

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

Benjamin Edelman,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 02-11503-RGS
)	
N2H2, Inc.,)	
)	
Defendant.)	

PLAINTIFF'S MEMORANDUM OF LAW IN OPPOSITION TO
DEFENDANT'S MOTION TO DISMISS

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I. INTRODUCTION

Plaintiff Benjamin Edelman (“Edelman”), a computer researcher, filed this action under the Declaratory Judgment Act (“DJA”) to establish his First Amendment and fair use rights to examine, analyze and publish research about a controversial Internet content blocking program manufactured by defendant N2H2, Inc. (“N2H2”). No doubt fearful that Edelman’s research will expose fundamental flaws in its program, N2H2 has publicly declared in its latest 10-Q report that it will pursue all legal remedies against Edelman should he go forward with the specific research he proposes. *See* Exhibit 1. Remarkably, N2H2 has nevertheless filed a motion to dismiss this case, arguing that Edelman lacks standing to bring the challenge because he has not yet conducted the research. But by stating unequivocally that the research would violate the laws Edelman seeks to clarify, N2H2 has conceded that the current controversy is concrete and that harm to Edelman is imminent should he proceed. The DJA was enacted specifically to allow litigants such as Edelman to “clarify legal rights and obligations before acting upon them” and risking civil and possibly criminal liability. In addition, Edelman clearly has standing to seek relief from the ongoing chilling effect on his constitutionally protected scientific research and publications.

N2H2’s blocking program is designed to prevent access to certain Web sites categorized as objectionable. Complaint at ¶ 2. Several studies have documented serious flaws in N2H2’s blocking program and in similar programs. *Id.* Edelman conducted one of these studies, which was recently relied upon as expert testimony by a federal district court. *See American Library Ass’n, Inc. v. United States*, 201 F. Supp. 2d 401 (E.D. Pa. 2002), *Sup. Ct. appeal filed*, 71 U.S.L.W. 3177 (Sept. 6, 2002) (striking down a federal law that mandates blocking programs in public libraries). Because N2H2 refuses to disclose its full list of blocked sites to the public, all

studies of the program have been necessarily limited. Complaint at ¶ 2. Edelman specifically asked N2H2 for a copy of the list for research purposes, which N2H2 refused to provide. *Id.* The public has a strong interest in understanding the strengths and weaknesses in Internet blocking programs, which are used by many public schools, libraries and other government agencies around the world. *Id.* Yet Edelman’s proposed research, which should be fully protected by the First Amendment, puts him at risk of liability under the Digital Millennium Copyright Act (“DMCA”), the Copyright Act, state trade secrets law, and N2H2’s non-negotiable license. *Id.*

This case presents novel issues of constitutional significance: a) the application of certain provisions of the DMCA to restrict constitutionally protected computer research and innovation; b) the enforcement of a software license that severely restricts constitutionally protected computer research and innovation, in conflict with federal intellectual property law; and c) the public’s right to know what Web sites are blocked by Internet content blocking programs that are increasingly mandated by governments. *Id.* at ¶ 2. As discussed fully below, because Edelman clearly has standing to seek declaratory and injunctive relief so that he may proceed with his research absent a threat of liability, the motion to dismiss should be denied.

II. STATEMENT OF FACTS

A. Blocking Programs and N2H2

N2H2 develops, markets and licenses a type of computer program that, when installed on a computer that can access the Internet, blocks access to Web sites that N2H2 categorizes as objectionable. Complaint at ¶ 15. N2H2’s blocking program, and similar programs offered by other vendors, typically operate in the following manner. If a blocking program is operating on a computer, the blocking program prevents the user from accessing content that has been

categorized by the program's vendor. *Id.* at ¶ 16. Upon attempting to access a blocked site, the blocking program presents the user with a screen indicating that access to the requested site has been denied by the blocking program. *Id.* The program's list of sites to block, or "block list," is embodied in a software file distributed as part of the blocking program and can contain hundreds of thousands of Web sites representing millions of pages of Web content. *Id.* Moreover, each Web site contained in the block list has been placed into one or more categories of content, or blocking categories. N2H2's blocking categories include "Adults Only," "Drugs," "Gambling," "Hate/Discrimination," "Nudity," "Pornography," "Profanity" and "Sex." *Id.* at ¶ 17. N2H2 compiles or "harvests" its list of blocked sites according to category definitions, by collecting a database of Web sites that potentially fall within its blocking category definitions. *Id.* Each Web site on a block list is placed into one of the categories, and blocking program customers can choose what type of content they want to block by enabling particular blocking categories. *Id.* at ¶ 18.

