

10-1372-CV

IN THE
United States Court of Appeals
FOR THE SECOND CIRCUIT

BARCLAYS CAPITAL INCORPORATED,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
MORGAN STANLEY & COMPANY, INCORPORATED,

Plaintiffs-Appellees,

v.

THEFLYONTHEWALL.COM, INCORPORATED,

Defendant-Appellant

*On Appeal from a Judgment of the United States District Court
for the Southern District of New York (Foley Square)*

**BRIEF *AMICI CURIAE* OF CITIZEN MEDIA LAW PROJECT,
ELECTRONIC FRONTIER FOUNDATION, AND PUBLIC CITIZEN, INC.
IN SUPPORT OF NEITHER PARTY**

Fred von Lohmann (Bar No. 07-186510)
Corynne McSherry (*Application for
admission received and in process*)
Electronic Frontier Foundation
454 Shotwell Street
San Francisco, CA 94110
Tel: 415-436-9333 x122

Attorneys for Amici Curiae

On the Brief:

Christopher T. Bavitz
Asst Director, Cyberlaw Clinic
Berkman Ctr for Internet & Society
23 Everett St, 2nd Fl
Cambridge, MA 02138
Tel: 617-495-7547

Samuel M. Bayard
Asst Director, Citizen Media Law Project
Berkman Ctr for Internet & Society
23 Everett St, 2nd Fl
Cambridge, MA 02138
Tel: 617-495-7547

CORPORATE DISCLOSURE STATEMENT

Pursuant to Fed. R. App. P. 26.1 and 29(c), *amicus* Citizen Media Law Project (“CMLP”), an unincorporated association based at the Berkman Center for Internet & Society at Harvard University, makes the following disclosure:

1. CMLP is not a publicly held corporation or other publicly held entity.
2. CMLP has no parent corporations.
3. No publicly held corporation or other publicly held entity owns 10% or more of CMLP.
4. CMLP is not a trade association.

Dated: June 21, 2010

CITIZEN MEDIA LAW PROJECT

By: /s/Samuel M. Bayard
Samuel M. Bayard
Asst Director

CORPORATE DISCLOSURE STATEMENT

Pursuant to Fed. R. App. P. 26.1 and 29(c), *amicus* Electronic Frontier Foundation (“EFF”), a 501(c)(3) non-profit corporation incorporated in the Commonwealth of Massachusetts, makes the following disclosure:

1. EFF is not a publicly held corporation or other publicly held entity.
2. EFF has no parent corporations.
3. No publicly held corporation or other publicly held entity owns 10% or more of EFF.
4. EFF is not a trade association.

Dated: June 21, 2010

ELECTRONIC FRONTIER
FOUNDATION

By: /s/Fred von Lohmann
Fred von Lohmann
Senior Staff Attorney

CORPORATE DISCLOSURE STATEMENT

Pursuant to Fed. R. App. P. 26.1 and 29(c), *amicus* Public Citizen, Inc. (“Public Citizen”), a 501(c)(4) non-profit corporation incorporated in the District of Columbia, makes the following disclosure:

1. Public Citizen is not a publicly held corporation or other publicly held entity.
2. Public Citizen has no parent corporations.
3. No publicly held corporation or other publicly held entity owns 10% or more of Public Citizen.
4. Public Citizen is not a trade association.

Dated: June 21, 2010

PUBLIC CITIZEN, INC.

By: /s/Greg Beck
Greg Beck
Staff Attorney

TABLE OF CONTENTS

TABLE OF AUTHORITIES.....	ii
STATEMENT OF CONSENT PURSUANT TO FED. R. APP. P. 29(a).....	vi
STATEMENT OF INTEREST OF <i>AMICI</i>	1
I. FIRST AMENDMENT JURISPRUDENCE MUST GUIDE APPLICATION OF THE HOT NEWS DOCTRINE.....	4
A. No Court Has Explored Carefully the Speech Implications of the Hot News Doctrine.....	5
B. <i>INS</i> and Its Progeny Threaten to Impede Traditional First Amendment Protections for Truthful Speech on Matters of Public Concern.....	6
C. Like Other Forms of Intellectual Property and “Quasi-Intellectual Property,” The Hot News Doctrine Needs a First Amendment Safety Valve.	11
II. THE HOT NEWS DOCTRINE MUST NOT BE ALLOWED TO IMPEDE THE GROWTH OF ONLINE COMMUNICATION.....	19
A. The Free Dissemination of Hot News is Vital to Robust Public Debate	19
B. Hot News Misappropriation Could Chill the Development of Online Expression.....	22
C. If the Hot News Doctrine Survives Constitutional Scrutiny, the <i>NBA</i> Factors Must Be Applied in a Manner that Promotes the Public Interest.....	24
CONCLUSION.....	27

TABLE OF AUTHORITIES

Cases

<i>44 Liquormart, Inc. v. Rhode Island</i> , 517 U.S. 484 (1996)	8
<i>Abrams v. United States</i> , 290 U.S. 616 (1919)	5
<i>Associated Press v. United States</i> , 326 U.S. 1 (1945)	6
<i>Balboa Island Vill. Inn v. Lemen</i> , 156 P.3d 339 (Cal. 2007)	9
<i>Bartnicki v. Vopper</i> , 532 U.S. 514 (2001).....	3, 7, 17
<i>Bond v. Floyd</i> , 385 U.S. 116 (1966)	4
<i>Bose Corp. v. Consumers Union of U.S., Inc.</i> , 466 U.S. 485 (1984)	26
<i>Butterworth v. Smith</i> , 494 U.S. 624 (1990).....	8
<i>Carpenter v. United States</i> , 408 U.S. 19 (1987).....	16
<i>CBS, Inc. v. Davis</i> , 510 U.S. 1315 (1994).....	18
<i>Cohen v. Cowles Media Co.</i> , 501 U.S. 663 (1991)	16
<i>Cox Broad. Corp. v. Cohn</i> , 420 U.S. 469 (1975)	7, 23
<i>CPC Int’l, Inc. v. Skippy Inc.</i> , 214 F.3d 456 (4th Cir. 2000)	13
<i>Dirks v. SEC</i> , 463 U.S. 646 (1983).....	16
<i>Eldred v. Ashcroft</i> , 537 U.S. 186 (2002).....	12
<i>ETW Corp. v. Jireh Publ’g, Inc.</i> , 332 F.3d 915 (6th Cir. 2003)	14
<i>Feist Publ’n’s, Inc. v. Rural Tel. Serv. Co.</i> , 499 U.S. 340 (1991).....	12
<i>Florida Star v. B.J.F.</i> , 491 U.S. 524 (1989).....	3, 7, 8
<i>Ford Motor Co. v. Lane</i> , 67 F. Supp. 2d 745 (E.D. Mich. 1999)	18
<i>Garrison v. Louisiana</i> , 379 U.S. 64 (1964).....	8
<i>Harper & Row Publishers, Inc. v. Nation Enters.</i> , 471 U.S. 539 (1985).....	12
<i>In re Providence Journal Co.</i> , 820 F.2d 1342 (1st Cir. 1986).....	10
<i>International News Service v. Associated Press (INS)</i> , 248 U.S. 215 (1918) .	passim

