–

49. Note that in another case involving *ripoffreport.com*, summary judgment was granted to the defendant pursuant to the CDA. *GW Equity LLC v. Xcentric Ventures LLC*, 2009 WL 62173 (N.D. Tex. Jan. 9, 2009). In that case, plaintiff failed to produce sufficient evidence that defendant had in fact created the allegedly defamatory titles and headings. *Id.* at \*6. Thus, while allegations of such creation may be sufficient to survive a motion to dismiss, failure to prove such allegations may still result in CDA protection at the summary judgment stage.

49. *See e.g.*, *Roommates.com*, 521 F.3d at 1157; *Chicago Lawyers II*, 519 F.3d at 666; *Carafano*, 339 F.3d at 1119; *Doe v. Friendfinder Networks, Inc.*, 540 F. Supp. 2d 288 (D.N.H. 2008); *Dart v. Craigslist, Inc.*, 665 F. Supp. 2d 961 (N.D. Ill. 2009); *Prickett v. InfoUSA, Inc.*, 561 F. Supp. 2d 646 (E.D. Tex. 2006); *GW Equity*, 2009 WL 62173, at \*5.

50. *Carafano v. Metrosplash.com*, 339 F.3d 1119 (9th Cir. 2003).

51. *Id.* at 1124.

52. *Id.*

53. *Id.*

54. *Id.* at 1125.

55. *Id.*

56. *Id.*; *see also* *Friendfinder*, 540 F. Supp. 2d at 296 (citing *Carafano*, 339 F.3d at 1124, for the proposition that because a profile has no content until a user creates it, the defendant website operator cannot be an information content provider for that content).

57. *Dart v. Craigslist, Inc.*, 665 F. Supp. 2d 961 (N.D. Ill. 2009); *see also* *Chicago Lawyers I*, 461 F. Supp. 2d at 681 (holding that *Craigslist* was protected by the CDA when it provided forms for placing allegedly illegal advertisements, but noting that a website should only receive CDA protection when it is “treated like a publisher” by the claim, not in every instance when it “acts like a publisher.”); *Prickett v. InfoUSA, Inc.*, 561 F. Supp. 2d



646 (E.D. Tex. 2006) (holding that where anonymous third parties posted advertisements for “adult services” with plaintiff’s contact information, the website operator was protected by the CDA).

58. *Dart*, 665 F. Supp. 2d at 967.

59. *Id.* at 968.

60. *Id.* at 969.

61. *Id.* at 967.

62. *See Roommates.com*, 521 F.3d at 1157.

63. *Id.* at 1162.

64. *Id.* at 1161–63.

65. *Id.*

66. *Id.* at 1166.

67. *Id.*

68. *Id.* at 1166 n.19.

69. *Id.* at 1168.

70. *See, e.g., GW Equity*, 2009 WL 62173, at \*5 (holding defendant, BadBusinessBureau.com, was protected by the CDA where defendant provided only “a broad choice of categories [some negative, some neutral] from which a user must make a selection in order to submit a report”).

71. *GW Equity*, 2009 WL 62173, at \*5.

72. *See e.g., Nemet*, 591 F.3d at 258; *Shiamili*, 892 N.Y.S.2d at 54; *Best W. Int’l, Inc. v. Furber*, No. CV-06-1537-PHX-DGC, 2008 WL 4182827, at \*10 (D. Ariz. Sept. 5, 2008).

73. *Fed. Trade Comm’n v. Accusearch Inc.*, 570 F.3d 1187, 1198–99 (10th Cir. 2009); *MCW*, 2004 WL 833595, at \*10; *Doctor’s Assocs., Inc. v. QIP Holder LLC*, No. 3:06-cv-1710(VLB), 2010 WL 669870, at \*24 (D. Conn. Feb. 19, 2010).

74. *Accusearch*, 570 F.3d at 1191–92.

75. *Id.* at 1192.

76. *Id.* at 1191.

77. *Id.* at 1195.

78. *Id.* at 1197–99.

79. *Id.* at 1198.

80. *Id.*

81. *Id.* at 1198–99.

82. *Id.* at 1199.

83. *Id.*

84. *Id.*

85. *Id.*

86. *Id.* at 1190–91.

