

# **Information Cannot be Owned: There is More of a Difference than Many Think**

Jean Nicolas Druey<sup>1,2</sup>

## **ABSTRACT**

Apart from technology, the information age has up to now badly served its idol. It has failed sufficiently to recognize specific features of information. This is shown with respect to the question whether legal rights on information can take the form of ownership. The answer is negative considering that communication by its very nature is free and constitutes a basic value, and furthermore that law is itself information and cannot systematically dispose of information flows. Analyzing the phenomenon of information, the differences of its properties as compared with those of a physical object are illustrated and assessed as fundamental; ownership would therefore be for information a Procrustean bed leading to mere arbitrariness. Intellectual property, although granting exclusive rights concerning information is not by itself opposed to these findings. But the conflict arises, if its purpose of shaping competitive advantages is spoiled to the detriment of information flows by lack of neutrality in two senses: the lack of balance between the title holder's value generation and the reward, and of neutrality towards the various kinds of communicative relationships.

Keyword: Information properties, free communication, intellectual property, ownership of information

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<sup>1</sup> Professor, St. Gallen Center for Information Law. Visiting Faculty at the Berkman Center for Internet and Society at Harvard Law School.

<sup>2</sup> Reviewed and implemented version of a presentation at the Berkman Luncheon, March 9, 2004

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# Information Cannot be Owned: There is More of a Difference than Many Think

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## 1. The basic function of information law: Deciding on disclosure or non-disclosure

Ownership of information, which I propose to examine here, looks as a rather fundamental issue. But the basic legal question lies still one further step behind. Ownership means attribution of an object to a subject by the law. This is a matter of legal technique, meaning that rights to information should have the form of ownership. This question of *attribution* implies a previous decision on *distribution*. It is the question on the merits of claims with respect to information.

That there are such claims already implies that the law in fact *has* to do with information. The alternative would be that information is simply free and irrelevant for the law. Indeed, this radical proposition will never be able to be repelled in principle, because there will always be at least *some* information which will evade the worst legalism; I will revert to that and will suggest that the solution is to be sought not by differentiating the substance of the information, but by placing the layer of regulation on the relational level (infra #2). But the fact which we are not able to change is that the law, in an immense and ever-growing amount of instances, seeks to steer information. That is to say, it decides upon opening or maybe closing certain information channels, i.e. it determines who may claim or may (or must) withhold an information. Guiding lines upon which to make those decisions are almost entirely missing all over the world. Look, e.g., how claims for disclosure of government files are handled by legislators: the rules tend to build on basic concepts which are

unsafe altogether, be it the relevance of information and similar standards on which to base the claim, or privacy and secrecy and the like to be put forward against it.

Thus, the guiding criteria must work as a switch which determines “on” and “off” of information channels. The criteria for disclosure and for non-disclosure being, as I say, unsafe themselves, it is obvious that those for settling the confrontation cannot be better, and the maximum which the various legal systems offer in that respect is some very general and unsubstantial formula like weighing social or individual importance of interests. There is no standard deciding upon the position of the switch, be it only because the motives of the law for providing a flow of information are of a different nature compared with those allowing information to be withheld. Disclosure of information is serving specific purposes like transparency for the functioning of a certain market, or instructions for safe and optimal use of a device, etc. On the other hand, withholding information can from the legal point of view be just a matter of allowance, not of ordinance; that means that the idea behind simply is to grant the individuals an area of freedom.

It seems, therefore, that we are asking from the law something which it is just not capable to provide, namely the rationale behind its decision to open or close information channels. Another line of thought indeed confirms the finding fundamentally – you may call it a “philosophical” approach, although I prefer the term “theoretical”, because “philosophy” is good, but theory is the indispensable basis for the law’s authority. *The argument is that law itself is information.* Therefore, law by definition is just a segment of all existing information, there will always be information “beside” the law. These are the great masses of information, of which the law is not aware, because it has been generated before independently from the generation of the law, or thereafter. Of course, the law can do what it forbids others to do, namely selling the blue sky and ruling on things the law does not grasp. But this makes law arbitrary in content and enforcement.

## **2. The criterion is “only” relational; hence, information in a general legal sense is a movement (the flow), not a message**

The keyword, in my view, is communication. If not by the state, the rules on distribution are set by the persons and entities themselves as they are in the exchange of information, i.e. in communication. Communication has three features which determine its legal position:

- First, communication is free. By definition, it is an interaction of *individuals*.
- Second, communication is a value. This opposes it to information, the positive or negative effect of which entirely depends on the case (infra #3). Interaction of human minds is a vital aspect of human existence. Law therefore not only has to leave it free, but has to protect this freedom.
- Third, communication has a norm-setting capacity. It not only transfers information, but also rules on how to treat it. Think only, for example, what human voice is able to indicate beyond the words: “Just among us”, “Incidentally”, “I expect an immediate answer”, “Danger lies ahead”, anger, love, irony, each calling for a respective treatment of the words transmitted. By standardization, these primarily individual norms become to a certain degree more generalized cultural norms. For example, in a formal gathering there is a right of utterance of the participants which at least in Western cultures does not depend on specific paragraphs in any laws of the specific country.

These norms governing the handling of information are not by themselves of a legal nature. As far as they are not, they are of course not legally enforceable. And contrary to the law promulgated by the agencies of the state, they are of a relational nature. They are created by individuals for themselves.

One consequence, out of many, of this view is that, legally speaking, information is seen as an act. The law protecting communication does not deal with the respective content of information exchanged, but only with the exchange as such. The abstraction from content characterizes the law in this respect as procedural – see, e.g., freedom of speech, but also, as an example of closing a channel, the professional privileges in court. Rule-making within this framework is delegated to the parties. These rules, in turn, are dealing with information which is *shared*. In the categories of rules, they are not attributive and therefore are not property-related, but they regulate a relationship of the kind of a partnership on how to handle the shared information.

### **3. Information has no intrinsic value**

The era of the information society has brought about an enlightening consciousness for information – a term which hardly existed previously and which flooded thought of the 20<sup>th</sup> century beyond all field boundaries. Never since the middle-ages was there such a sweeping movement, and it would be entirely insufficient simply to link the discovery of information as a phenomenon of its own to the new technology – rather is the technology itself a fruit of that discovery. But now precisely this new consciousness of information as being “something” could in turn cause the loss of the intellectual trophy by treating it just as a good alike others.

Physical goods have a long legal history focusing around the concept of ownership. This triggers an enormous temptation to find a place in this well-established building for the newly discovered and legally homeless phenomenon called information. But information is too different from a physical object to be treated legally as if it were one. Information is not by itself a good. We will then add

(infra #4) that, as far as it does constitute a good, it nevertheless has no sufficient similarity with other goods protected by law to draw the analogy.