<i>Iowa State Univ. Research Found., Inc. v. ABC</i> , 621 F.2d 57 (2d Cir. 1980).....	12
<i>KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.</i> , 543 U.S. 111 (2004)	13
<i>Landmark Commc'ns, Inc. v. Virginia</i> , 435 U.S. 829 (1978).....	7
<i>National Basketball Association v. Motorola, Inc. (NBA)</i> , 105 F.3d 841 (2d Cir. 1997)	passim
<i>Neb. Press Ass'n v. Stuart</i> , 427 U.S. 539 (1976)	9
<i>New Kids on the Block v. News Am. Publ'g, Inc.</i> , 971 F.2d 302 (9th Cir. 1992) ...	13
<i>New York Times Co. v. Sullivan</i> , 376 U.S. 254 (1964).....	4, 6, 26, 27
<i>New York Times Co. v. United States (Pentagon Papers)</i> , 403 U.S. 713 (1971)	9, 10, 18
<i>Org. for a Better Austin v. Keefe</i> , 402 U.S. 415 (1971)	9
<i>Perfect 10 v. Amazon, Inc.</i> , 487 F.3d 701 (9th Cir. 2007).....	26
<i>Philadelphia Newspapers, Inc. v. Hepps</i> , 475 U.S. 767 (1986).....	8
<i>Procter & Gamble Co. v. Bankers Trust Co.</i> , 78 F.3d 219 (6th Cir. 1996) .	9, 10, 18
<i>Rogers v. Grimaldi</i> , 875 F.2d 994 (2d Cir. 1989)	13
<i>San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.</i> , 483 U.S. 522 (1987)	14
<i>Sarl Louis Feraud Int'l v. Viewfinder, Inc.</i> , 489 F.3d 474 (2d Cir. 2007)	11
<i>Schenck v. United States</i> , 249 U.S. 47 (1919).....	5
<i>Silver v. Lavandeira</i> , No. 08-cv-6522, 2009 WL 513031 (S.D.N.Y. Feb. 26, 2009)	23
<i>Smith v. Daily Mail Publ'g Co.</i> , 443 U.S. 97 (1979).....	3, 7, 10
<i>Thornhill v. Alabama</i> , 310 U.S. 88 (1940).....	8
<i>Tiffany (NJ) Inc. v. eBay Inc.</i> , 600 F.3d 93 (2d Cir. 2010)	13
<i>Virginia State Bd. of Pharm. v. Virginia Citizens Consumer Council</i> , 425 U.S. 748 (1976)	8
<i>X17 v. Lavandeira</i> , 563 F.Supp. 2d 1102 (C.D. Cal. 2007).....	23

Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977)..... 15

Statutes

15 U.S.C. § 1115(b)(4) (2006) 13

15 U.S.C. § 1125(c)(3) (2006)..... 13

Other Authorities

Brian Stelter, *When the President Travels, It's Cheaper for Reporters to Stay Home*, N.Y. Times, May 24, 2010 22

Charles Arthur, *How Twitter and Flickr Recorded the Mumbai Terror Attacks*, The Guardian, Nov. 27, 2008 22

Dan Kennedy, *Citizen Media and the Earthquake in Haiti*, Media Nation, Jan. 13, 2010 21

David Lange & H. Jefferson Powell, *No Law: Intellectual Property in the Image of an Absolute First Amendment* (2009) 5

Diane Leenheer Zimmerman, *Information as Speech, Information as Goods: Some Thoughts on Marketplaces and the Bill of Rights*, 33 Wm. & Mary L. Rev. 665 (1992) 5

Eugene Volokh, *Freedom of Speech and Information Privacy: The Troubling Implications of a Right to Stop People from Speaking About You*, 52 Stan. L. Rev. 1049 (2000)6, 11, 13, 14

Fed. Trade Comm'n, *Discussion Draft: Potential Policy Recommendations to Support the Reinvention of Journalism* (May 20, 2010) 20

J. Thomas McCarthy, *The Rights of Publicity and Privacy* § 8:23 (2d ed. 2010).. 15

Jack M. Balkin, *Digital Speech and Democratic Culture: A Theory of Freedom of Expression for the Information Society*, 79 N.Y.U. L. Rev. 1 (2004) 21

James Boyle, *Hot News: The Next Bad Thing*, Financial Times, Mar. 31, 2010 ... 23

Jonathan Stray, *The Google/China Hacking Case: How Many News Outlets Do Original Reporting on a Big Story?*, Nieman Journalism Lab, Feb. 24, 2010.... 20

Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147 (1998)..... 9

Mark A. Lemley, <i>The Modern Lanham Act and the Death of Common Sense</i> , 108 Yale L.J. 1687 (1999)	14
Mark A. Lemley, <i>The Surprising Virtues of Treating Trade Secrets as IP Rights</i> , 61 Stan. L. Rev. 311 (2008)	16
Mike Musgrove, <i>Twitter Is a Player in Iran’s Drama</i> , The Washington Post, June 17, 2009	22
Restatement (Third) of Unfair Competition (1995)	14, 16
Richard Posner, <i>Misappropriation: A Dirge</i> , 40 Hous. L. Rev. 621 (2003)	24, 25
Robert Darnton, <i>The Case for Books</i> (2009).....	20
Robert G. Bone, <i>A New Look at Trade Secret Law: A Doctrine in Search of Justification</i> , 86 Cal. L. Rev. 241 (1998)	15
Rodney M. Smolla, <i>Information as Contraband: The First Amendment and Liability for Trafficking in Speech</i> , 9 Nw. U. L. Rev. 1099 (2002).....	11
Uniform Trade Secret Act § 1 (1985).....	17
Yochai Benkler, <i>Wealth of Networks: How Social Production Transforms Markets and Freedom</i> 465 (2006).....	21

**STATEMENT OF CONSENT
PURSUANT TO FED. R. APP. P. 29(A)**

Both plaintiffs-appellees and defendant-appellant have consented to the filing of this Brief *Amici Curiae* of Citizen Media Law Project, Electronic Frontier Foundation, and Public Citizen, Inc.