N2H2 considers the contents of its block list, and the methods used to develop it, to be proprietary trade secrets. *Id.* at ¶ 24. N2H2 only distributes the block list in an encrypted form, so users of the program cannot know in advance what sites will be blocked. *Id.* Since there is no way for the public to review the overall accuracy of the secret block list, N2H2 has repeatedly overestimated the effectiveness of its product, ignoring numerous studies documenting its flaws.¹ For example, N2H2's Web site maintains that it has "the most effective" blocking list of Web sites, relying on a study commissioned for the United States Department of Justice by eTesting Labs as evidence in the *American Library* case. Yet, the *American Library* court specifically

¹ See, e.g., *Mandated Mediocrity: Blocking Software Gets a Failing Grade* (visited on Oct. 28, 2002) <http://www.peacefire.org/censorware/BESS/MM>. Congress itself has commissioned studies that have documented how blocking programs erroneously block many Web sites. See, e.g., *YOUTH, PORNOGRAPHY, AND THE INTERNET* (Dick Thornburgh & Herbert S. Lin, eds. 2002), available at http://bob.nap.edu/html/youth_internet/; *COPA Commission Report to Congress*, October 20, 2000, available at <http://www.copacommission.org/report/>.

discounted the flawed eTesting Labs study of N2H2, noting that it has “little probative value because of the methodology used to select the sample universe of Web sites to be tested.” 201 F. Supp. 2d at 438. Further, the court’s findings of fact clearly show the degree of defectiveness and imprecision of N2H2’s blocking software. In addition, although N2H2 contends that its staff updates the block list daily, the *American Library* court found this was false because “[o]f the Web sites [incorrectly] blocked by N2H2 in ... October 2001, 55.10% remained blocked when tested ... March 2002.” *Id.* at 443 n.16 (emphasis added). Finally, though N2H2 advertises its blocking program as “CIPA compliant,” the *American Library* court held that no program was capable of distinguishing between protected and unprotected speech. That information is also excluded from N2H2’s Web site and public filings.²

B. The Effectiveness of N2H2’s Blocking Program is a Legitimate Area of Scientific Research and Public Inquiry

The availability of sexually explicit speech on the Internet is a hotly debated issue of public concern, as evidenced by the United States Congress’ repeated attempts to regulate it. *See, e.g.*, the Communications Decency Act (“CDA”), 47 U.S.C. § 223 *et seq.* (criminalizing indecent speech on the Internet); the Child Online Protection Act (“COPA”), 47 U.S.C. § 231 *et. seq.* (criminalizing “harmful to minors” speech on the Web). Blocking programs are designed to prevent access to sexually explicit and other content on the Internet. *See Reno v. ACLU*, 521 U.S. 844, 854-55 (1997) (suggesting that such programs may be of some use to parents in the home); 47 U.S.C. § 230 (requiring all Internet Service Providers to inform customers of the

² Although not relevant in a motion to dismiss, N2H2’s motion wrongly asserts that the public release of block lists has harmed other blocking software companies. Net Nanny did not file for bankruptcy because its block list was public, but because it incurred “over three million in liabilities resulting from electronic commerce initiatives in 1999-2000.” *Net Nanny’s Reorganization Plan Approved by Court* (Oct. 10, 2002) <http://www.netnanny.com/press/proposal-notice-08282002.pdf>. Likewise, Cyber Patrol, a division of Mattel, Inc., was sold in June 2000 to SurfControl for a record \$100 million, four months after the release of its list. *Internet Strategies for Education Markets*, THE HELLER REPORT, Sept. 1, 2001; *Hack Attack Warrants Full Court Press*, PR NEWS, Aug. 20, 2001; *SurfControl PLC - 1st Quarter Results*, REG. NEWS SERV., Oct. 17, 2000 (announcing record returns ending August 2000).

availability of blocking programs). In 2000, Congress passed the Children’s Internet Protection Act (“CIPA”), which mandates that public libraries and public schools receiving certain federal funds install blocking programs on all of their computer terminals in order to block access to speech that is obscene, harmful to minors, or child pornography.³ 20 U.S.C. § 9134 and 47 U.S.C. § 254.

Because blocking programs inevitably block access to protected speech while failing to prevent access to illegal speech, a three-judge panel recently held that the library provisions of CIPA are an unconstitutional restriction on protected speech. Complaint at ¶ 28 (citing *American Library*, 201 F. Supp. 2d 401). In reaching its decision, the court relied in part on Edelman’s expert testimony on overblocking. *Id.*

The CIPA provisions requiring use of blocking programs in public schools have not been challenged and are currently in force at schools around the country. Complaint at ¶ 29. According to the National Center for Education Statistics, over 65,000 public schools used some sort of blocking program in the year 2000. *Id.* N2H2’s 2001 Annual Report and other promotional materials on N2H2’s Web site state that over 40% of those schools (attended by over 16 million students) currently use N2H2’s program, making N2H2 the leader in the education market. *Id.* N2H2 advertises its blocking program as being “CIPA compliant.” *Id.*