Information is (for legal purposes, letting aside economical aspects) not by itself a good: it has no imprinted value. We see examples everywhere of the belief in the curing value of information being disappointed or at least requiring more differentiated analyses and more sophisticated systems.

Neither seems discovery to have helped peace or truth in civil procedure nor capital market disclosure to have reduced the volatility of security rates, nor free speech or freedom of information to have strengthened trust into governments or governmental institutions. But also a course you have attended and which you could have covered much more clearly and in one fourth of the time just by reading the materials, cannot actually be called a value for you. However it be, the basic consideration relevant here is that all information which is not useful is counterproductive. Any information has to be opened like a nut, and the opening requires efforts, which very much risk to absorb energies, desperately short anyway, to the detriment of dealing with other and more useful information. It is the problem of information overkill. Furthermore, information only is worth something if the recipient draws the right conclusions. And how to apply information is not simply to be taken from an instructions booklet, but is to be decided anew for each piece of information and each setting into which it falls. Misunderstandings are not of a generally minor likelihood than good understandings.

Information therefore depends in its positive or negative value on the situation of the participants. The sender may be more or less skilled to express himself, and even more crucial are the circumstances on the side of the addressee. He is more or less fit to receive the information (he knows the language, he can assess the message's impact from his background knowledge, etc.). And the context in which he lives gives it very much differing importance (a notice on the imminent

bankruptcy of an airline has a different weight for its employees, for a ticket-holder or a schoolboy at the other end of the world).

This is not the same as saying that for example a car has different values for the individuals, fulfilling a need more for the ones than for others, and that the value may even be assessed negatively when the car's deficiencies cause an accident. Nevertheless, in the case of a car, certain expectations can be attached to buying it. The reason is that a car is a standardized item, whereas information, as we have seen, is not. Of course, it is not logically impossible to imagine that despite its extreme volatility and possible negative value property rights are attached to information. But it would not make sense, since the main function of property rights is to render the respective values viable for market transactions, which very much require the standardization.

There *is*, however, standardized information. This is, for one, information of the recipe kind, which promises a certain positive effect when its instructions are followed: how to make Coca-Cola or bigger and better elephants. The same is true, if a company announces the forthcoming disclosure of an important event with a bearing for the exchange rate of its shares. These types of information might here and there have something like a market. But the question remains, whether on such a market the typical action is a transfer, with a title passing from one person to another, which would call for property rights as the adequate instrument. The following suggests that information is no such object.

#### **4. Information is not an object**

Up to now, we have approached our topic from two sides. We have considered, as a matter of justice, the need to leave the governance of information to the interaction rules to which the parties



submit themselves. Information thus appears in the legal perspective as a movement from an individual to another, and the law is not fit to attribute information as it does attribute physical objects. The other approach was a first step in observing to what extent information is a phenomenon of its own. The individuality of its value makes the legal technique of property rights inadequate.

Consideration of the qualities of information is now to be pursued from “should not” to “cannot”.

Property is governed by the principle of speciality; this principle says that the status is determined for each object separately. This means that the law has to determine what an object is. However, regarding information we notice obstacles in identifying information units which are analogous to physical objects. I list three qualities of information resulting in difficulties of this kind.

First: Under property law, identification is made “from outside”. A car can be seen as a car by anybody, and therefore respect for another’s property can be claimed from anybody. Transferred to information, this would mean that the title on that information has to be respected by persons not knowing it. This cannot be done just by referring to the recipient. You cannot say that everything held in a person’s head is just one piece of information, being extremely heterogeneous and furthermore being for the most part shared with others who could claim it as well.

Second: A car remains the same car when it is moved to another garage. Information, on the other hand, very much depends on the persons and the context, as we have already seen. One hearing the fire alarm for the first time reacts otherwise than one who hears it fifty times a day. The legal solution cannot be to strip off all these additional facts and to isolate, so to speak, the information per se. This would mean to miss protection of what is precisely worth protecting in information. To

the fellow hearing the fire alarm for the first time we should explain that there is no reason to flee; otherwise the signal would be seriously misleading. Not the alarm by itself is the relevant information, but its correct interpretation. In addition, and to state it again, abstraction from context would bring about a huge overprotection creating a mass of claims for the same information. The attributive function of ownership, aimed at harmony of rights on the goods of this world, would seriously fail.

Third: The issue thus is the segmentation of information. It has become clear from the preceding that we do not arrive at the “pure” information by granulating it down to its smallest elements, say bytes. In this sense the comparison with the physical object does work: The car is not to be legally split up into its atoms either. For physical things as for information, such a reduction would follow the radically wrong direction; since atoms and bytes are faceless, they do not allow to identify the object. The object, legally, is a composition of the elementary parts in view of a specific purpose, like precisely a car or a wheel to be built into a car, or in view of their consolidation, like a crystal.

But now try to apply this to information. “The” information is just one phase in a long way of processing. With respect to the car it is clear that the manufacturer of the steering wheel is not a co-proprietor of the assembled car. But the generator of pre-phase information which is built into another piece of information cannot lose his proprietary rights, because the information may still serve other purposes. One says “I think”, the other says “I am” and the third “I think, so I am”. The intellectual fame will go to the third one, but is that the criterion? From a contextual point of view, what the two others said maybe philosophically unimportant, but it is still an information, and, what seems to me to be crucial, a different one: maybe that the first utterance expresses the wish not to be disturbed, and the second the battle of an unwanted child for its position in the family. However, all three are messages of their own, and if there should be property on information, there is no reason

to exclude one or the other. This implies that there is no motive to seek a criterion for choice, such as importance or any other. To state it once again, since the value of the information is entirely depending on the individual settings, no standardization as law would require is available.

Another example: One statement is that Caesar was murdered in 44 B.C. Another communicates that Brutus was the murderer. Is there any means to put these statements into a hierarchy with the effect that one would consume the other? The second depends on the first, it refers to it. But *any* information is depending on a lot of previous information. *Both* statements claim interest based on some additional knowledge of the addressees about who Cesar was, but following up the genesis of information is indefinite and leads the dependency argument ad absurdum. And apart from the history of the information: both of these statements use English language, but this enormous dependence on the knowledge of the media will not be a reason to pay royalties to the inventors of English. Could importance be a criterion here? For many, the first statement will be the more important. But for others wanting to go into more depth about the political situation in Rome at that time, the question who murdered may be the more interesting one, and even more so for the one interested in etymology discovering that “brutal” comes from “Brutus”. There is no measure to gauge information importance.

All this is based on the chameleon-like quality of information; like this animal, it changes its color with the surroundings. A transfer, but also mere lapse of time or additional learning is a change of surroundings. The value of information depends entirely on what the recipient can and wants to do with it. On the other hand, determination of what “a” information is, requires an objective standard precisely withstanding transfers and other changes of environment. This not being feasible, information is not a thing.