87. *See Accusearch*, 570 F.3d at 1204 (Tymkovich, C.J., concurring) (labeling the majority’s test as one of “good faith” and arguing that the majority’s opinion relied too heavily on a subjective and unclear analysis of Accusearch’s motivations).

88. *See id.* at 1204–06 (Tymkovich, C.J., concurring).

89. *MCW*, 2004 WL 833595, at \*10.

90. *Id.* at \*7.

91. *Id.* at \*10.

92. *Id.*

93. *Doctor’s Assocs.*, 2010 WL 669870, at \*1.

94. *Id.* at \*1.

95. *Id.*

96. *Id.*

97. *Id.* at \*2.

98. *Id.* at \*7, 23–24.

99. *Id.* at \*7.

100. *Id.*

101. *Id.* at \*24. The parties settled the case shortly after summary judgment was denied. *Doctor’s Assocs., Inc. v. QIP Holders LLC*, No. 3:06-CV-01710-VLB (D. Conn. Feb. 23, 2010) (order dismissing case as settled).

102. *Nemet Chevrolet, Ltd. v. ConsumerAffairs.com, Inc.*, 591 F.3d 250 (4th Cir. 2009).

103. *Id.* at 252.

104. *Id.*

105. *Id.* at 257.

106. *Id.* at 258.

107. *Id.* at 257 (“Whereas the website in *Roommates.com* required users to input illegal content as a necessary condition of use, Nemet has merely alleged that ConsumerAffairs.com structured its website and its business operations to develop information related to class-action lawsuits. But there is nothing unlawful about developing this type of content. . . .”).

108. *Nemet Chevrolet, Ltd. v. ConsumerAffairs.com, Inc.*, 564 F. Supp. 2d 544, 550 (E.D. Va. 2008) (“In *MCW*, the defendants were encouraging posters to take pictures to add to the website, and were actively soliciting postings. There have been no allegations as to any such active solicitation of information by Defendants in this matter.”).

109. As noted above, parties who “create or develop” the content at issue are “information content providers” under Section 230(f)(3); and the CDA only provides a website with immunity with respect to content “provided by another information content provider.” 47 U.S.C. § 230(c)(1).

110. *See, e.g., Blumenthal v. Drudge*, 992 F. Supp. 44, 51–53 (D.D.C. 1998) (CDA protection granted); *Ben Ezra*, 206 F.3d at 986; *Schneider v Amazon.com, Inc.*, 31 P.3d 37, 43 (Wash. Ct. App. 2001) (CDA protection granted, citing *Drudge*, 992 F. Supp. 44); *but see Accusearch Inc.*, 570 F.3d at 1199 (CDA protection lost where defendant solicited the unlawful content from third-party vendors and paid them for it).

111. *Drudge*, 992 F. Supp. at 44.

112. *Accusearch Inc.*, 570 F.3d at 1199 (a factor in loss of CDA protection was

that defendant “paid researchers to obtain” the unlawful content); *Hy Cite*, 418 F. Supp. 2d at 1149 (where a plaintiff alleged that defendants “solicit[ed] individuals to submit [content] with the promise that the individuals may ultimately be compensated for their reports,” the court held that the “allegations arguably could support a finding that Defendants are ‘responsible . . . for creation or development’” of the information provided in response).

113. *Drudge*, 992 F. Supp. at 44.

114. *Id.* at 47.

115. *Id.*

116. *Id.*

117. *Id.*

118. *Id.* at 50.

119. “While it appears to this Court that AOL in this case has taken advantage of all the benefits conferred by Congress in the Communications Decency Act, and then some, without accepting any of the burdens that Congress intended, the statutory language is clear: AOL is immune from suit, and the Court therefore must grant its motion for summary judgment.” *Id.* at 52–53.

120. *Id.* at 53.

121. *Id.* at 50.

122. *Id.*

123. *See, e.g., Zeran*, 129 F.3d at 330.

124. *Schneider v Amazon.com*, 31 P.3d 37 (Wash. Ct. App. 2001).

125. *Ben Ezra, Weinstein and Co., Inc. v. Am. Online, Inc.*, 206 F.3d 980 (10th Cir.), *cert. denied*, 531 U.S. 824 (2000).