STATEMENT OF INTEREST OF *AMICI*

Citizen Media Law Project, Electronic Frontier Foundation, and Public Citizen, Inc. (collectively, “*Amici*”) engage in research and advocacy on behalf of those in the fields of technology and media. *Amici* seek to protect the vital role that journalists, publishers, bloggers, and others play in promoting discussion of matters of public concern, uninhibited by doctrines that violate constitutional principles. *Amici* file this brief because this case highlights an uneasy tension between the so-called “hot news misappropriation” doctrine and the First Amendment, one that has not yet been carefully explored by any court. In order to protect freedom of speech and the press, courts applying the hot news misappropriation doctrine must consider the strong First Amendment protections the Supreme Court has developed to help encourage and protect the sharing of truthful statements on matters of public concern.¹

INTRODUCTION AND SUMMARY OF ARGUMENT

In an opinion and order dated March 18, 2010, the United States District Court for the Southern District of New York found that defendant-appellant TheFlyOnTheWall.com (“Fly”) had engaged in hot news misappropriation and enjoined Fly from reporting the factual content of stock recommendations made by

¹ Pursuant to Local Rule of Appellate Procedure 29.1, *Amici* declare that no party’s counsel authored this brief in whole or in part and that no party or its counsel or any other person contributed money intended to fund preparing or submitting the brief.

plaintiff-appellees (the “Firms”) for a period of time after their release. Op. & Order of March 18, 2010, at 76-88 [hereinafter Order].² The injunction applies even if Fly obtains the information through lawful, publicly available sources. *See id.* at 61, 76-88.

For procedural reasons, the District Court did not consider whether the hot news doctrine, as created in *International News Service v. Associated Press (INS)*, 248 U.S. 215 (1918), and narrowed by *National Basketball Association v. Motorola, Inc. (NBA)*, 105 F.3d 841 (2d Cir. 1997), is consistent with the First Amendment. Fly raised First Amendment arguments in its motion to have the Order modified or stayed. On May 7, 2010, the District Court denied Fly’s request and found that Fly had waived its First Amendment defense. *See* Op. & Order of May 7, 2010, at 13 [hereinafter Supplemental Order]. Accordingly, although the Court rejected Fly’s First Amendment arguments in dicta, it did not consider those arguments in any detail. *See id.* at 14-17.

Amici submit this brief in support of neither party and offer no opinion as to whether Fly waived its First Amendment defense. If this Court finds Fly waived the defense and affirms the Order on that basis, *Amici* respectfully request that the Court do so expressly in order to preserve the First Amendment issue for full

² *Amici* rely herein primarily on the District Court’s factual findings, as set forth in the Order.

consideration in a future case. Should this Court reach the constitutional question, however, *Amici* urge the Court to apply the heightened First Amendment scrutiny that is required where, as here, a party seeks to restrain the publication of lawfully obtained newsworthy information.

In the years following *INS*, the Supreme Court has spoken repeatedly regarding the validity of laws restricting the dissemination of truthful, newsworthy information: “if a newspaper lawfully obtains truthful information about a matter of public significance then state officials may not constitutionally punish publication of the information, absent a need to further a state interest of the highest order.” *Smith v. Daily Mail Publ’g Co.*, 443 U.S. 97, 103 (1979); *accord Bartnicki v. Vopper*, 532 U.S. 514, 527-28, 533-35 (2001); *Florida Star v. B.J.F.*, 491 U.S. 524, 533, 541 (1989). Nonetheless, courts have treated hot news misappropriation claims simply as property claims, as if they did not also involve speech restrictions. This Court should recognize that the hot news doctrine implicates core First Amendment principles: an injunction issued under the hot news doctrine plainly contemplates restricting publication of newsworthy facts. As with other speech restrictions of this kind, such an injunction must survive heightened First Amendment scrutiny.

Applying First Amendment scrutiny is particularly important now, as the emergence of the Internet has allowed many more people to participate in publicly

gathering, sharing, and commenting on the news of the day. Absent rigorous review of claims and remedies, the hot news misappropriation doctrine could stifle that extraordinary growth and impede democratic participation.

Although this Court did not address the First Amendment in *NBA*, it may be that *NBA*'s five-part test cabins the hot news doctrine sufficiently to reconcile it with the First Amendment in some cases. But, this Court should not apply the *NBA* factors as a sui generis test but rather as part of an express First Amendment analysis that takes into account—and benefits from—the Supreme Court's modern First Amendment jurisprudence. At the very least, this requires the Court to carefully apply each of the *NBA* factors and to make clear, as the *INS* Court did, that the hot news doctrine creates a right only against *direct* competitors and only under specific, rarified circumstances. It certainly does not create a right “against the public.” *See INS*, 248 U.S. at 236.

ARGUMENT

I. FIRST AMENDMENT JURISPRUDENCE MUST GUIDE APPLICATION OF THE HOT NEWS DOCTRINE

“The central commitment of the First Amendment . . . is that ‘debate on public issues should be uninhibited, robust, and wide-open.’” *Bond v. Floyd*, 385 U.S. 116, 136 (1966) (quoting *New York Times Co. v. Sullivan*, 376 U.S. 254, 270 (1964)). The hot news misappropriation tort—a tort purportedly aimed at

preserving the incentive to generate information on public issues—should be construed so as to respect and further that commitment.

A. No Court Has Explored Carefully the Speech Implications of the Hot News Doctrine

Surprisingly, the speech-restrictive effects of the hot news doctrine have never been squarely addressed. The *INS* majority opinion did not address the First Amendment, and Justice Brandeis’s famous dissent, while hinting at the tension between freedom of expression and the hot news tort,³ likewise failed to consider the First Amendment as an independent limitation on the brand new doctrine. This may be explained by the fact that *INS* predated the advent of modern speech jurisprudence, which began the following year with the landmark decisions in *Abrams v. United States*, 290 U.S. 616 (1919), and *Schenck v. United States*, 249 U.S. 47 (1919). See David Lange & H. Jefferson Powell, *No Law: Intellectual Property in the Image of an Absolute First Amendment* 149, 167, 171-72 (2009); Diane Leenheer Zimmerman, *Information as Speech, Information as Goods: Some Thoughts on Marketplaces and the Bill of Rights*, 33 Wm. & Mary L. Rev. 665, 685 n.139, 726 (1992); Eugene Volokh, *Freedom of Speech and Information Privacy: The Troubling Implications of a Right to Stop People from Speaking*

³ “The general rule of law is, that the noblest of human productions—knowledge, truths ascertained, conceptions, and ideas—become, after voluntary communication to others, free as the air to common use.” *INS*, 248 U.S. at 250 (Brandeis, J., dissenting).

About You, 52 Stan. L. Rev. 1049, 1070 (2000) [hereinafter Volokh, *Information Privacy*].