## 5. Ownership is an inadequate institution for the legal treatment of information

Ownership grants exclusive title to an object. Exclusivity, however, is not obtainable for information, because others may have acquired it independently. These people cannot be barred from claiming the same rights.

Ownership attributes objects to persons. Following the classical Roman scheme, it has two wings: it prohibits the trespass (actio negatoria) and grants a claim to redeem the object from third persons (rei vindicatio). With respect to information this makes no sense. Information cannot be trespassed; trespass only is conceivable for the walls or other boundaries which protect it. And getting away from the holder (the case of vindication) does not exclude that the holder keeps it as well – unless he has forgotten it, and then he will not be able to identify and to claim it. And the persons having received it cannot give it back; “forget it” cannot be a legal injunction.

Beside these formal considerations, there is a functional inadequacy of ownership for the task which the law has to fulfill concerning information. Ownership attributes goods which in their totality can be overlooked. Information, instead, is in the prospective of law an open mass. Whatever the law does in attributing rights on parts of that mass will necessarily be arbitrary. It will further the one or the other side, the known or the unknown information, without being able to give a reason, because it cannot compare. From your telescope, you cannot aim at targets on the backside of the moon.

Intellectual property, in its traditional understanding, is not opposed to these findings. True, it refers to information and it grants exclusive rights. Nonetheless it is not an exception to the impossibility of reification of information, but rather confirms it. Intellectual property does not *attribute* information; for patents it is even the opposite, their content being published. Copyright as well is

intended not to stop but to further the flow of information by making publication economically interesting. Copyright, according to its basic idea, protects the presentation and not what is presented. Patent is the recipe kind of information which is close to a marketable object (supra #3) even without a patent. What is decisive, however, is that both copyright and patent grant exclusivity on the *use* of information only. In this sense it is not aimed at the flow of information, but at the holder's competitors. It grants a competitive advantage.

## 6. Conclusion

The sum of these considerations is that information is not an object for ownership. It *should* not be and it *cannot* be. It should not, because communication, being the exchange of information between persons, is an act occurring among these persons and is therefore determined by them, and constitutes one of the highest social values. And it cannot, unless being arbitrary, because it is not possible to form information units by cutting them out from their context with other information (horizontal aspect) or their ties to previous and subsequent information (vertical aspect). An abstraction from the informational situation of the case would create a lot of conflicting titles and thereby miss the attributive purpose of property law. Property law is furthermore inept, because in the case of information exclusivity cannot be granted and because its sanctions are inadequate. More fundamental is the consideration that from the point of view of justice the function of ownership as an institution falls short regarding information. Protective efforts of the law should focus on values, and the chance of a positive value of information is essentially not bigger than of a negative one. And since the mass of information is open, no criteria based on justice are available for attribution.

Professors stop where on TV the commercials start, namely when the drama builds up. "Should not" and even "cannot" are no restraints for legislators wanting to follow any policy. And in the

field of intellectual property we recognize everywhere an eagerness to reward investments by broadening the protection area. This casts doubts on the leverage of reflections as they are presented here.

Indeed, and even more than that: Not only are theories politically weak by nature, but the one offered here is not necessarily an argument against these tendencies. They do not as long as intellectual property law lets the flows of information alive or even enhances them. That a price has to be paid by the user, is not an objection from the outset. But it is one, if the law is ‘unclean’ in the sense that it goes beyond its purpose of granting a competitive advantage. If no mouse could be drawn and no joke on Mr. X be told without violating a copyright, this copyright is blocking the movement of information, because a price is to be paid beyond the performance to be rewarded by that copyright.

And I think there is another, even more severe test. Information law contains a very strong non-discrimination rule. The subjective character of information value lets fall the respective interests into the black-box. We cannot say that the economic interest is worth more than a purely intellectual one, or (without being elitist) that an interest shared by 1% of a population is worth less than that of 99%, or that gossip is no legitimate interest at all – the spectrum must be similarly broad as under the auspices of free speech.

The expansion of intellectual property rights disturbs this equality, even if the policy of rewarding is sound, because there must also be a place for the “light” dialogue far away from law firms, for contacts orally or on internet or otherwise, where making sure that no property rights are infringed or that permits are granted and royalties paid is contrary to the type of interaction. This is a matter

of freedom of communication, and freedom of communication is, and I am not alone with this view, an element of free speech.

I will end here, at the entrance to a further space. I hope I came close enough to the drama to show that theory is needed precisely when in the turbulence of pragmatic life a firm stand is asked for.

*Reference:* For more details cf. my book “Information als Gegenstand des Rechts” (Information as subject of the law), Zurich/Baden-Baden 1995.

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**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

ONLINE POLICY GROUP, NELSON CHU  
PAVLOSKY, and LUKE THOMAS SMITH,

Plaintiffs,

v.

DIEBOLD, INCORPORATED, and DIEBOLD  
ELECTION SYSTEMS, INCORPORATED,

Defendants.

Case Number C 03-04913 JF

**ORDER GRANTING IN PART AND  
DENYING IN PART CROSS-  
MOTIONS FOR SUMMARY  
JUDGMENT**

[Docket Nos. 51 & 57]

The parties have filed cross-motions for summary judgment seeking a determination as to what constitutes proper use of the internet service provider safe harbor provisions of the Digital Millennium Copyright Act. The Court has read the briefing submitted by the parties and has considered the oral arguments of counsel. For the reasons set forth below, both motions will be granted in part and denied in part.



1 **I. BACKGROUND**

2 Defendants Diebold, Inc. and Diebold Election Systems, Inc. (collectively “Diebold”)  
3 produce electronic voting machines. The machines have been the subject of critical  
4 commentary.<sup>1</sup> Both the reliability and verification procedures of the machines have been called  
5 into question, in part because not all of the machines provide a means for verifying whether a  
6 voter’s choice has been recorded correctly. It is undisputed that internal emails exchanged  
7 among Diebold employees (the “email archive”) contain evidence that some employees have  
8 acknowledged problems associated with the machines. *See* Plaintiffs’ Motion for Summary  
9 Judgment, pp. 3–4. According to Diebold, the email archive also contains discussion of “the  
10 development of Diebold’s proprietary computerized election systems, as well as Diebold trade  
11 secret information, and even employees’ personal information such as home addresses and cell  
12 phone numbers.” Defendants’ Motion for Summary Judgment, p. 9. At some point early in  
13 2003, the entire email archive was obtained and reproduced on the internet by unknown persons,  
14 giving rise to the events pertinent to the present motions.