126. *Schneider*, 31 P.3d at 42.

127. *Id.* at 43 (citing *Drudge*, 992 F. Supp at 47).

128. *Ben Ezra*, 206 F.3d at 983, 987.

129. *Id.* at 985.

130. *Id.* at 986.

131. *Id.*

132. *Accusearch*, 570 F.3d, at 1191.

133. *Id.* at 1199–1200.

134. *Hy Cite*, 418 F. Supp. 2d at 1149.

135. *Id.*

136. *Gentry v eBay, Inc.*, 121 Cal. Rptr. 2d 703 (Ct. App. 2002), *review denied* (Oct. 16, 2002).

137. Note, *Badging: Section 230 Immunity in a Web 2.0 World*, 123 HARVARD L. REV. 981 (Feb. 2010).

138. *See, e.g., Cornelius v. DeLuca*, 709 F. Supp. 2d 1003, 1022–23 (D. Idaho 2010) (holding that where plaintiff alleged defendant appointed moderators “to act as representatives of the company to control and edit the forum,” such allegations were sufficient under the federal pleading standard to avoid the CDA on a

motion to dismiss); Faegre & Benson, LLC v. Purdy, 447 F. Supp. 2d 1008, 1018 (D. Minn. 2006) (plaintiff submitted expert evidence that defendant, “or someone operating with his authorization,” posted the offending comments); Delfino v. Agilent Tech., Inc., 52 Cal. Rptr. 3d 376 (Ct. App. 2006), review denied (Feb. 28, 2007), cert. denied, 128 S. Ct. 98 (2007); Raggi v. Las Vegas Metro. Police Dep’t, No. 2:08-CV-943-JCM(PAL), 2009 WL 653000 (D. Nev. Mar. 10, 2009); Higher Balance, LLC v. Quantum Future Group, Inc., No. 08-233-HA, 2008 WL 5381487, at \*7 (D. Or. Dec. 18, 2008) (holding that defendants

“are immunized by the CDA from postings made by forum moderators because they are ‘another information content provider’—in the absence of any evidence that forum moderators are staff members of the defendants”).

139. For a detailed analysis of the factors used to determine whether a freelancer is an independent contractor or an employee of a media entity, see Charles D. Tobin & Drew Shenkman, *Online and Off-Line Publisher Liability and the Independent Contractor Defense*, 26 COMM’NS LAW. 2, at 5 (Spring 2009).

140. Blumenthal v. Drudge, 992 F.

Supp. 44, 47 (D.D.C. 1998).

141. *Id.* at 50.

142. *Id.* at 47.

143. Raggi v. Las Vegas Metro. Police Dep’t, No. 2:08-CV-943-JCM(PAL), 2009 WL 653000 (D. Nev. Mar. 10, 2009).

144. *Id.* at \*1.

145. *Id.* at \*2 (citing Batzel v. Smith, 333 F.3d 1018, 1036 (9th Cir. 2003)).

146. *Id.*

147. *Delfino*, 52 Cal. Rptr. 3d at 397.

148. *Id.* at 395–96.

149. *Id.* at 396.

150. *Id.*

151. *Id.*

## Federal Right of Publicity

continued from page 21

93. Dogan & Lemley, *supra* note 4, at 1215–16; *see also id.* at 1184–88 (criticizing economic justifications for right of publicity); *Cartoons*, 95 F.3d at 973 (criticizing strength of economic justifications for right of publicity). *But see* McCARTHY, *supra* note 3, § 10:13 (right of publicity generally viewed as assignable).

94. *See* Perfect 10, Inc. v. CCBill LLC, 481 F.3d 751, 768 (9th Cir. 2007) (holding that § 230 immunizes ISP from liability for right of publicity claim). *But cf.* Atl. Recording Corp. v. Project Playlist, Inc., 603 F. Supp. 2d 690, 704 (S.D.N.Y. 2009) (holding that right of publicity is “intellectual property” not immunized under § 230).

95. An innocent infringer defense, similar to the one in federal trademark law, should also apply to a federal right of publicity statute. *See* 15 U.S.C. § 1114(2) (limiting remedies available against printers, publishers, and distributors “for others” of “electronic communications” that infringe a party’s trademark rights).