Post-*INS*, courts that defined and applied the hot news doctrine focused on its relationship to established forms of intellectual property. Thus, in *NBA*, this Court addressed whether the doctrine survived preemption under Section 301 of the Copyright Act. The Court set forth a narrowed version of the tort that survives preemption, which has become the touchstone for hot news cases in subsequent years. Because the Court in *NBA* determined that plaintiff failed to make out a hot news claim under its new five-element test, it did not reach the doctrine’s constitutionality under the First Amendment. *See NBA*, 105 F.3d at 854 n.10 (“In view of our disposition of this matter, we need not address appellants’ First Amendment and laches defenses.”).

B. *INS* and Its Progeny Threaten to Impede Traditional First Amendment Protections for Truthful Speech on Matters of Public Concern

Amici urge the Court to recognize the elephant in the room. A principal aim of the First Amendment is to “secure the ‘widest possible dissemination of information from diverse and antagonistic sources.’” *New York Times Co. v. Sullivan*, 376 U.S. 254, 266 (1964) (quoting *Associated Press v. United States*, 326 U.S. 1, 20 (1945)). To that end, the Supreme Court has recognized—in cases subsequent to *INS*—that the First Amendment protects truthful reporting on matters of public concern. *See, e.g., Bartnicki v. Vopper*, 532 U.S. 514, 527-28,

533-35 (2001) (First Amendment barred imposition of civil damages under wiretapping law for publishing contents of conversation relevant to matter of public concern); *Florida Star v. B.J.F.*, 491 U.S. 524, 534 (1989) (First Amendment barred imposition of civil damages on newspaper for publishing rape victim's name); *Smith v. Daily Mail Publ'g Co.*, 443 U.S. 97, 103-06 (1979) (First Amendment barred prosecution under state statute for publishing names of juvenile offenders without court's permission); *Landmark Commc'ns, Inc. v. Virginia*, 435 U.S. 829, 841-42 (1978) (First Amendment barred criminal prosecution for disclosing information from a confidential judicial disciplinary proceeding); *Cox Broad. Corp. v. Cohn*, 420 U.S. 469, 491 (1975) (First Amendment barred civil cause of action for publishing name of rape victim when information lawfully obtained from court records).

While the Court has not held categorically that the First Amendment prohibits any civil or criminal sanctions for the publishing of truthful information, *see Bartnicki*, 532 U.S. at 529; *Florida Star*, 491 U.S. at 530, these cases repeatedly affirm the following principle: "if a newspaper lawfully obtains truthful information about a matter of public significance then state officials may not constitutionally punish publication of the information, absent a need to further a state interest of the highest order." *Daily Mail*, 443 U.S. at 103; *accord Bartnicki*, 532 U.S. at 527-28; *Florida Star*, 491 U.S. at 533, 541. Moreover, the Supreme

Court has recognized that the means chosen must be “narrowly tailored” to the state’s interest. *See, e.g., Florida Star*, 491 U.S. at 537-41 (imposition of money damages on newspaper for disclosing rape victim’s name was unconstitutional because not narrowly tailored to state’s interest in protecting victim privacy); *Butterworth v. Smith*, 494 U.S. 624, 632-33 (1990) (permanent ban on disclosure of witness’s own grand jury testimony was unconstitutional because not narrowly tailored to state’s interests in secrecy).

The Supreme Court also has shown solicitude for dissemination of truthful information in a variety of other contexts, including defamation, commercial speech, and picketing cases. *See, e.g., 44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 496-504, 510-14, 516 (1996); *Philadelphia Newspapers, Inc. v. Hepps*, 475 U.S. 767, 776-77 (1986); *Garrison v. Louisiana*, 379 U.S. 64, 77-78 (1964); *Thornhill v. Alabama*, 310 U.S. 88, 101-05 (1940). These cases recognize not only the speaker’s right to share information but the public interest in receiving such information. *See Thornhill*, 310 U.S. at 101-02 (“Freedom of discussion, if it would fulfill its historic function in this nation, must embrace all issues about which information is needed or appropriate to enable the members of society to cope with the exigencies of their period.”); *Virginia State Bd. of Pharm. v. Virginia Citizens Consumer Council*, 425 U.S. 748, 756-57 (1976) (collecting cases on public’s right to receive information).

Moreover, special First Amendment concerns arise where, as here, a court enjoins the publication of *newsworthy* information. *See New York Times Co. v. United States (Pentagon Papers)*, 403 U.S. 713 (1971) (per curiam) (injunction against publication of classified documents stolen from Justice Department invalid as prior restraint); *Procter & Gamble Co. v. Bankers Trust Co.*, 78 F.3d 219, 225 (6th Cir. 1996) (“Prohibiting the publication of a news story . . . is the essence of censorship.” (alteration in original)). “Any prior restraint on expression comes to this Court with a ‘heavy presumption’ against its constitutional validity.” *Org. for a Better Austin v. Keefe*, 402 U.S. 415, 419 (1971); *see also Neb. Press Ass’n v. Stuart*, 427 U.S. 539, 559-60 (1976) (prior restraints represent “the most serious and the least tolerable infringement on First Amendment rights”).⁴

Moreover, the “mere delay” of one’s right to speak can constitute a prior restraint when the government imposes that delay. *Neb. Press Ass’n*, 427 U.S. at

⁴ The District Court noted that “no restraint was placed on Fly’s speech until after Fly was given a full and fair opportunity to present its defenses at trial.” Supplemental Order, at 12. *Amici* acknowledge the contested view that a court may constitutionally enjoin speech after making a final determination on the merits that the speech is unprotected by the First Amendment. *See, e.g., Balboa Island Vill. Inn v. Lemen*, 156 P.3d 339, 348-49 (Cal. 2007) (holding that injunction prohibiting the repetition of statements found at trial to be defamatory did not violate the First Amendment); Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147, 169-70 (1998) (“A permanent injunction, entered following a final determination that speech is unprotected, is generally seen as constitutional.”). *Amici* do not concede, however, that factual reporting in one’s own words qualifies as unprotected speech under any definition previously employed by the Supreme Court.

560; *accord Pentagon Papers*, 403 U.S. at 715 (Black, J., concurring) (“[E]very moment’s continuance of the injunctions against these newspapers amounts to a flagrant, indefensible, and continuing violation of the First Amendment.”) As the First Circuit explained when it invalidated a temporary restraining order against the *Providence Journal*:

The status quo of daily newspapers is to publish news promptly that editors decide to publish. A restraining order disturbs the status quo and impinges on the exercise of editorial discretion. News is a constantly changing and dynamic quantity. Today’s news will often be tomorrow’s history. . . . A restraining order lasting only hours can effectively prevent publication of news that will have an impact on that event and on those that event affects.

In re Providence Journal Co., 820 F.2d 1342, 1351-52 (1st Cir. 1986); *accord Proctor & Gamble*, 78 F.3d at 226 (adopting the First Circuit’s rationale).