15 Plaintiffs Nelson Chu Pavlosky (“Pavlosky”) and Luke Thomas Smith (“Smith”) are  
16 students at Swarthmore College (“Swarthmore”). Using internet access provided by  
17 Swarthmore, which for present purposes is considered their internet service provider (“ISP”),  
18 Pavlosky and Smith posted the email archive on various websites. *See* Declaration of Nelson  
19 Chu Pavlosky in Support of Plaintiff’s [sic] Application for Temporary Restraining Order and for  
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21 <sup>1</sup> *See, e.g.*, “Voting Machines: Good Intentions, Bad Technology,” THE ECONOMIST, Jan.  
22 24, 2004, pp. 30–31; “Securing Electronic Voting: California Takes Steps to Safeguard System,”  
23 SAN JOSE MERCURY NEWS, Feb. 6, 2004; Tom Zeller, Jr., “Ready or Not, Electronic Voting Goes  
24 National,” NEW YORK TIMES, Sep. 19, 2004,  
25 <http://www.nytimes.com/2004/09/19/politics/campaign/19vote.html?ex=1096611569&ei=1&en=c490a5e466b682e3>. *See also American Ass’n of People with Disabilities v. Shelley*, 324  
26 F.Supp.2d 1120, 1128 (C.D. Cal. 2004) (upholding the decision of the Secretary of State of  
27 California to decertify and withdraw approval of some Diebold electronic voting machines on the  
28 ground that the machines were not yet “stable, reliable and secure enough to use in the absence of  
an accessible; voter-verified, paper audit trail”); Stuart Pfeifer, “State Joins Suit over Voting  
Machines,” LOS ANGELES TIMES, Sept. 8, 2004,  
<http://www.latimes.com/news/local/la-me-machines8sep08,1,384118.story>.

1 Preliminary Injunction (“Pavlosky PI Decl.”), ¶ 5. An on-line newspaper, IndyMedia, published  
2 an article criticizing Diebold’s electronic voting machines and containing a hyperlink to the  
3 email archive. *See* Plaintiffs’ Motion for Summary Judgment, p. 5. Plaintiff Online Policy  
4 Group (“OPG”) provides IndyMedia’s internet access.<sup>2</sup> OPG, in turn, obtains internet access  
5 from an upstream ISP, Hurricane Electric (“Hurricane”).

6 In response to the activities of Pavlosky, Smith, and IndyMedia, and in an alleged effort  
7 to prevent further public viewing of the email archive, Diebold sent cease and desist letters to  
8 many ISPs, including Swarthmore, OPG, and Hurricane, pursuant to the safe harbor provisions of  
9 the Digital Millennium Copyright Act (“DMCA”).<sup>3</sup> Swarthmore, OPG, and Hurricane were  
10 advised that pursuant to these provisions they would be shielded from a copyright infringement  
11 suit by Diebold if they disabled access to or removed the allegedly infringing material.  
12 Swarthmore thereafter required Pavlosky and Smith to remove the email archive from their  
13 website. At the same time, Hurricane notified OPG that it might be required to terminate OPG’s  
14 internet access if IndyMedia’s hyperlink to the email archive was not removed. Hurricane  
15 agreed, however, not to act during the pendency of the present action, and consequently OPG did  
16 not disable access to or remove any material.

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18 <sup>2</sup> OPG asserts that the “IndyMedia website resides on a webserver co-located with OPG.  
19 ‘Colocation’ means that the San Francisco IndyMedia server is not owned or controlled by OPG;  
20 it simply resides in physical premises leased from OPG alongside OPG’s own servers and  
21 utilizes OPG’s Internet connection.” Complaint, p. 3:24–27. OPG further asserts that, because it  
22 did not control the IndyMedia server, “instead only providing Internet connectivity to that  
23 computer through colocation, OPG could not comply by merely disabling or removing the  
24 hyperlink and related information demanded by Diebold. OPG’s only option to comply with the  
25 demand was to cut off IndyMedia’s Internet connectivity entirely.” *Id.* at 5:1–5. OPG also  
26 asserts the same reasoning with respect to its relationship with Hurricane. *Id.* at 5:25–28. The  
27 parties do not dispute that OPG and Hurricane could have utilized the DMCA’s safe harbors had  
28 they disabled IndyMedia’s and OPG’s internet connectivity, respectively. Accordingly, for the  
purposes of the present litigation, the Court will assume without deciding that OPG is  
IndyMedia’s ISP and Hurricane is OPG’s ISP. The technical distinction does serve to illustrate  
the ramifications for free speech of Diebold’s demands.

<sup>3</sup> PUB. L. NO. 105-304, 112 Stat. 2860 (1998); 17 U.S.C. § 512; Section 202 of the  
DMCA.

1 Diebold has not filed any lawsuits related to publication of the email archive. Plaintiffs  
2 Smith, Pavlosky, and OPG nonetheless seek injunctive, declaratory, and monetary relief from  
3 this Court, alleging that Diebold's claim of copyright infringement was based on knowing  
4 material misrepresentation and that Diebold interfered with Plaintiffs' contractual relations with  
5 their respective ISPs.<sup>4</sup> Plaintiffs seek a judicial declaration that publication of the email archive,  
6 hosting or providing colocation services to websites that link to allegedly infringing material, and  
7 providing internet services to others who host websites that link to allegedly infringing material  
8 are lawful activities. They request an injunction to prevent Defendants from threatening or  
9 bringing any lawsuit for copyright infringement with respect to the email archive arising from the  
10 publication, linking, or hosting services described in the complaint and a judgment barring  
11 Defendants from enforcing any copyright in the email archive unless and until Defendants'  
12 alleged copyright misuse has ceased. They also seek \$5,185.50 in damages<sup>5</sup> and attorneys' fees  
13 pursuant to 17 U.S.C. § 512(f) for Diebold's alleged misrepresentation or as otherwise allowed  
14 by law, as well as costs and disbursements.

## 15 16 **II. APPLICABLE LAW**

### 17 **A. Summary Judgment**

18 A motion for summary judgment should be granted if there is no genuine issue of  
19 material fact and the moving party is entitled to judgment as a matter of law. FED. R. CIV. P.  
20 56(c); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247–48 (1986). Material facts are those  
21 that may affect the outcome of the case. *Anderson*, 477 U.S. at 248. There is a genuine dispute  
22 if there is sufficient evidence for a reasonable jury to return a verdict for the nonmoving party.

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24 <sup>4</sup> The complaint also includes a claim for alleged copyright misuse. Diebold argues that  
25 copyright misuse may be asserted solely an affirmative defense to a claim of copyright  
26 infringement. Plaintiffs cite no legal authority, and the Court is aware of none, that allows an  
27 affirmative claim for damages for copyright misuse. Plaintiffs appear to have withdrawn this  
cause of action. *See* Transcript of Law & Motion Hearing, February 9, 2004, p. 7:2–5.