96. 17 U.S.C. § 107; 15 U.S.C. § 1115(b) (4); *New Kids on the Block v. News Am.*

*Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (discussing nominative fair use doctrine).

97. As in California, the owner of a dead celebrity’s postmortem right of publicity should only be permitted to recover damages if the owner has registered his interest in such rights with the government. CAL. CIV. CODE § 3344.1(f). A similar registry should be created on the national level.

98. 17 U.S.C. § 504(b).

99. However, California follows the Copyright Act approach to recovery of profits in right of publicity cases. *See* CAL. CIV. CODE § 3344(a).

100. California follows this approach. *See* CAL. CIV. CODE § 3344(a). Perhaps the amount of attorney fees recoverable should be tied to the amount of damages sought and/or obtained to prevent an incentive to spend large sums litigating claims worth relatively little in hopes of securing an attorney fees windfall.

101. *See, e.g., Saregama India Ltd. v. Young*, 2003 WL 25769784, at \*1 (C.D. Cal. Mar. 11, 2003). However, some states

permit recovery of punitive damages for right of publicity claims. *See, e.g., CAL. CIV. CODE § 3344(a).*

102. *See* N.Y. Times Co. v. United States, 403 U.S. 713, 726 (1971) (Brennan, J., concurring) (prior restraint justified in only the most extreme circumstances, such as to “suppress[] information that would set in motion a nuclear holocaust”). The rule against prior restraints applies to both political speech and commercial speech. *See* N.Y. Magazine v. Metro. Transp. Auth., 136 F.3d 123, 131 (2d Cir. 1998). *But see* Michaels v. Internet Entm’t Group, Inc., 5 F. Supp. 2d 823, 839 (C.D. Cal. 1998) (granting preliminary injunction against use of plaintiffs’ names and likeness in the promotion, marketing, and advertising of film).

103. *Org. for a Better Austin v. Keefe*, 402 U.S. 415, 419 (1971).

104. *See, e.g., Metro. Opera Ass’n v. Local 100*, 239 F.3d 172, 177 (2d Cir. 2001) (“equity will not enjoin a libel” because there are adequate legal remedies available).

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## COURTSIDE

BY PAUL M. SMITH, JULIE M. CARPENTER, KATHERINE A. FALLOW, MATTHEW HELLMAN, GARRETT A. LEVIN, AND KRISHANTI VIGNARAJAH

### Court Affirms Invalidation of California Video Game Law

On June 27, 2011, the U.S. Supreme Court announced its landmark decision in *Brown v. EMA*, striking down a California law proscribing the sale or rental of video and computer games to anyone under the age of eighteen based on their putatively violent content. In a seven-to-two decision, the Court declared the law an unconstitutional infringement of free speech.

The law at issue, California Assembly Bill 1179, prohibited the sale or rental of “violent video games” to minors and required that their packaging be labeled “18.”<sup>1</sup> The parties disputed whether the age restriction and labeling requirement were subject, on the one hand, to strict scrutiny as a content-based restriction on protected speech or, on the other, to the “variable obscenity” standard applied in *Ginsberg v. New York*, as the State of California argued. The state insisted that the *Ginsberg* standard covered violent video games because it was not protected speech and should be treated just like sexually explicit material. In addition, California emphasized that the Court has consistently recognized a state interest in protecting minors; the state also defended the statute as a means of reinforcing parental authority to prevent unaccompanied minors from purchasing or renting violent video games. Finally, California claimed that the state had no burden to establish a direct causal link between violent materials and concrete harm to minors, arguing that it was only required to show that this causal relationship could be reasonably inferred to survive strict scrutiny.

The Entertainment Software Association (ESA) and the Entertainment Merchants Association (EMA) had

prevailed in the district court and the Ninth Circuit on their argument that the California law violated the First Amendment. The Ninth Circuit, like every other appellate court to have considered a similar law, applied strict scrutiny and found the law unconstitutional.<sup>2</sup>

The Supreme Court affirmed the Ninth Circuit in an opinion authored by Justice Scalia, who declared video games a form of expression protected by the First Amendment. Justice Scalia, joined by Justices Kennedy, Ginsburg, Sotomayor, and Kagan, characterized the California law as an attempt to create a “wholly new category of content-based regulation that is permissible only for speech directed at children,” which he deemed “unprecedented and mistaken.” The Court instead held that “[e]ven where the protection of children is the object, the constitutional limits on governmental action apply.” Subjecting the California law to strict scrutiny, the Court struck it down as an unconstitutional content-based restriction on protected speech.