As Edelman’s own research has shown, several other national governments require their citizens to use blocking software. *Id.* at ¶ 26 (citing <http://cyber.law.harvard.edu/filtering/>). China, Saudi Arabia, the United Arab Emirates, and other countries route all Internet traffic through commercially purchased or privately created blocking programs, in order to block their

³ The press has also reported extensively on issues raised by Internet blocking programs. *See, e.g.*, Joel Brown, *The Web Browser: Feds Requiring Blocking-software is the Real Violation*, BOSTON HERALD, June 16, 2002, at A14; Steven J. Vaughan-Nichols, *Filtering the Web for Children*, WASH. POST, May 5, 2002, at H07; Stephen Chapman, *Internet Blocking is for Blockheads*, ORLANDO SENTINEL, Jan. 3, 2001, at A11; David McGuire, *More Libraries Filtered in 2001*, NEWSBYTES, Jan. 9, 2002.

citizens from accessing religious or political speech on the Web that the governments dislike. *Id.* N2H2 is one of the blocking program vendors currently competing for the contract to supply Saudi Arabia with blocking technology. *Id.*

The ability of literally millions of students, library patrons, and citizens around the world to access protected speech on the Internet is dependent on the accuracy of N2H2's block list. Complaint at ¶ 29. Yet because N2H2 refuses to make its block list available to the public, there is currently no study that fully documents the accuracy of the program, and no meaningful quantitative analysis of the list's accuracy, comprehensiveness, or bias. *Id.* at ¶ 30.

C. Edelman's Proposed Research

Edelman has worked as a freelance technology consultant and on Internet technology issues for the past eight years, serving a variety of individual clients, small businesses and non-profit organizations. Complaint at ¶ 33. Edelman currently works as a researcher at Harvard Law School's Berkman Center for Internet & Society, and is a first-year student at Harvard Law School. *Id.* Edelman's professional experience as a consultant includes substantial participation in technology-related litigation in federal court. Edelman provided expert testimony in *NFL v. TVRADIONOW Corp.*, an action in the Western District of Pennsylvania, about Web server log analysis and Internet retransmission of television content, and also prepared an expert declaration in *Washingtonpost.Newsweek Interactive Co., LLC v. The Gator Corp.*, an action in the Eastern District of Virginia. *Id.* at ¶ 34.

Edelman was qualified as an expert and offered testimony concerning the effectiveness of blocking programs in the *American Library* case. *Id.* at ¶ 35. The court credited Edelman's expert testimony as to the amount of erroneously blocked Web sites ("overblocking") by several Internet filtering programs, including N2H2's. 201 F. Supp. 2d at 443-45. Edelman's study was

necessarily limited because he lacked access to N2H2's complete database of blocked Web sites.

As the *American Library* court explained,

Edelman tested only 500,000 unique URLs out of the 4000 times that many, or two billion, that are estimated to exist in the indexable Web. Even assuming Edelman chose the URLs that were most likely to be erroneously blocked by commercial filtering programs, we conclude that many times the number of pages that Edelman identified are erroneously blocked by one or more of the filtering programs that he tested.

Id. at 442.

Moreover, presently no study fully documents the inaccuracy of blocking programs like N2H2's, or meaningfully performs a quantitative analysis of the block list's comprehensiveness or biases. Because N2H2 refuses to make its block list available, the remaining options for studying the program are inadequate. Complaint at ¶ 30. As the *American Library* court notes, because access to the list is prohibited, "the only way to discover which URLs are blocked and which are not blocked ... is by testing individual URLs with filtering software, or by entering URLs one by one into the 'URL checker' that most filtering software companies provide on their Web sites." 201 F. Supp. 2d at 429-30. As the court further observed, the "fundamental problem" with this approach, however, is selecting a universe of Web sites to serve as the set to be tested. *Id.* at 437. No researcher will ever be able to collect and test, in a practical and methodologically sound manner, the two billion and growing URLs on the Web. The *American Library* court thus found that all of the studies of blocking programs submitted by the parties seriously underestimate the actual amount of overblocking. *Id.* at 437-47.

Given the ongoing use of blocking programs by schools and other customers around the world, and the strong public interest in their accuracy, Edelman now wishes to continue his study of N2H2 by researching the full block list. Complaint at ¶ 36. Because N2H2 has refused

Edelman's direct request for a copy of the block list, Edelman must "reverse engineer" N2H2's blocking program in order to conduct his research. *Id.* at ¶ 37. "Reverse engineering" is a process used to gain access to the functional elements of a software program in order to learn how it works. *Id.*