28 <sup>5</sup> *See* Plaintiffs' Motion for Summary Judgment, p. 25.

1 *Id.* Summary judgment thus is not appropriate if the nonmoving party presents evidence from  
2 which a reasonable jury could resolve the material issue in his or her favor. *Barlow v. Ground*,  
3 943 F.2d 1132, 1136 (9th Cir. 1991). However, the more implausible the claim or defense  
4 asserted by the nonmoving party, the more persuasive its evidence must be to avoid summary  
5 judgment. *Jackson v. Bank of Hawaii*, 902 F.2d 1385, 1389 (9th Cir. 1990).

6 The moving party bears the initial burden of informing the Court of the basis for the  
7 motion, and identifying portions of the pleadings, depositions, answers to interrogatories,  
8 admissions, or affidavits that demonstrate the absence of a triable issue of material fact. *Celotex*  
9 *Corp. v. Catrett*, 477 U.S. 317, 323 (1986). If the moving party meets its initial burden, the  
10 burden shifts to the nonmoving party to present specific facts showing that there is a genuine  
11 issue of material fact for trial. FED. R. CIV. P. 56(e); *Celotex Corp.*, 477 U.S. at 324. The  
12 evidence and all reasonable inferences therefrom must be viewed in the light most favorable to  
13 the nonmoving party. *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n*, 809 F.2d 626,  
14 630–31 (9th Cir. 1987).

## 15 **B. Copyright Law**

16 Copyright laws are enacted pursuant to Article 1, Section 8 of the Constitution, which  
17 provides that “[t]he Congress shall have Power . . . to Promote the Progress of Science and useful  
18 Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their  
19 respective Writings and Discoveries.” The elements of a copyright infringement claim are: (1)  
20 ownership of a valid copyright and (2) copying<sup>6</sup> of expression protected by that copyright. *See*  
21 17 U.S.C. § 106(1); *Triad Sys. Corp. v. Southeastern Express Co.*, 64 F.3d 1330, 1335 (9th Cir.  
22 1995). To be liable for direct infringement, one must “actively engage in” and “directly cause”  
23 the copying. *See Religious Tech. Ctr. v. Netcom On-Line Communication Servs., Inc.*, 907  
24 F.Supp. 1361 (N.D. Cal. 1995).

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25  
26 <sup>6</sup> Distribution, preparation of derivative works, performance, and public display also may  
27 constitute copyright infringement. *See* 17 U.S.C. § 106. The modes of infringement listed in 17  
28 U.S.C. § 106 may “overlap” in the cyberspace context. *See* Mark A. Lemley, *Dealing with*  
*Overlapping Copyrights on the Internet*, 22 U. DAYTON L. REV. 547 (1997).

1           There is no statutory rule of liability for contributory infringement. However, courts  
2 recognize such liability when the defendant “with knowledge of the infringing activity, induces,  
3 causes or materially contributes to the infringing conduct of another.” *Gershwin Publ’g Corp. v.*  
4 *Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2nd Cir. 1971). “Such participation must be  
5 substantial.” *Religious Tech. Ctr.*, 907 F.Supp. at 1361. The party alleging contributory  
6 infringement must show “(1) direct infringement by a primary infringer, (2) knowledge of the  
7 infringement, and (3) material contribution to the infringement.” *Metro-Goldwyn-Mayer*  
8 *Studios, Inc. v. Grokster Ltd.*, 380 F.3d 1154, 1160 (9th Cir. 2004). A defendant may be liable  
9 under a vicarious liability theory if the plaintiff demonstrates “(1) direct infringement by a  
10 primary party, (2) a direct financial benefit to the defendant, and the right and ability to supervise  
11 the infringers.” *Id.* at 1164.

12           Copyright protection sometimes appears to conflict with First Amendment protections.  
13 This conflict is ameliorated in part by various copyright doctrines. For example, consistent with  
14 the “idea-expression” dichotomy, expression, but not an idea, is copyrightable. *See* 17 U.S.C. §  
15 102(b); *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003); *Baker v. Seldin*, 101 U.S. 99 (1879).  
16 Similarly, copyright law protects only creative works, not facts. *See, e.g., Feist Publ’ns, Inc. v.*  
17 *Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 349 (1991). Finally, fair use is not infringement of a  
18 copyright. *See* 17 U.S.C. § 107; *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994);  
19 *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985). Section 107 provides:

20           Notwithstanding the provisions of sections 106 and 106A, the fair use of a  
21 copyrighted work, including such use by reproduction in copies or phonorecords  
22 or by any other means specified by that section, for purposes such as criticism,  
23 comment, news reporting, teaching (including multiple copies for classroom use),  
24 scholarship, or research, is not an infringement of copyright. In determining  
whether the use made of a work in any particular case is a fair use the factors to be  
considered shall include--

- 25           (1) the purpose and character of the use, including whether such use is of a  
26 commercial nature or is for nonprofit educational purposes;  
27           (2) the nature of the copyrighted work;  
28           (3) the amount and substantiality of the portion used in relation to the copyrighted  
work as a whole; and  
            (4) the effect of the use upon the potential market for or value of the copyrighted

1 work.

2 The Supreme Court has clarified that copyright laws should be designed to promote creativity by  
3 protecting only creative work and, then, only for a limited time. A

4 limited grant is a means by which an important public purpose may be achieved. It  
5 is intended to motivate the creative activity of authors and inventors by the  
6 provision of a special reward, and to allow the public access to the products of  
7 their genius after the limited period of exclusive control has expired.

8 *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984); *see also Eldred*,  
9 537 U.S. 186.

### 10 **C. Internet Service Provider Safe Harbor Provisions**

11 Section 202 of the DMCA contains various nonexclusive<sup>7</sup> safe harbors designed to limit  
12 the liability of ISPs<sup>8</sup> for incidental acts of copyright infringement. It provides immunity to ISPs  
13 that satisfy the conditions of eligibility, *see* 17 U.S.C. § 512(i),<sup>9</sup> “from copyright infringement  
14 liability for ‘passive,’ ‘automatic’ actions in which [an ISP’s] system engages through a  
15 technological process initiated by another without the knowledge of the” ISP. *ALS Scan, Inc. v.*  
16 *RemarQ Communities, Inc.*, 239 F.3d 619, 625 (4th Cir. 2001). Once the ISP has actual  
17 knowledge of the infringing material, it loses the safe harbor protections unless it complies with

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18 <sup>7</sup> Nothing in the DMCA suggests that Congress intended this statute to constitute the  
19 exclusive legal basis for protecting a copyright or defending against allegations of infringement.  
20 In fact, 17 U.S.C. § 512(l) provides that “failure to . . . qualify for limitation of liability under this  
21 section shall not bear adversely upon the consideration of . . . any other defense.”