The hot news doctrine plainly contemplates restricting the publication of truthful information—even if lawfully obtained—on matters of public concern. *See INS*, 248 U.S. at 231-32 (limiting inquiry to copying of news from public bulletin boards and newspapers published by AP members); *Order*, at 61 (“[I]t is not a defense to misappropriation that a [r]ecommendation is already in the public domain by the time Fly reports it.”). Given the Supreme Court’s modern First Amendment cases, such a restriction cannot be imposed unless it can withstand heightened First Amendment scrutiny. *See Daily Mail*, 443 U.S. at 101-02 (“Whether we view the statute as a prior restraint or as a penal sanction for

publishing lawfully obtained, truthful information is not dispositive because even the latter action requires the highest form of state interest to sustain its validity.”).

C. Like Other Forms of Intellectual Property and “Quasi-Intellectual Property,” The Hot News Doctrine Needs a First Amendment Safety Valve

The fact that courts historically have treated the hot news doctrine as a species of intellectual property does not change the analysis. The District Court noted in dicta that the hot news doctrine confers a right akin to an intellectual property right and that “the First Amendment does not provide news entities an exemption from compliance with intellectual property laws.” Supplemental Order, at 16 (quoting *Sarl Louis Feraud Int’l v. Viewfinder, Inc.*, 489 F.3d 474, 481 (2d Cir. 2007)). But the reverse is also true: labeling a doctrine “intellectual property” does not insulate that doctrine from First Amendment scrutiny. *See* Volokh, *Information Privacy, supra*, at 1063 (“Calling a speech restriction a ‘property right’ . . . doesn’t make it any less a speech restriction, and it doesn’t make it constitutionally permissible.”); Rodney A. Smolla, *Information as Contraband: The First Amendment and Liability for Trafficking in Speech*, 96 Nw. U. L. Rev. 1099, 1164 (2002) (intellectual property should not be construed as “some kind of anti-First Amendment talisman capable of working a doughty voodoo guaranteed to keep the free speech doctor away”). Quite the contrary: intellectual property regimes that restrict speech are permissible only if they strike a balance with the First Amendment.

Thus, most forms of intellectual property have some sort of First Amendment “safety valve.” In copyright law, that safety valve takes the form of the fair use doctrine, coupled with strict limits on the reach of copyright, such as a denial of protection for facts and ideas. *See Feist Publ’n’s, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 344-48, 359-60 (1991) (rejecting the “sweat of the brow” theory of copyright protection and holding that the Copyright Clause prohibits extension of copyright protection to facts); *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 556 (1985) (the idea/expression dichotomy “strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author’s expression” (internal quotations marks omitted))⁵; *accord Eldred v. Ashcroft*, 537 U.S. 186, 219-21 (2003) (ruling that Copyright Term Extension Act was not subject to strict scrutiny because “Congress ha[d] not altered the traditional contours of copyright protection,” which embody “built-in First Amendment accommodations” in the form of the idea/expression dichotomy and fair use).

⁵ In *Harper & Row*, the Court emphasized that *The Nation* “possessed an unfettered right to use any factual information revealed in [the memoirs] for the purpose of enlightening its audience, but it can claim no need to ‘bodily appropriate’ [Mr. Ford’s] ‘expression’ of that information by utilizing portions of the actual [manuscript],” adding that “[t]he public interest in the free flow of information is assured by the law’s refusal to recognize a valid copyright in facts.” 471 U.S. at 557-58 (paraphrasing *Iowa State Univ. Research Found., Inc. v. ABC*, 621 F.2d 57, 61 (2d Cir. 1980)).

Similarly, trademark law generally limits its reach to confusing and/or misleading commercial uses of marks (*i.e.*, uses that may cause actual consumer harm), and recognizes descriptive fair use⁶ and nominative fair use,⁷ as well as freestanding First Amendment defenses.⁸ The federal dilution statute, too, mediates the First Amendment tension through statutory exclusions for fair use, criticism, commentary, news reporting and news commentary, and noncommercial use. *See* 15 U.S.C. § 1125(c)(3). Together, these limitations and defenses attempt to ensure trademark law “does not prohibit speech that communicates facts or opinions about the product, even if the speech uses the product’s name.” Volokh, *Information Privacy, supra*, at 1067; *see also CPC Int’l, Inc. v. Skippy Inc.*, 214 F.3d 456, 462 (4th Cir. 2000) (“It is important that trademarks not be ‘transformed from rights against unfair competition to rights to control language.’” (quoting

⁶ 15 U.S.C. § 1115(b)(4) (2006); *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004).

⁷ *See, e.g., New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992); *see also Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 102-03 (2d Cir. 2010) (declining to address the viability of the nominative fair use doctrine in the Second Circuit, but recognizing the analogous principle that “a defendant may lawfully use a plaintiff’s trademark where doing so is necessary to describe the plaintiff’s product and does not imply a false affiliation or endorsement”).

⁸ *See, e.g., Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989).

Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 Yale L.J. 1687, 1710-11 (1999)).⁹

First Amendment safety valves also exist in the “quasi–intellectual property” doctrine of publicity rights. Although a publicity claim involves the unauthorized use of one’s identity, the right of publicity generally does not prohibit “the use of a person’s identity in news reporting, commentary, entertainment, works of fiction or nonfiction, or in advertising that is incidental to such uses.” Restatement (Third) of Unfair Competition § 47 (1995). Moreover, First Amendment defenses may be raised in right of publicity cases. *See, e.g., ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 938 (6th Cir. 2003) (“[Tiger] Woods’s right of publicity must yield to the First Amendment”); 2 J. Thomas McCarthy, *The Rights of Publicity and Privacy* §

⁹ The District Court suggested in dicta that *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522 (1987), supports the view that *INS* is consistent with the First Amendment. Supplemental Order, at 16. There, the Court ruled that the Amateur Sports Act could constitutionally be applied to prohibit a nonprofit organization from using “Olympics” in connection with its promotion of its “Gay Olympic Games,” even absent proof of confusion. *S.F. Arts*, 483 U.S. at 527 n.4. Relying on *INS*, the Court stated in dicta that an entity could obtain a limited property right in a word through “expenditure of labor, skill, and money.” *Id.* at 532; *see also id.* at 541 (citing *INS* for the proposition that the non-profit’s expressive purpose did not give it a First Amendment right to “appropriat[e] to itself the harvest of those who have sown”). Despite these nods to *INS*, the *S.F. Arts* Court stressed that “[b]y prohibiting the use of one word for particular purposes, neither Congress nor the USOC has prohibited the [plaintiff] from conveying its message.” *Id.* at 536. Nothing about the case or statute suggests that USOC had the power to restrain anyone from conveying newsworthy facts about the Olympics. *See Volokh, Information Privacy, supra*, at 1067.