The decision appeared to be the doctrinal outgrowth of the Court’s ruling last term in *United States v. Stevens*, in which the Court struck down a federal law banning video or other depictions of animal cruelty. Justice Scalia observed that the Court has never taken violent expression out from under the First Amendment’s protection, and the opinion retraced the constitutional bright line between historically unprotected speech, such as obscenity and fighting words, and protected speech that included violent material. No matter how young the children or how “distasteful” the content, the majority concluded that California’s law constituted a forbidden attempt to create a content-based restriction on free speech.

The Court’s ruling also resoundingly reaffirmed its prior rulings protecting a new medium of expression against age-old attempts to regulate on the basis of a purported state interest. Justice Scalia explained that the novelty of video game technology did not provide any greater rationale for imposing content-based restrictions on protected speech;

that video games are allegedly more “interactive,” Justice Scalia said, “is nothing new.” He acknowledged that playing games is “different in kind” from other forms of expression, but “not in a way that causes the provision and viewing of violent video games, unlike the provision and reading of books, not to be expressive activity and hence not to enjoy First Amendment protection. Reading Dante is unquestionably more cultured and intellectually edifying than playing *Mortal Kombat*. But these cultural and intellectual differences are not *constitutional* ones.” Accordingly, the normal strict scrutiny standard applied, and this required California to prove that the law was justified by a compelling government interest and had been narrowly tailored to achieve that interest.

The Court’s opinion is also significant insofar as the majority voiced how unpersuasive it found the social science evidence presented by California. The Court expressed doubts about research that supposedly suggested that children who watch violent video games engage in dangerous or other harmful behavior themselves. The majority questioned whether such games draw children into the narrative anymore than reading a novel or comic book or watching a movie or TV program in terms of influencing children’s minds and behavior. In the Court’s view, at best the research suggested “miniscule real-world effects” such as a finding that children make “louder noises” after playing violent games.

Justice Alito wrote a concurrence, which Chief Justice Roberts joined. Concerned with the breadth of the majority opinion, Justice Alito would have struck down the California law as too vague to provide proper warning of what constituted banned content for children. The decision also produced two dissenting opinions. Justice Thomas dissented based on his view of how parental control of children was understood during the eighteenth century. Justice Thomas opined that the First Amendment did not entitle children to an independent right of free speech and contended that “[a]lthough

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much has changed in this country since the Revolution, the notion that parents have authority over their children and that the law can support that authority persists today.” Justice Breyer also dissented. He agreed with the majority that laws regulating minors’ access to violent materials should be judged under a stringent constitutional standard; he concluded, however, that just as children may be shielded from obscenity, so too may their access to “highly realistic violent video games” be restricted consistent with the First Amendment.

The decision, announced on the last day of the Term, was closely watched not only by the video game industry, but also by other content creators and distributors like the movie and music industries, as well as by constitutional scholars, public officials, and parents—all deeply concerned with whether and where the Court would redraw the constitutional parameters with respect to the newest wave of entertainment technology. For many, the decision was especially reassuring as the Court cast its reasoning in the language of a timeless trope: “Like the protected books, plays, and movies that preceded them, video games communicate ideas—and even social messages—through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player’s interaction with the virtual world). That suffices to confer First Amendment protection.”

### FCC’s “Fleeting Indecency” Policy Returns to the Court

On June 27, 2011, the Supreme Court announced that it will decide *Federal Communications Commission v. Fox Television Stations, et al.*, No. 10-1293, the FCC’s appeal of a unanimous decision in which the Second Circuit struck down its “fleeting indecency” policy. The Second Circuit held that the policy, under which the FCC has levied fines on broadcasters for the single, nonliteral use of an expletive, is unconstitutionally vague in violation of the First Amendment. The Second Circuit applied the same holding in a second case to the FCC’s decision to fine a broadcaster for scripted, but fleeting, nudity in a television broadcast. The Supreme Court granted the FCC’s petition to hear both cases and to determine whether the FCC’s “current indecency-enforcement regime” violates the Constitution. Resolution of this

question could have far-reaching implications on the FCC’s ability to regulate the content of broadcast television.