22 <sup>8</sup> The DMCA provides two definitions of “service provider.” The first, which applies to  
23 section 512(a), is “an entity offering the transmission, routing, or providing connections for  
24 digital online communications, between or among points specified by a user, of material of the  
25 user’s choosing, without modification to the content of the material as sent or received.” 17  
26 U.S.C. § 512(k)(1)(A). The second, which applies to the rest of section 512, is “a provider of  
27 online services or network access, or the operator of facilities therefor, and includes an entity  
28 described in [17 U.S.C. § 512(k)(1)(A)].” 17 U.S.C. § 512(k)(1)(B). “Service provider” thus is  
defined more narrowly with respect to the “conduit” safe harbor provision.

<sup>9</sup> The parties do not dispute that Hurricane, OPG, and Swarthmore had valid section  
512(i) policies. *See, e.g.*, Complaint, p. 5:20–23 & Ex. D (email from Ralph E. Jocke), although  
there is no evidence in the record as to this point with respect to OPG and Swarthmore. The  
Court will assume without deciding that all parties had valid section 512(i) policies.

1 the DMCA.

2 17 U.S.C. § 512(a)—the “conduit” safe harbor—does not require notice and takedown of  
3 any content. Instead, an ISP is not liable for “transmitting, routing, or providing connections, for  
4 material through a system or network controlled or operated by or for the service provider” if the  
5 ISP did not (1) initiate the transmission, (2) select the material in a nonautomatic way, (3) select  
6 the recipients in a nonautomatic way, (4) retain a copy for longer than necessary to transmit it,  
7 and (5) modify the material. 17 U.S.C. § 512(a). In contrast, section 512(c)—the “storage” safe  
8 harbor—does require notice and takedown of allegedly infringing material. This provision

9 gives Internet service providers a safe harbor from liability for infringement of  
10 copyright by reason of the storage at the direction of a user of material that resides  
11 on a system or network controlled or operated by or for the service provider as  
12 long as the service provider can show that: (1) it has neither actual knowledge  
13 that its system contains infringing materials nor an awareness of facts or  
14 circumstances from which infringement is apparent, or it has expeditiously  
15 removed or disabled access to infringing material upon obtaining actual  
16 knowledge of infringement; (2) it receives no financial benefit directly attributable  
17 to infringing activity; *and* (3) it responded expeditiously to remove or disable  
18 access to material claimed to be infringing after receiving from the copyright  
19 holder a notification conforming with requirements of § 512(c)(3).

20 *ALS Scan, Inc.*, 239 F.3d at 623 (internal citation omitted). 17 U.S.C. § 512(d) provides a similar  
21 safe harbor from liability for copyright infringement resulting from use of “information location  
22 tools,” which include “hypertext links” (“hyperlinks”). Section 512(g) provides for replacement  
23 of the removed material upon counter-notice by the alleged infringer. Upon counter-notice of  
24 noninfringement by an ISP subscriber, the ISP may reestablish access to the content without fear  
25 of liability. Such replacement generally must be performed within approximately fourteen days.

26 *See* 17 U.S.C. § 512(g)(2)(C).<sup>10</sup>

27 17 U.S.C. § 512(f) provides as follows:

28 Misrepresentations.--Any person who knowingly materially misrepresents under

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26 <sup>10</sup> Although section 512(g) refers to section 512(c), it does not refer expressly to section  
27 512(d). Courts nonetheless have held that the replacement procedure of section 512(g) applies to  
28 takedown pursuant to section 512(d). *See, e.g., Perfect10, Inc. v. Cybernet Ventures, Inc.*, 213  
F.Supp.2d 1146, 1179 (C.D. Cal. 2002).

1 this section--

2 (1) that material or activity is infringing, or

3 (2) that material or activity was removed or disabled by mistake or  
4 misidentification,

5 shall be liable for any damages, including costs and attorneys' fees, incurred by  
6 the alleged infringer, by any copyright owner or copyright owner's authorized  
7 licensee, or by a service provider, who is injured by such misrepresentation, as the  
8 result of the service provider relying upon such misrepresentation in removing or  
9 disabling access to the material or activity claimed to be infringing, or in replacing  
10 the removed material or ceasing to disable access to it.

11 Thus, any person who sends a cease and desist letter with knowledge that claims of infringement  
12 are false may be liable for damages.

### 13 III. DISCUSSION

#### 14 A. Mootness

15 Diebold has represented to the Court that it has withdrawn and in the future will not send  
16 a cease and desist letter pursuant to the DMCA to any ISP concerning the email archive. *See*  
17 *Response to Plaintiffs' Post-Hearing Letter and Supplemental Ng Declaration*, dated November  
18 24, 2003, p. 1; *Transcript of Law & Motion Hearing*, February 9, 2004, pp. 3:24–4:3. Because  
19 no actual controversy remains<sup>11</sup> with respect to prevention of publication of the email archive,  
20 *see* 28 U.S.C. § 2201; *Aetna Life Ins. Co. of Hartford, Conn. v. Haworth*, 300 U.S. 227 (1937),  
21 Plaintiffs' claims for an injunction and declaratory relief are moot.<sup>12</sup> However, Plaintiffs' claims

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22 <sup>11</sup> Plaintiffs appear to have conceded at oral argument that their claims for injunctive and  
23 declaratory relief are moot and that a decision on their claims for damages will be a sufficient  
24 adjudication of their rights. *See* *Transcript of Law & Motion Hearing*, February 9, 2004, pp.  
25 5:21–23, 6:22–24, 7:6–12, 10:4–9.

26 <sup>12</sup> The Court also notes that in view of *Grokster*, a general declaration that hyperlinking to  
27 infringing material does not amount to contributory infringement or subject one to vicarious  
28 liability would be improper. Although hyperlinking per se does not constitute direct copyright  
infringement because there is no copying, *see, e.g., Ticketmaster Corp. v. Tickets.com, Inc.*, 2000  
WL 525390 (C.D. Cal., March 27, 2000), in some instances there may be a tenable claim of  
contributory infringement or vicarious liability. *See, e.g., Grokster*, 2004 WL 1853717 at \*3 (9th  
Cir., Aug. 19, 2004) at \*6 (If an alleged contributory infringer is a “true access provider[], failure  
to disable . . . access after acquiring specific knowledge of a user’s infringement might be  
material contribution.”); *Religious Tech. Ctr.*, 907 F.Supp. at 1361; *A&M Records, Inc. v.*



1 for damages, attorneys' fees, and costs relating to Diebold's past use of the DMCA's safe harbor  
2 provisions still require adjudication.