8:23 (2d ed. 2010) (noting that courts balance First Amendment values against right of publicity values “on a case by case basis”).

In *Zacchini v. Scripps-Howard Broadcasting Co.*, the Supreme Court held that the broadcast of a human cannonball’s entire act (in a news program) violated the entertainer’s publicity rights in a manner not protected by the First Amendment. 433 U.S. 562, 575 (1977). The Court noted, however, that it would be “a very different case” if the defendant had “merely reported that petitioner was performing at the fair and described or commented on his act, with or without showing his picture on television.” *Id.* at 569. Indeed, the Court expressly cautioned against extension of its holding to reporting newsworthy facts. *Id.* at 574 (“It is evident, and there is no claim here to the contrary, that petitioner’s state-law right of publicity would not serve to prevent respondent from reporting the newsworthy facts about petitioner’s act.”).

Trade secrets have also been characterized as a form of intellectual property, and here, too, there are First Amendment safety valves. First, while trade secrets law governs facts and ideas, it normally forbids the circulation only of information that has been kept (1) secret; and (2) acquired through improper means or breach of a preexisting obligation. See Robert G. Bone, *A New Look at Trade Secret Law: A Doctrine in Search of Justification*, 86 Cal. L. Rev. 241, 244 (1998); Mark A. Lemley, *The Surprising Virtues of Treating Trade Secrets as IP Rights*, 61 Stan. L.

Rev. 311, 317-18 (2008). Thus, to the extent it restricts speech, that restriction is carefully limited, and—for the most part—protection is lost once the secret becomes news. *See* Restatement (Third) of Unfair Competition § 39 cmt. f. And, to the extent that trade secrets law restrains disclosure of facts based on the publisher’s own breach of contract or fiduciary duty or violation of laws against theft, trespass, and computer intrusion, it is consistent with Supreme Court precedent holding that the First Amendment provides no immunity against laws of general applicability that burden the newsgathering process. *See Cohen v. Cowles Media Co.*, 501 U.S. 663, 668-72 (1991). This is markedly different from hot news misappropriation, which contemplates restricting the speech of strangers who have obtained information lawfully from publicly available sources. *See INS*, 248 U.S. 231-32.¹⁰

¹⁰ *Carpenter v. United States*, 484 U.S. 19 (1987), cited in the Supplemental Order, is similarly inapposite. In *Carpenter*, the Court held that the pre-publication contents of a *Wall Street Journal* column constituted “money or property” for purposes of the federal wire fraud statute. *See id.* at 25-26. By sharing the pre-publication contents of his column with his co-conspirators, the defendant, a reporter for the *Journal*, violated his employer’s “official policy and practice . . . that prior to publication, the contents of the column were the *Journal*’s confidential information.” *Id.* at 23. Likewise, the Supplemental Order’s passing reference to “the exchange of information about securities”—apparently an allusion to rules against insider trading—is not illuminating because insider trading liability requires use or disclosure of inside information in violation of a fiduciary duty. *See Dirks v. SEC*, 463 U.S. 646, 654 (1983).

In some circumstances, of course, a trade secret owner may seek to restrict the speech of publishers who disclose a trade secret knowing that their source acquired the secret through improper means or through breach of a duty of confidentiality. *See* Uniform Trade Secrets Act § 1(2)(ii)(B)(I), (III) (1985). This kind of speech restriction raises many of the same First Amendment concerns that the hot news doctrine does, as it burdens truthful reporting on matters of public concern and is not cabined by the publisher’s own contractual obligations or unlawful newsgathering methods. The Supreme Court has never ruled on the question, however,¹¹ and it is likely, in light of the many cases rejecting prior restraint on publication of newsworthy information, that it would not endorse such

¹¹ Indeed, in *Bartnicki v. Vopper*, 532 U.S. 514 (2001), the Supreme Court deliberately sidestepped the question of whether a state may impose liability for publication of trade secrets based only on a source’s misconduct. The Court distinguished the case before it, which involved a matter of public concern, from “disclosures of trade secrets or domestic gossip or other information of purely private concern.” *Id.* at 533. It is not clear why the Supreme Court chose to characterize trade secrets as “information of purely private concern”—one can imagine many situations in which purported trade secrets could involve matters of great public importance, such as environmental harm, public safety, and consumer health. In any event, the Court’s passing comment leaves open the possibility that trade secret law may run afoul of the First Amendment to the extent it punishes downstream publishers for publishing newsworthy information obtained as a result of their sources’ misconduct.

restrictions on downstream publishers of former trade secrets where such secrets involved matters of public concern.¹²

In a variety of contexts, courts and legislators have sought to ensure that intellectual property claims do not avoid First Amendment scrutiny. Sometimes the balancing is done explicitly, sometimes it is accomplished through a fair use analysis, and sometimes the balance is embodied in limits on the reach of the property or quasi-property right. Moreover, as a rule, courts and legislators take care to protect the publication of truthful, newsworthy information because of its special role in informing the public and spurring free and open debate. It would be peculiar indeed if the hot news doctrine were to be the exception to this rule. Hot news misappropriation, if it is allowed to survive, must incorporate the same First Amendment safeguards as other forms of intellectual property and “quasi-intellectual property.”

¹²See *Pentagon Papers*, 403 U.S. at 714 (injunction against publication of classified documents stolen from Justice Department was invalid prior restraint); see also *CBS, Inc. v. Davis*, 510 U.S. 1315, 1317-18 (1994) (Blackmun, J., Circuit Justice) (staying injunction on publication of footage obtained through “calculated misdeeds”); *Procter & Gamble Co. v. Bankers Trust Co.*, 78 F.3d 219, 227 (6th Cir. 1996) (temporary restraining order enjoining publication of leaked trial documents under seal was invalid prior restraint); *Ford Motor Co. v. Lane*, 67 F. Supp. 2d 745, 753-54 (E.D. Mich. 1999) (holding First Amendment barred injunction against website’s publication of internal Ford documents obtained from current or former employees).

II. THE HOT NEWS DOCTRINE MUST NOT BE ALLOWED TO IMPEDE THE GROWTH OF ONLINE COMMUNICATION

Building First Amendment safeguards into the hot news misappropriation doctrine is particularly crucial today. In 1997, this Court held that the narrow version of hot news misappropriation that survives copyright preemption has the following elements:

(i) a plaintiff generates or gathers information at a cost; (ii) the information is time-sensitive; (iii) a defendant's use of the information constitutes free riding on the plaintiff's efforts; (iv) the defendant is in direct competition with a product or service offered by the plaintiffs; and (v) the ability of other parties to free-ride on the efforts of the plaintiff or others would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.