The cases started with the FCC’s decision to fine broadcasters for the use of fleeting expletives in four television programs that had aired between 2002 and 2005. At the 2002 Billboard Music Awards, broadcast on the Fox network, Cher stated during her acceptance speech that “[p]eople have been telling me I’m on my way out every year, right? So f--- ’em.” The next year, at the same awards show, once again broadcast on Fox, Nicole Richie, onstage to present an award, opined on the difficulty of removing “cow s--- out of a Prada purse,” explaining that “[i]t’s not so f---ing simple.” ABC was fined for several instances of the word “bulls---t” in episodes of *NYPD Blue*. And CBS was fined because of an interviewee’s use of the word “bulls---er” during an appearance on *The Early Show*, but that decision was subsequently reversed by the FCC. In making these decisions, the FCC concluded that any use of the words “f---” and “s---” were presumptively indecent and profane, but that exceptions might be found for expletives that are integral to an artistic work or that are part of a “bona fide news interview.” The FCC’s reversal of the fine for *The Early Show* was based on the second exception.

The broadcasters petitioned for review in the Second Circuit, which expressed skepticism about the constitutionality of the policy but ultimately held that the FCC had violated the Administrative Procedures Act without ruling on the constitutional issues. The Supreme Court, in a five-to-four vote, reversed that decision in April 2009, remanding the case to the Second Circuit for consideration of the policy’s constitutionality.

On remand, the Second Circuit acknowledged Supreme Court precedent such as the *Pacifica* case, holding that broadcasting should be treated differently from other forms of communication. In light of changes in technology, the Second Circuit expressed doubt as to whether that principle was still justified. However, the Second Circuit sidestepped this question and instead held that the FCC’s indecency policy was unconstitutionally vague because the FCC had insufficiently justified its determinations that some expletives are

patently offensive while others are not. The court also took issue with the two exceptions the FCC recognized for the presumptively indecent expletives. Specifically, the court held that the “artistic necessity” and “bona fide news” exceptions “result[] in a standard that even the FCC cannot articulate or apply consistently.” According to the court, the FCC’s policy has chilled speech.

The FCC’s petition to the Supreme Court argued that the Second Circuit’s decision directly conflicts with the FCC’s recognized authority to consider context in an indecency enforcement policy, and that the only way for the FCC to comply with the Second Circuit’s opinion is to create an easily circumvented and potentially unconstitutional policy based on hard-and-fast rules prohibiting certain words and images. Thus, it claims that the decision deprives it of the authority ratified in *Pacifica*. Two Justices filed separate opinions in the first round of this case at the Supreme Court that suggest that revisiting *Pacifica* may be on some minds. Justice Ginsburg’s dissenting opinion focused on the First Amendment implications of the FCC’s policy and emphasized the narrow conclusion of *Pacifica*. And Justice Thomas filed a concurrence expressing severe doubt about the continuing propriety of *Red Lion* and *Pacifica*. Moreover, because part of the FCC’s rationale involves protecting minors, the Court’s recent decision in the so-called violent video games case, *Brown v. Entertainment Merchants Association* (08-1448), may have some bearing on the resolution of this case. Justice Sotomayor took no part in the consideration of the petition for certiorari.

### Endnotes

1. CAL. CIV. CODE ANN. §§ 1746-1746.5 (West 2009). The Act covers games “in which the range of options available to a player includes killing, maiming, dismembering, or sexually assaulting an image of a human being, if those acts are depicted” in such a way that “[a] reasonable person, considering the game as a whole, would find appeals to a deviant or morbid interest of minors,” that is “patently offensive to prevailing standards in the community as to what is suitable for minors” and lacks “serious literary, artistic, political, or scientific value for minors.” *Id.* § 1746(d)(1)(A).

2. Video Software Dealers’ Ass’n v. Schwarzenegger, 556 F.3d 950 (9th Cir. 2009).



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