3 **B. Misrepresentation of Copyright Infringement: 17 U.S.C. § 512(f)**

4 **1. Publication of some of the contents in the email archive is lawful.**

5 At the hearing on Plaintiffs' motion for preliminary injunction, Diebold's counsel  
6 asserted that portions of the email archive contain material that is copyrighted and has no "public  
7 interest" value. Transcript of Law and Motion Hearing, November 17, 2003, p. 8:7-12.  
8 However, Diebold did not identify and has never identified specific emails that contain  
9 copyrighted content, and thus it has not provided evidence to support its counsel's assertion. *See,*  
10 *e.g., id.* at 10. At the same time, Diebold appears to have acknowledged that at least some of the  
11 emails are subject to the fair use doctrine. *See, e.g., id.* at 12:8-9 & 14-16.

12 The purpose, character, nature of the use, and the effect of the use upon the potential  
13 market for or value of the copyrighted work all indicate that at least part of the email archive is  
14 not protected by copyright law. The email archive was posted or hyperlinked to for the purpose  
15 of informing the public about the problems associated with Diebold's electronic voting  
16 machines. It is hard to imagine a subject the discussion of which could be more in the public  
17 interest. If Diebold's machines in fact do tabulate voters' preferences incorrectly, the very  
18 legitimacy of elections would be suspect. Moreover, Diebold has identified no specific  
19 commercial purpose or interest affected by publication of the email archive, and there is no  
20 evidence that such publication actually had or may have any affect on the putative market value,  
21 if any, of Diebold's allegedly copyrighted material. Even if it is true that portions of the email  
22 archive have commercial value, there is no evidence that Plaintiffs have attempted or intended to  
23 sell copies of the email archive for profit. Publishing or hyperlinking to the email archive did not  
24 prevent Diebold from making a profit from the content of the archive because there is no

25 \_\_\_\_\_  
26 *Napster, Inc.*, 139 F.3d 1004, 1021-22 (9th Cir. 2001). In this context, it is notable that the  
27 DMCA provides ISPs a safe harbor (17 U.S.C. § 512(d)) from liability for copyright  
28 infringement resulting from "information location tools."

1 evidence that Diebold itself intended to or could profit from such content. At most, Plaintiffs’  
2 activity might have reduced Diebold’s profits because it helped inform potential customers of  
3 problems with the machines. However, copyright law is not designed to prevent such an  
4 outcome. *See, e.g., Acuff-Rose*, 510 U.S. at 591–92. Rather, the goal of copyright law is to  
5 protect creative works in order to promote their creation. To the extent that Diebold argues that  
6 publication of the entire email archive diminished the value of some of its proprietary software or  
7 systems information, it must be noted that there is no evidence that *Plaintiffs* published or linked  
8 to the archive in order to profit.<sup>13</sup> Finally, Plaintiffs’ and IndyMedia’s use was transformative:  
9 they used the email archive to support criticism that is in the public interest, not to develop  
10 electronic voting technology. Accordingly, there is no genuine issue of material fact that  
11 Diebold, through its use of the DMCA, sought to and did in fact suppress publication of content  
12 that is not subject to copyright protection.<sup>14</sup>

13 **2. Diebold violated section 512(f).**

14 Plaintiffs argue that Diebold “knowingly materially misrepresented” that publication of  
15 the email archive constituted copyright infringement and thus is liable for damages pursuant to  
16 17 U.S.C. § 512(f). The parties dispute the meaning of the phrase “knowingly materially  
17 misrepresents.” Plaintiffs argue that a type of preliminary injunction standard should be applied.  
18 That is, the Court should conclude that Diebold violated section 512(f) if it did not have a  
19

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20 <sup>13</sup> The fact that Diebold had not published the email archive is not dispositive. The “first  
21 publication right” permits the creator to control the final expression of the published work.  
22 There is no such interest here, in the context of an archive of fact-based or proprietary emails.  
23 Because Diebold clearly has indicated that it never intended to publish the emails, the fact that  
the email archive was unpublished does not obviate application of the fair use doctrine.

24 <sup>14</sup> Even if Diebold is correct that some individual emails may contain only proprietary  
25 software code or information concerning Diebold’s voting systems and thus is subject to  
26 copyright protection, there nonetheless is no genuine issue of material fact that publication of  
27 some of the email archive does not amount to copyright infringement. Plaintiffs additionally  
28 have argued that they were required to post the entire email archive because Diebold has accused  
Plaintiffs and others of taking individual emails out of context. *See* Plaintiffs’ Motion for  
Summary Judgment, p. 12. Significantly, Diebold does not identify which of the more than  
thirteen thousand emails support its argument.

1 “likelihood of success” on the merits of a copyright infringement claim when it sent the DMCA  
2 letters. Diebold contends that the Court should apply a type of Federal Rule of Civil Procedure  
3 11 (“Rule 11”) standard and thus conclude that Diebold did not violate section 512(f) unless  
4 sending the DMCA letters was “frivolous.” Because the DMCA is of relatively recent vintage,  
5 the issue appears to be one of first impression.

6 The Court concludes that neither standard is appropriate. A requirement that a party have  
7 an objectively measured “likelihood of success on the merits” in order to assert claims of  
8 copyright infringement would impermissibly chill the rights of copyright owners. At the same  
9 time, in requiring a showing of “knowing material misrepresentation,” Congress explicitly  
10 adopted a standard different from that embodied in Rule 11, which contains a variety of other  
11 requirements that are not necessarily coextensive with those set forth in section 12(f). The Court  
12 concludes that the statutory language is sufficiently clear on its face and does not require  
13 importation of standards from other legal contexts. A party is liable if it “knowingly” and  
14 “materially” misrepresents that copyright infringement has occurred. “Knowingly” means that a  
15 party actually knew, should have known if it acted with reasonable care or diligence, or would  
16 have had no substantial doubt had it been acting in good faith, that it was making  
17 misrepresentations. *See* BLACK’S LAW DICTIONARY (8th ed. 2004) (definitions of “knowledge,”  
18 in particular, “actual” and “constructive” knowledge). “Material” means that the  
19 misrepresentation affected the ISP’s response to a DMCA letter. *See id.*

20 Applying this standard and in light of the evidence in the record, the Court concludes as a  
21 matter of law that Diebold knowingly materially misrepresented that Plaintiffs infringed  
22 Diebold’s copyright interest, at least with respect to the portions of the email archive clearly  
23 subject to the fair use exception. No reasonable copyright holder could have believed that the  
24 portions of the email archive discussing possible technical problems with Diebold’s voting  
25 machines were protected by copyright, and there is no genuine issue of fact that Diebold  
26  
27  
28

1 knew—and indeed that it specifically intended<sup>15</sup>—that its letters to OPG and Swarthmore would  
2 result in prevention of publication of that content. The misrepresentations were material in that  
3 they resulted in removal of the content from websites and the initiation of the present lawsuit.  
4 The fact that Diebold never actually brought suit against any alleged infringer suggests strongly  
5 that Diebold sought to use the DMCA’s safe harbor provisions—which were designed to protect  
6 ISPs, not copyright holders—as a sword to suppress publication of embarrassing content rather  
7 than as a shield to protect its intellectual property.