NBA, 105 F.3d at 845. Since 1997, the Internet has become an unprecedented, global, accessible, vibrant platform for free speech and commentary. The continued growth of this platform depends, in part, on the rapid publication and re-publication of news of the day. The re-emergence of the semi-moribund hot news misappropriation tort threatens to impede that growth, and First Amendment scrutiny should help mitigate that threat.

A. The Free Dissemination of Hot News is Vital to Robust Public Debate

Many of those “appropriating” hot news are doing something neither unique to our time nor harmful to the public interest. Throughout the history of journalism, news sources have relied on facts reported by others. Eighteenth Century newspapers “lifted most of their paragraphs from each other, adding new

material picked up from gossips in coffee houses or ship captains returning from voyages.” See Robert Darnton, *The Case for Books* 27 (2009). The modern system of news dissemination similarly is built on spreading stories by reporting and often re-reporting facts gathered by others. See Jonathan Stray, *The Google/China Hacking Case: How Many News Outlets Do the Original Reporting on a Big Story?*, Nieman Journalism Lab, Feb. 24, 2010, <http://www.niemanlab.org/2010/02/the-googlechina-hacking-case-how-many-news-outlets-do-the-original-reporting-on-a-big-story> (finding that a recent news event generated 800 articles, with just 121 of them distinct, 13 containing “at least some” original reporting, and only 7 “primarily based on original reporting”). The Federal Trade Commission recently noted in its discussion draft on the future of news that “[n]ews organizations and writers, including print, broadcast, op-ed writers, and other commentators, routinely borrow from each other.” Fed. Trade Comm’n, *Discussion Draft: Potential Policy Recommendations to Support the Reinvention of Journalism* 10 (May 20, 2010), <http://www.ftc.gov/opp/workshops/news/jun15/docs/new-staff-discussion.pdf> (citing testimony of panelist Professor James Boyle that “[m]uch of what is done by newspapers with each other is actually problematic under existing hot news doctrine”).

The emergence of the Internet has made the rapid sharing of news virtually essential to public debate. Low-cost online publishing platforms allow ordinary

citizens to document and report on events as they unfold, share news with friends and colleagues with the press of a button, and comment on both the news of the day and how the media is reporting it. See Jack M. Balkin, *Digital Speech and Democratic Culture: A Theory of Freedom of Expression for the Information Society*, 79 N.Y.U. L. Rev. 1, 9 (2004) (“More and more people can publish content using digital technologies and send it worldwide; conversely, more and more people can receive digital content, and receive it from more and more people.”). These technological developments promise not just greater convenience, but the advent of more democratic civic and cultural discourse. See Yochai Benkler, *Wealth of Networks: How Social Production Transforms Markets and Freedom* 465 (2006).

Recent events underscore the importance of protecting the free flow of news online. For example, after the earthquake in Haiti, “news organizations, large and small, tapped into Haiti’s online community in order to provide them with the on-the-ground eyes and ears they did not have” and “a lively and heartbreaking stream of reports [came] out of the island.” Dan Kennedy, *Citizen Media and the Earthquake in Haiti*, Media Nation, Jan. 13, 2010, <http://www.dankennedy.net/2010/01/13/citizen-media-and-the-earthquake-in-haiti>. Likewise, after the Mumbai terror attacks, “the photo-sharing site Flickr and the microblogging system Twitter both provid[ed] a kaleidoscope of what was going on within minutes of the attacks

beginning.” Charles Arthur, *How Twitter and Flickr Recorded the Mumbai Terror Attacks*, The Guardian, Nov. 27, 2008, <http://www.guardian.co.uk/technology/2008/nov/27/mumbai-terror-attacks-twitter-flickr>. During the 2009 Iranian elections, the need for more sources of real-time reporting was so great that the State Department asked Twitter to reschedule site maintenance to avoid disrupting election updates. See Mike Musgrove, *Twitter Is a Player in Iran’s Drama*, The Washington Post, June 17, 2009, at A10.

Moreover, given that the number of reporters that mainstream news organization have on the ground to cover major news stories is decreasing, *see, e.g.*, Brian Stelter, *When the President Travels, It’s Cheaper for Reporters to Stay Home*, N.Y. Times, May 24, 2010, at B1, it is essential that the public have access to a range of alternative channels. Social media websites make it possible for ordinary individuals to share information, images, and commentary, based on facts gleaned from all manner of sources, as an event transpires. To be sure, the public continues to have an interest in professional journalism. But, it also has an interest in receiving timely news on all issues, even those difficult to cover via traditional means.

B. Hot News Misappropriation Could Chill the Development of Online Expression

In the online media space, information often comes incrementally from a plurality of sources. News organizations, bloggers, and social media users add to

original news content, comment upon it, and share it at a breathtaking pace.

Because it creates a quasi-property right in facts, the hot news misappropriation doctrine threatens to chill this real-time spread of newsworthy information.

Concerns over who owns reported facts and who qualifies as a “competitor” could “cast a pall of fear over free speech”:

Is my blog or twitter feed allowed to say that there has been an earthquake or that some political scandal has erupted? Or must I buy a license to say so? After all, in the new world bloggers are “competitors” as news sources.

James Boyle, *Hot News: The Next Bad Thing*, Financial Times, Mar. 31, 2010, <http://www.ft.com/cms/s/0/0c1efcf4-3d11-11df-b81b-00144feabdc0.html> (requires registration).¹³ If mainstream media outlets, bloggers, and other non-traditional journalists are unsure whether they are violating the law, they may well think twice about sharing newsworthy information out of “timidity and self-censorship.” *Cox Broad. Corp.*, 420 U.S. at 496. Those concerns are more serious for those who lack institutional support and legal assistance, and the chilling effect may be exacerbated by overreaching cease-and-desist letters.

In this context, the *NBA* standard for hot news misappropriation is dangerously ambiguous. For example, as Judge Posner noted, the fifth factor is “alarmingly fuzzy once the extreme position of creating a legal right against all

¹³ The spectre of hot news lawsuits against blogs is not a theoretical concern. *See, e.g., XI7 v. Lavandeira*, 563 F.Supp. 2d 1102 (C.D. Cal. 2007); *Silver v. Lavandeira*, No. 08-cv-6522, 2009 WL 513031 (S.D.N.Y. Feb. 26, 2009).

free riding is rejected, as it must be.” Richard A. Posner, *Misappropriation: A Dirge*, 40 Hous. L. Rev. 621, 638 (2003) [hereinafter Posner]. And, the second factor is equally confusing: when exactly does information cease to be time-sensitive? In the case of a mainstream newspaper, does it occur when the newspaper hits the stands? When it is published online? Two hours later? What if the news is of crucial public interest? A blogger seeking to retransmit and comment on information gleaned from a mainstream news source’s reporting from Port-au-Prince during January’s earthquake could not make practical sense of *NBA*’s second factor or even the suggestion in *INS* itself that an injunction against misappropriation of hot news may remain in effect until the report’s “commercial value as news had passed away.” *INS*, 248 U.S. at 232.