Edelman's proposed research will consist of five primary steps: (1) reverse engineering a licensed copy of the blocking program in order to discover what measures prevent access to and copying of the block list; (2) creating and using a circumvention tool to bypass those measures and access the block list; (3) analyzing the block list to determine its accuracy; (4) publishing the results of his analysis and the block list; and (5) distributing his circumvention tool to facilitate other fair and non-infringing uses of the block list. *Id.* at ¶ 38; *see also id.* at ¶¶ 39-50. Neither publication of the block list nor distribution of the circumvention tool will prevent proper operation of N2H2's program. *Id.* at ¶ 51. N2H2's customers will still be able to prevent users from accessing the content of sites on the block list. *Id.*

Despite recent attempts to limit reverse engineering by statute or through licensing agreements, the practice has long been accepted in the scientific and computer research communities. Reverse engineering has generally been acceptable even where the purpose is to create a competing product, because it can lead to improvements in products that will benefit consumers. *See Pamela Samuelson & Suzanne Scotchmaker, The Law and Economics of Reverse Engineering*, 111 YALE L.J. 1575, 1663 (2002). Where the primary purpose of reverse engineering is to expose flaws in government-mandated products, there is an even stronger public interest in protecting the practice.

Although Edelman believes that his proposed research, tools, and publications are protected by the First Amendment, the research appears to fall squarely within the prohibitions

of the N2H2 license, the DMCA and other copyrights and trade secret laws. *See infra* § III.C.1.

D. N2H2's Intention to Enforce Legal Remedies Against Edelman

N2H2 has repeatedly demonstrated its intent to use all available legal remedies to prevent the public -- and Edelman specifically -- from obtaining access to its block list. In *American Library*, N2H2 only allowed its representative to be deposed subject to a confidentiality order, which also protected against disclosure of N2H2 documents. Complaint at ¶ 71. N2H2 refused a discovery request for the block list, which N2H2 characterized as confidential and proprietary trade secret information. N2H2 also intervened during the *American Library* trial to prevent the disclosure of its confidential information in open court, demanding that the court be closed to the public during expert testimony on its block list building techniques, and that transcripts of that testimony be placed under seal. *Id.* at ¶ 72. The court granted both of these requests. (After the court heard the testimony in a closed session, it immediately ruled that the testimony did not warrant trade secret protection, and unsealed the testimony.)

In May 2002, Edelman personally contacted N2H2 by e-mail to request access to its block list, but his request was flatly refused because, according to a response by N2H2's representative,

I am sure that you have enough intelligence to know that [the list] is proprietary information and will not be shared. I am also sure that life will some day bring you greater things to do with your time.

Id. at ¶ 73.

Subsequently, on July 20, 2002, Edelman purchased a copy of N2H2's blocking program. *Id.* at ¶ 57. Edelman received by email N2H2's download location and password for the program, which he downloaded on July 22, 2002. *Id.* When Edelman began the installation process, he was presented with a copy of the N2H2 license on his computer screen, with the

option of accepting the license terms and installing the program, or not accepting the license terms and not installing the program. *Id.* The license specifically prohibits users from reverse engineering the program, copying the program, or disclosing confidential information about the program. *Id.* at ¶¶ 54-56. Edelman refused to assent to the license terms and did not install the program, choosing instead to clarify his legal rights first through the present action. *Id.* at ¶ 57.

N2H2 has also made public statements regarding its intention to assert all legal rights against Edelman if he engages in his proposed research. In N2H2's latest 10-Q quarterly filing with the Securities and Exchange Commission, N2H2 stated:

We intend to defend the validity of our license agreement and to enforce the provisions of this agreement to protect our proprietary rights. *We also intend to assert all of our legal rights against Edelman if he engages in future activity that violates the agreement or our proprietary rights.*

N2H2 Form 10-Q (filed Aug. 13, 2002), at 22 (emphasis added).⁴ Further, in the *Wall Street Journal*, N2H2 spokesman David Burt said the company would defend its license and intellectual property rights:

We think that our rights to protect our intellectual property and our software licensing agreements are valid. And we do intend to defend them.

Suit Seeks Exemption to Digital Copyrights, WALL ST. J., July 26, 2002, attached at Exhibit 2. Were Edelman to engage in his constitutionally protected research, N2H2 would undoubtedly sue him.

III. ARGUMENT

A. Legal Standard for Motions to Dismiss

In ruling on a motion under Federal Rule of Civil Procedure 12(b)(1), the district court “must construe the complaint liberally, treating all well-pleaded facts as true and drawing all