8 **C. Tortious Interference with Contractual Relations**

9 Plaintiffs also claim that, through its inappropriate use of the DMCA, Diebold interfered  
10 with their contractual relations with their respective ISPs. Under California law, the elements of  
11 intentional interference with contractual relations are: (1) a valid contract between the plaintiff  
12 and a third party; (2) the defendant’s knowledge of this contract; (3) intentional acts designed to  
13 induce a breach or disruption of the contractual relationship; (4) actual breach or disruption of the  
14 relationship; and (5) resulting damage. See *Quelimane Co. v. Stewart Title Guar. Co.*, 19 Cal.4th  
15 26 (1998). As an affirmative defense to a charge of tortious interference with contract, a  
16 defendant may show that its actions were justified. See *A.F. Arnold & Co. v. Pacific Prof’l Ins.,*  
17 *Inc.*, 104 Cal.Rptr. 96, 99 (1972).

18 One who, by asserting in good faith a legally protected interest of his own or  
19 threatening in good faith to protect the interest by appropriate means, intentionally  
20 causes a third person not to perform an existing contract or enter into a  
21 prospective contractual relation with another does not interfere improperly with  
the other’s relation if the actor believes that his interest may otherwise be  
impaired or destroyed by the performance of the contract or transaction.

22 Restatement (Second) of Torts § 773.

23  
24 The test of whether there is justification for conduct which induces a breach of  
25 contract turns on a balancing of the social and private importance of the objective  
26 advanced by the interference against the importance of the interest interfered  
with, considering all the circumstances including the nature of the actor’s

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27 <sup>15</sup> Indeed, Diebold’s counsel stated that “the DMCA provides the rapid response, the rapid  
28 remedies that Congress had in mind.” Law & Motion Hearing, November 17, 2003, p. 30:6–8.

1 conduct and the relationship between the parties.

2 *Richardson v. La Racherita of La Jolla*, 98 Cal.App.3d 73, 81 (1979).

3 Diebold argues that Plaintiffs cannot prevail on their interference with contract claim  
4 because: (1) Pavlosky and Smith have not shown that they had a contract with Swarthmore; (2)  
5 Swarthmore’s compliance with the DMCA does not constitute breach of contract; (3) OPG has  
6 not demonstrated that there has been any breach or disruption of its contract with Hurricane; (4)  
7 Hurricane’s contract with OPG permits it to comply with the DMCA; (5) seeking to protect one’s  
8 copyright does not constitute interference with a contract; and (6) the state law is preempted if it  
9 is applied in such a manner as to prevent a party from complying with the DMCA.

10 The Court agrees with Diebold that on the facts of this case the claim is preempted.  
11 Preemption occurs “when compliance with both state and federal [laws] is a physical  
12 impossibility or when state law stands as an obstacle to the accomplishment and execution of the  
13 full purposes and objectives of Congress.” *Hillsborough County Fla. v. Automated Med. Labs.*  
14 *Inc.*, 471 U.S. 707, 713 (1985) (internal citations omitted); *see also In re Cybernetics Servs., Inc.*,  
15 252 F.3d 1039, 1045 (9th Cir. 2001) (internal citation omitted).

16 Even if a copyright holder does not intend to cause anything other than the removal of  
17 allegedly infringing material, compliance with the DMCA’s procedures nonetheless may result in  
18 disruption of a contractual relationship: by sending a letter, the copyright holder can effectuate  
19 the disruption of ISP service to clients. If adherence to the DMCA’s provisions simultaneously  
20 subjects the copyright holder to state tort law liability, there is an irreconcilable conflict between  
21 state and federal law. To the extent that Plaintiffs argue that there is no conflict because  
22 Diebold’s use of the DMCA in this case was based on misrepresentation of Diebold’s rights,  
23 their argument is undercut by the provisions of the statute itself. In section 512(f), Congress  
24 provides an express remedy for misuse of the DMCA’s safe harbor provisions. It appears that  
25 Congress carefully balanced the competing interests of copyright holders, ISPs, and the public,  
26 by providing immunity subject to relief for any misuse of the statute. Accordingly, Diebold’s  
27 motion will be granted as to Plaintiffs’ state law claim.

1 **IV. ORDER**

2 Good cause therefore appearing, IT IS HEREBY ORDERED that:

3 (1) Plaintiffs' causes of action for injunctive and declaratory relief and for copyright  
4 misuse are deemed moot;

5 (2) Plaintiffs' motion is GRANTED with respect to their claim pursuant to 17 U.S.C. §  
6 512(f) and otherwise is DENIED;

7 (3) Diebold's motion is GRANTED as to Plaintiffs' state law claim for tortious  
8 interference with contractual relations and otherwise is DENIED; and

9 (4) Within ten (10) days of the date that this Order is filed, Plaintiffs shall submit a brief  
10 addressing the monetary relief, including attorneys' fees and costs, to which they believe they are  
11 entitled pursuant to 17 U.S.C. § 512(f) . Diebold may file an opposition brief within ten (10)  
12 days after service of Plaintiffs' brief. Plaintiffs may file a reply brief within five (5) days after  
13 service of Diebold's opposition brief. The matter thereafter shall stand submitted.

14  
15  
16 DATED: September 30, 2004

17 /s/ (electronic signature authorized)  
18 JEREMY FOGEL  
19 United States District Judge  
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28

1 Copies of Order have been served upon the following persons:

2 Cindy Ann Cohn  
cindy@eff.org  
3 wendy@eff.org  
4 barak@eff.org

5 Jennifer Stisa Granick  
jennifer@law.stanford.edu

6 Tharan Gregory Lanier  
tglanier@jonesday.com  
7 snakanomcswain@jonesday.com

8 Robert A. Mittelstaedt  
ramittelstaedt@jonesday.com  
9 mpvandall@jonesday.com  
ybennett@jonesday.com  
10 arsand@jonesday.com  
tlovitt@jonesday.com  
11 cevaudreuill@jonesday.com  
aius@jonesday.com

12 Adam Richard Sand  
13 arsand@jonesday.com  
mlandsborough@jonesday.com  
14 cyip@jonesday.com

15 Matthew P. Vandall  
mvandall@jonesday.com

16

17

18

19

20

21

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