C. If the Hot News Doctrine Survives Constitutional Scrutiny, the *NBA* Factors Must Be Applied in a Manner that Promotes the Public Interest

As noted above, this Court did not consider the First Amendment in *NBA*. To the extent the Court finds in this case that the five *NBA* factors sufficiently reconcile the hot news misappropriation doctrine with the First Amendment,¹⁴

¹⁴ *Amici* do not concede that the *NBA* factors provide the narrow tailoring required to survive First Amendment scrutiny. In addition to the aforementioned concerns about test’s ambiguity and the resulting chilling effects, *Amici* note that the limitations imposed by the *NBA* test look to the economic interests of plaintiffs and take little account of the public’s interest in the free flow of information and ideas. Furthermore, the availability of copyright law to protect expression and contract

Amici respectfully urge the Court to carefully scrutinize application of each of the factors to ensure that any restriction on the dissemination of newsworthy facts is narrowly tailored to a “state interest of the highest order.”

For instance, the Court should police with special care *NBA*’s fifth factor and require something akin to clear and convincing evidence that the defendant’s free riding threatens the very existence of the information in question.¹⁵ Assuming arguendo that preserving the incentive to gather socially valuable news and information is “a state interest of the highest order,” a court should carefully scrutinize a plaintiff’s claim that a defendant’s free riding threatens the existence of the information in question. There can be no “state interest of the highest order” in merely protecting the plaintiff from competition.

In this regard, *Amici* are troubled by the District Court’s heavy reliance on testimony from the Firms’ own “senior research executives.” Order, at 74. While such individuals may be “in the best position to understand their Firms’ business models,” *id.*, testimony of this kind lends itself to self-serving claims about the impact of a competitor’s practices. The First Amendment surely requires more than this to justify the extreme step of enjoining of truthful speech on matters of

law to protect proprietary information suggest that less speech-restrictive remedies remain available to preserve the incentive to gather information.

¹⁵ The test, as currently written, injects unnecessary ambiguity and breadth by suggesting that a hot news claim can be premised on a mere threat to the “quality” of information. See Posner, *supra*, at 639.

public concern. *Cf. Sullivan*, 376 U.S. at 285-86 (“[T]he proof presented to show actual malice [in the record] lacks the convincing clarity which the constitutional standard demands[.]”). Moreover, “an appellate court has an obligation to make an independent examination of the whole record in order to make sure that the judgment does not constitute a forbidden intrusion on the field of free expression.” *Bose Corp. v. Consumers Union of U.S., Inc.*, 466 U.S. 485, 499 (1984) (internal quotation marks omitted).

The Court should also send a message to district courts to carefully scrutinize the third and fourth *NBA* factors relating to “free riding” and “direct competition.” 105 F.3d at 845. A blogger commenting on facts reported by a plaintiff is not free riding in any sense cognizable under the First Amendment. A search engine or news aggregator that helps the public efficiently locate and access publicly available information likewise performs an independent, socially valuable function, and it should not be penalized based on an outmoded “sweat of the brow” concept of property. *Cf. Perfect 10 v. Amazon, Inc.*, 487 F.3d 701, 721-23 (9th Cir. 2007) (finding, in the context of a fair use analysis, that Google’s image search service was “highly transformative” and emphasizing its “public benefit”). Moreover, the Court should make clear that “direct competition” in *NBA* factor four means something more than just attracting “eyeballs” away from a plaintiff’s print publication or website. In the rich and diverse online media space, too low a

threshold could make every non-traditional journalist, blogger, and social media user a potential target for improper hot news misappropriation claims.

In sum, *Amici* urge the Court to clarify, as the *INS* Court did, that the hot news misappropriation doctrine does not create a broad right “against the public.” *See INS*, 248 U.S. at 236. If the hot news doctrine serves the public interest, it only does so to the extent that protecting investment in newsgathering furthers the greater purpose of providing the building blocks of public debate. Applying heightened First Amendment scrutiny in hot news cases, particularly in the online context, will help ensure that the doctrine serves that purpose. It should not be used to stifle common journalistic practices and new forms of commentary, curation, and information sharing online.

CONCLUSION

For the foregoing reasons, to the extent the Court reaches the constitutional question, *Amici* respectfully request that the Court apply to the hot news misappropriation doctrine the heightened First Amendment scrutiny that is required when a party seeks to restrain the publication of newsworthy information that is lawfully obtained. This scrutiny will help protect the public interest in securing the “widest possible dissemination of information from diverse and antagonistic sources,” and ensuring that “debate on public issues should be uninhibited, robust, and wide-open.” *New York Times Co. v. Sullivan*, 376 U.S.

254, 266, 270 (1964). In turn, furthering these values will help safeguard the Internet's role as a vibrant and democratic platform for speech and a home for innovative forms of journalism.

Respectfully submitted,

By: /s/Fred von Lohmann
Fred von Lohmann (Bar No. 07-186510)
Corynne McSherry (*Application for admission received and in process*)
Electronic Frontier Foundation
454 Shotwell Street
San Francisco, California 94110
Tel: 415-436-9333 x 122

On the Brief:

Christopher T. Bavitz
Asst Director, Cyberlaw Clinic
Berkman Ctr for Internet & Society
23 Everett St, 2nd Fl
Cambridge, MA 02138
Tel: 617-495-7547

Samuel M. Bayard
Asst Director, Citizen Media Law Project
Berkman Ctr for Internet & Society
23 Everett St, 2nd Fl
Cambridge, MA 02138
Tel: 617-495-7547¹⁶

¹⁶ *Amici* wish to thank Cyberlaw Clinic law student interns Andrew Sellars and Sara Croll for their invaluable assistance in the preparation of this brief.

**CERTIFICATE OF COMPLIANCE
PURSUANT TO FED. R. APP. P. 32(a)(7)(C)**

I certify, pursuant to Fed. R. App. P. 32(a)(7)(C) that the attached Brief of *Amici Curiae* Citizen Media Law Project and Electronic Frontier Foundation comports with Fed. R. App. P. 32(a)(5), in that it is proportionally spaced and has a typeface of 14 points, and with Fed. R. App. P. 32(a)(7)(B) and 29(d), in that it contains 6,811 words (based on Microsoft Word 2003, the word processing system used to prepare the brief), exclusive of the tables, certificates, Appendix, and cover.

Dated: June 21, 2010

By: /s/Fred von Lohmann
Fred von Lohmann (Bar No. 07-186510)
Corynne McSherry (*Application for admission received and in process*)
Electronic Frontier Foundation
454 Shotwell Street
San Francisco, California 94110
Tel: 415-436-9333 x 122