⁴ The relevant portions of N2H2's 10-Q report are attached as Exhibit 1, and the entire report is also available at <http://www.sec.gov/Archives/edgar/data/1077301/000089102002001251/v83748e10vq.htm>

reasonable inferences in favor of the plaintiffs.” *Viqueira v. First Bank*, 140 F.3d 12, 14 (1st Cir. 1998) (citing *Royal v. Leading Edge Prods., Inc.*, 833 F.2d 1 (1st Cir. 1987)); *see also Pejepsco Indus. Park v. Maine Cent. R.R.*, 215 F.3d 195, 197 (1st Cir. 2000). A court should not dismiss a complaint for lack of subject matter jurisdiction unless it is clear that the plaintiff will be unable to prove any set of facts that would entitle him to recovery. *LaChapelle v. Berkshire Life Ins. Co.*, 142 F.3d 507, 508 (1st Cir. 1998). In deciding a Rule 12(b)(1) motion, the court may consider materials outside the pleadings for the purpose of determining subject matter jurisdiction. *Gonzales v. United States*, 284 F.3d 281, 288 (1st Cir. 2002)); *Dynamic Image Techs., Inc. v. United States*, 221 F.3d 34, 37 (1st Cir. 2000) (stating that the court “may consider extrinsic materials” without converting motion to dismiss into summary judgment motion); *White v. Comm’r of Internal Revenue*, 899 F. Supp. 767, 771 (D. Mass. 1995) (same).

B. Edelman Has Standing to Seek Declaratory Relief to Clarify His Legal Rights

Edelman clearly meets the standing requirements for declaratory relief. *See generally Steffel v. Thompson*, 415 U.S. 452, 458 (1974) (citing 28 U.S.C. § 2201(a)); *Shell Oil Co. v. Noel*, 608 F.2d 208, 213 (1st Cir. 1979). To satisfy the standing requirement, the plaintiff must establish that (1) he or she personally has suffered some actual or threatened injury as a result of the challenged conduct; (2) the injury can fairly be traced to that conduct; and (3) the injury likely will be redressed by a favorable decision from the court. *Valley Forge Christian Coll. v. Americans United for Separation of Church and State*, 454 U.S. 464, 471 (1982); *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992).

Edelman has alleged his intent to engage in very specific research that includes reverse engineering a licensed copy of N2H2’s blocking program, creating and using a circumvention tool to access the block list, analyzing the block list to determine its accuracy, publishing the

results of his analysis, and distributing the circumvention tool created. Though he believes this research is constitutionally protected, his research risks liability under the DMCA, the Copyright Act, trade secrets laws, and N2H2's license. N2H2 has threatened to pursue all legal remedies against him if he proceeds. The threat is thus not hypothetical or conjectural, but imminent -- Edelman need only begin the research to trigger potential liability.⁵ A declaration of the rights and obligations between Edelman and N2H2 will clearly resolve the dispute.

Despite the doublespeak in N2H2's present motion, the company nowhere refutes this threat. Rather, the motion repeatedly states N2H2's position that Edelman's research would violate the license agreement and other laws. *See, e.g.*, Def. N2H2 Mem. in Support of Motion to Dismiss ("N2H2 Brief") at 1 ("N2H2 protects its ... confidential and trade secret information ... through license restrictions.... Edelman requests ... [the] right to misappropriate N2H2's valuable trade secrets, to repeatedly copy and distribute N2H2's copyrighted software and database, and to circumvent the encryption measures."); *id.* at 9; *id.* at 10 ("Edelman wants to engage in ...illegal activities."). Though N2H2 claims the controversy is "hypothetical," N2H2 in fact outlines in detail the harm it believes it would suffer if Edelman proceeded with his research. *See id.* at 3-5.

N2H2's only argument for dismissal is that its threat is not "imminent" because Edelman has not yet begun the research. Essentially, N2H2 argues that Edelman must act at his peril before he may determine his legal rights. But the DJA was enacted precisely to avoid that Hobson's choice. The DJA allows a party to seek a declaration from any federal court in order to establish his legal rights and relations independently of any other relief to which he may be entitled. 28 U.S.C. § 2201(a).

⁵ Because Edelman specifically proposes research of N2H2's program, and N2H2 has stated that it will pursue all legal remedies to prevent it, Edelman also easily meets the causation requirement.

A party may seek a declaration of rights under the Constitution, state statutes, and private contracts. *See, e.g., Duke Power Co. v. Carolina Envtl. Study Group, Inc.*, 483 U.S. 59, 71 (1978) (plaintiffs may use DJA to test the constitutionality of a statute); *Steffel*, 415 U.S. at 466 (same); *Okpalobi v. Foster*, 190 F.3d 337, 349 (5th Cir. 1999) (plaintiffs had standing to bring DJA action challenging state abortion laws that imposed civil tort liability); *Anderson v. Pictorial Prods., Inc.*, 232 F. Supp. 181 (S.D.N.Y. 1964) (plaintiff employee had standing in DJA action to determine rights under non-compete and confidentiality agreement).

As the DJA's legislative history shows, Congress "recognized that declaratory relief would 'settle controversies,' S. Rep. No. 1005, 73d Cong., 2d Sess., 2 (1934), and permit the federal courts 'the power to exercise in some instances preventive relief.' H.R. Rep. No.1264, 73d Cong., 2d Sess., 2 (1934)." *California v. Grace Brethen Church*, 457 U.S. 393, 410 n.1 (1982). In *Perez v. Ledesma*, Justice Brennan noted that the DJA is "especially useful in avoiding the necessity, now so often present, of having to act at one's peril or to act on one's own interpretation of his rights, *or abandon one's rights because of a fear of incurring damages.*" 401 U.S. 82, 112 (1971) (Brennan, J., concurring in part & dissenting in part) (emphasis added) (quoting H.R. Rep. No. 1264). Thus, the DJA "allow[s] relief to be given by way of recognizing the plaintiff's right even though no immediate enforcement of it was asked." *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 671-72 (1950).

Likewise, the First Circuit has noted that the DJA "serves a valuable purpose" because "[i]t is designed to enable litigants to clarify legal rights and obligations before acting upon them." *Ernst & Young v. Depositors Economic Protection Corp.*, 45 F.3d 530, 534 (1st Cir. 1995)); *see also Neely v. Benefits Review Bd.*, 139 F.3d 276, 279 (1st Cir. 1998). The DJA allows a court to make judicial determinations regarding the status of parties' *future* legal rights.

In *Western Elec. Co. v. Hammond*, 135 F.2d 283 (1st Cir. 1942), a patent case,⁶ the court concluded that a controversy existed where the interpretation of a contract “to manufacture and sell to the United States apparatus and equipment covered by the patents” was at issue. *Id.* at 286. Notably, the First Circuit reasoned that Western Electric had “a legal interest in the judicial determination of this controversy, because it will not only affect Western Electric’s possible liability to the United States on its contracts of indemnity but also its right to enter into similar transactions with the United States in the future, which, according to the complaint, it seeks to do.” *Id.*

Here, Edelman has standing under the DJA to clarify his specific rights under the N2H2 license agreement, the DMCA, the Copyright Act, and trade secret laws. If he acts at his peril in interpreting those rights, he risks incurring substantial damages.

C. Edelman Has Standing Because His First Amendment Rights Are Threatened

Even if Edelman did not satisfy the normal standing requirements, which he clearly does, he would have standing to bring this challenge to determine his constitutional rights. Under a long line of cases, courts have held that standing rules are relaxed in First Amendment cases specifically to prevent self-censorship. Thus, the “threatened injury” prong of the standing analysis is satisfied where a “law is aimed directly at plaintiffs, who, if their interpretation of the statute is correct, will have to take significant and costly compliance measures or risk criminal prosecution.” *See Virginia v. American Booksellers Ass’n, Inc.*, 484 U.S. 383, 392-93 (1988).⁷

⁶ In actions under the DJA, the principles that control patent cases are also applicable in copyright cases. *See* 10B WRIGHT & MILLER, FEDERAL PRACTICE & PROCEDURE § 2761 (3d ed. 2002).

⁷ *See also* *Citizens for Responsible Government State Political Action Comm. v. Davidson*, 236 F.3d 1174, 1192 (10th Cir. 2000); *Briggs v. Ohio Elections Comm’n*, 61 F.3d 487, 492 (6th Cir. 1995) (quoting *American Booksellers Ass’n v. Virginia*, 792 F.2d 1261, 1264 n. 4 (4th Cir. 1986)); *Presbytery of New Jersey of Orthodox Presbyterian Church v. Florio*, 40 F.3d 1454 (3d Cir. 1994) (pre-enforcement DJA First Amendment challenge to New Jersey Law Against Discrimination); *ACLU v. Johnson*, 4 F. Supp. 2d 1029 (D.N.M. 1998), *aff’d* 194 F.3d 1149 (10th Cir. 1999); *American Library Ass’n v. Pataki*, 969 F. Supp. 160 (S.D.N.Y. 1997); *Playboy Enter. Group, Inc. v. United States*, 945 F. Supp. 772, 775 (D. Del. 1996) (pre-enforcement First Amendment challenge to § 505 of CDA).

Edelman has “alleged an actual and well-founded fear that the law will be enforced against [him]. Further, the alleged danger of this statute is, in large measure, one of self-censorship; a harm that can be realized even without an actual prosecution.” *Id.* at 393.

In the First Circuit, under the injury in fact requirement of *American Booksellers*, “standing exists when ‘the plaintiff has alleged an *intention to engage* in a course of conduct arguably affected with a constitutional interest, but proscribed by [the] statute, and there exists a credible threat of prosecution.’” *New Hampshire Right to Life Pol. Action Comm. v. Gardner*, 99 F.3d 8, 13-14 (1st Cir. 1996) (emphasis added) (quoting *Babbitt v. United Farm Workers Nat’l Union*, 442 U.S. 289, 298 (1979)). The First Circuit noted that this injury is justiciable because when a threat of enforcement exists, the “affected party” faces “a classic dilemma” of “either . . . engag[ing] in the expressive activity, thus courting prosecution, or . . . succumb[ing] to the threat, thus forgoing free expression.” *Id.* at 14. The credible threat of enforcement element is “quite forgiving.” *Id.* Thus, in pre-enforcement challenges of statutes that “restrict expressive activity by the class to which the plaintiff belongs, courts will assume a credible threat of prosecution in the absence of compelling evidence.”⁸ *Id.* at 15 (emphasis added).

1. Edelman Intends to Engage in Constitutionally Protected Speech and Research That Is Proscribed by Applicable Statutes

As a threshold matter, Edelman intends to engage in legitimate and constitutionally protected speech and research. *See, e.g., Harper Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (suggesting the constitutional dimension of the fair use doctrine); *Junger v. Daley*, 209 F.3d 481, 484 (6th Cir. 2000) (holding that computer code is protected by the First Amendment because it is “an expressive means for the exchange of information and ideas about

⁸ *Accord North Carolina Right to Life, Inc. v. Bartlett*, 168 F.3d 705, 710 (4th Cir. 1999); *Kentucky Right to Life, Inc. v. Stengel*, 172 F.3d 48, 48 (6th Cir. 1999); *Commodity Trend Serv., Inc. v. Commodity Futures Trading Com’n*, 149 F.3d 679, 687 (7th Cir. 1998); *Outdoor Sys., Inc. v. City of Lenixa*, 1999 WL 203461, *3 (D. Kan. 1999).

computer programming”); *DVD Copy Control Ass’n v. Bunner*, 113 Cal. Rptr. 2d 338, 349 (Cal. Ct. App.) (trade secret laws “must bow to the protections offered by the First Amendment”), *review granted*, 41 P.3d 2 (Cal. 2002). In light of Edelman’s intention to carry out his proposed research, he easily satisfies the “intent to erase” prong of standing. *See, e.g., Rhode Island Ass’n of Realtors v. Whitehouse*, 199 F.3d 26, 30 (1st Cir. 1999) (concluding that the association’s intent to solicit new members, an activity protected by the First Amendment, establishes “intention to engage” element of standing); *Rhode Island Med. Soc’y v. Whitehouse*, 66 F. Supp. 2d 288, 301 (D.R.I. 1999) (same conclusion with regard to physician who intended to engage in several medical procedures).

Although Edelman believes that his research is protected by the First Amendment, it appears to be proscribed by N2H2’s license, the Copyright Act, the DMCA, and trade secret laws. Without a declaration that he will not incur liability to N2H2, Edelman will not conduct his research, to the detriment of his First Amendment rights. *See, e.g., American Booksellers* 484 U.S. at 392-93.

a. N2H2’s License and Trade Secrets

Edelman’s proposed research is directly prohibited by N2H2’s non-negotiable, mass-market license agreement. Complaint at ¶ 54. Copying and decrypting N2H2’s software, and obtaining and disclosing the decrypted block list may all expose him to substantial liability. *See* Complaint at ¶¶ 10-12, 54-57. Edelman also fears liability for trade secret misappropriation because N2H2 claims that its block list and the encryption measures protecting it constitute trade secrets. Because the confidentiality clause in N2H2’s license prohibits reverse engineering, Edelman fears that his proposed research will constitute improper means of acquiring a trade secret, subjecting him to liability for misappropriation. Complaint at ¶¶ 12, 63; *cf. Anderson*,

232 F. Supp. at 181; *Bunner*, 113 Cal. Rptr. 2d at 349.

b. Copyright Infringement

Components of Edelman's research are also at risk under the Copyright Act. The Act grants exclusive rights to "reproduce the copyrighted work in copies," 17 U.S.C. § 106(1), and to "prepare derivative works based upon the copyrighted work," *id.* § 106(2), and provides stiff civil and criminal penalties for any violations of the exclusive rights granted therein. *Id.* §§ 501-06. Edelman fears that his proposed research will not constitute fair use of N2H2's blocking program and block list, *see* 17 U.S.C. §§ 107 and 117, and that he may be subject to liability under the Copyright Act for: (1) creating copies of N2H2's program and block list in the process of reverse engineering the blocking program, and decrypting and analyzing the block list; (2) publishing his research results, including the block list; (3) creating and distributing a circumvention tool that may contain software code copied from N2H2's blocking program; and (4) creating and distributing a circumvention tool that would allow other users and researchers to obtain decrypted copies of N2H2's block list. Complaint at ¶¶ 58-62.

In a DJA action involving a judicial determination of rights under copyright law, the plaintiff is required to show that "he is preparing to publish the material that is subject to the defendant's copyright [in a manner that] places the parties in a legally adverse position." *Diagnostic Unit Inmate Council v. Films, Inc.*, 88 F.3d 651, 653 (8th Cir. 1996) (citations omitted); *see also Sega Enter. Ltd v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992) (defendant sued for copyright infringement based on reverse engineering of computer program). Here, Edelman has amply demonstrated that he is preparing to copy N2H2's program and block list, thus placing N2H2 and Edelman in a legally adverse position.

c. DMCA

Likewise, the DMCA, by its plain terms, prohibits Edelman’s proposed research. By creating, distributing and using a circumvention tool to gain access to N2H2’s program and block list, Edelman risks liability under the DMCA. The DMCA prohibits the “circumvention” of a “technological measure” controlling access to a copyrighted work. 17 U.S.C. § 1201(a)(1)(A). Given that N2H2 uses encryption methods to prevent access to its block list, Edelman reasonably fears liability under § 1201(a)(1)(A) because he intends to circumvent the encryption technology that controls access to N2H2’s block list.⁹ Complaint at ¶ 64.

Additionally, the DMCA provides that “[n]o person shall manufacture, import, offer to the public, or otherwise traffic in any technology, product, device, component or part thereof” that is “primarily designed, produced, or marketed for the purpose of,” or has only limited commercially significant purpose other than circumventing a technological measure that “*effectively controls access to a copyrighted work*” or that “*effectively protects a right of a copyright owner*” under federal copyright law. 17 U.S.C. §§ 1201(b)(1)(A) and 1201(a)(2)(A)-(B) (emphasis added). Edelman fears liability under these provisions because he intends to create and distribute a software tool whose very purpose is to circumvent the encryption controlling access to and copying of N2H2’s block list. Complaint at ¶¶ 66-69. While Edelman believes his proposed research is protected by the First Amendment, N2H2 will undoubtedly enforce its rights under the DMCA against him.

⁹ Edelman reasonably fears that his proposed research will not fall under an exemption from liability for circumvention under 17 U.S.C. § 1201(a)(1)(B), which allows a user of copyrighted works to gain access to “compilations consisting of lists of web sites blocked by filtering software applications.” 37 C.F.R. § 201.40. Because the exemption is only available to “noninfringing users” of such compilations, 17 U.S.C. § 1201(a)(1)(D), it may be inapplicable to Edelman’s publication of N2H2’s entire block list. *See* Complaint at ¶ 65.

2. Edelman Faces a Credible Threat of Enforcement from N2H2

In First Amendment challenges to statutes, the court assumes a credible threat of enforcement absent compelling evidence to the contrary. *Gardner*, 99 F.3d at 15; *LSO, Ltd. v. Stroh*, 205 F.3d 1146, 1155 (9th Cir. 2000) (stating that the tendency to find standing absent impending enforcement is stronger in First Amendment cases, “[f]or free expression-of transcendent value to all society, and not merely to those exercising their rights-might be the loser.”) (citations & internal quotation marks omitted); *American Charities for Reasonable Fundraising Regulation, Inc. v. Pinellas County*, 221 F.3d 1211, 1214 (11th Cir. 2000) (finding a credible threat of enforcement in as-applied challenge suit); *Baker v. Glover*, 776 F. Supp. 1511, 1514 (M.D. Ala. 1991) (same); *Conant v. McCaffrey*, 2000 WL 1281174, *8 (N.D. Cal. 2000) (stating that standing requirements under *Valley Forge*, including the credible threat of injury, apply equally to both facial and as-applied challenges); *Richey v. Tyson*, 120 F. Supp. 2d 1298, 1305-06 (S.D. Ala. 2000) (same).

N2H2 has said that it will seek vindication against Edelman if he engages in his constitutionally protected scientific research. *See supra* at § II.D. As N2H2’s most recent 10-Q report states, it intends “to assert all of our legal rights against Edelman if he engages in future activity that violates the agreement or our proprietary rights.” *See* Exhibit 1. Further, David Burt, N2H2’s spokesman, clearly stated his company’s intention to defend its legal rights to protect N2H2’s intellectual property and license agreement. *See* Exhibit 2. *See also Gardner*, 98 F.3d at 16-17 (finding a credible threat of enforcement where New Hampshire’s Secretary of State told a political action committee that a state statute would be enforced and that “violations would not escape notice”); *Caribbean Int’l. News Corp. v. Fuentes Agostini*, 12 F. Supp. 2d 206, 213 (D.P.R. 1998) (a credible threat of enforcement existed where newspaper planned to report

issues prohibited by a Commonwealth statute and attorney general had not disavowed an intention to enforce statute).

As these threats show, Edelman faces the “classic dilemma” that *American Booksellers* and *Gardner* warned against. Because N2H2 has not disavowed its intention to assert its legal rights against Edelman, he faces the choice of courting legal action, or abandoning his First Amendment right to conduct and publish his research. That clearly establishes Edelman’s standing to pursue this case.

IV. CONCLUSION

For the reasons set forth above, Edelman respectfully requests that N2H2’s motion to dismiss be denied.

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