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Edelman v. N2H2: Copyright Infringement? Reverse Engineering of Filtering Software Under the Digital Millennium Copyright Act

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EDELMAN V. N2H2: COPYRIGHT INFRINGEMENT? REVERSE ENGINEERING OF FILTERING SOFTWARE UNDER THE DIGITAL MILLENNIUM COPYRIGHT ACT

I. INTRODUCTION

The Digital Millennium Copyright Act (DMCA)[1] allows two exceptions to copyright infringement: (1) compiling filtering software block lists and (2) circumvention of control mechanisms that do not allow access.[2] Does the first exception apply to Benjamin Edelman? According to Edelman and the American Civil Liberties Union (ACLU), it does not apply.[3] Accordingly, they asked for protection from the court for non-infringement status.[4]

Edelman and the ACLU are not new to the court system. The two worked together in *American Library Association v. United States* (ALA),[5] in which the court held the Children's Internet Protection Act (CHIPA)[6] unconstitutional. The current case involving Edelman pertained to the same research as the *ALA* case. However, Edelman wanted to go one step further in his research and not only decrypt filtering software,[7] but also create and distribute circumvention software to allow others access to the block list.[8]

Once reviewing the Acts involved, this Note will review *Edelman v. N2H2* (N2H2). Furthermore, it will analyze the impact on the DMCA based on Edelman's claims.

II. BACKGROUND

A. DIGITAL MILLENNIUM COPYRIGHT ACT (DMCA)

The Digital Millennium Copyright Act (DMCA)[9] was enacted by Congress in 1998 in order to comply with the World Intellectual Property Organization

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[1] 17 U.S.C. § 1201 (2000).

[2] Exemption to Prohibition Against Circumvention, 37 C.F.R. § 201.40 (2001).

[3] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 69 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[4] *Id.* ¶ 2.

[5] 201 F. Supp. 2d 401 (E.D. Pa. 2002), *prob. juris. noted*, 123 S. Ct. 551 (2002).

[6] 47 U.S.C. § 254 (2000).

[7] *Edelman*, No. 02-CV-11503, ¶ 35.

[8] *Id.* ¶ 47.

[9] 17 U.S.C. § 1201 (2000).

(WIPO) Copyright Treaty.[10] However, the DMCA has been called the "most massive and significant"[11] of all the amendments to the 1976 Copyright Act and also goes "beyond what was necessary to comply with the WIPO Copyright Treaty."[12] Congress itself does not consider the DMCA in the realm of copyright protection but rather "paracopyright" protection.[13] It is against this backdrop that the DMCA is taken into consideration.[14]

The main focus in this note will be on section 1201 of the DMCA, which restricts circumvention. To understand the circumvention measures within this section it is important to first determine the meaning of the term. The DMCA defines circumvention as a means to "descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner."[15] In considering merely the language of the definition, it appears as if circumvention is permitted if one has the permission of the copyright owner. However, when this definition is read in the context of the entire DMCA, permission of the copyright owner is not the end of the inquiry.

Another part of this section of the DMCA prohibits circumvention of technology protected by the Act.[16] This restriction, in conjunction with further restrictions on the manufacture and trafficking of circumvention measures,[17] might make the permission of the copyright owner moot. Taken as a whole, restrictions may allow circumvention in a broad sense, but creating an actual tool to circumvent the technology is prohibited.[18] The circumvention tool is strictly prohibited when it is created to allow others, not involved with the research, to also circumvent the technology.[19]

It is important to note that although parts (a) and (b) of section 1201 appear to restrict the same type of activity, they are in fact used for different purposes,

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[10] WIPO Copyright Treaty, Apr. 12, 1997, art. 11, S. Treaty Doc. No. 105-17, *available at* 1997 WL 447232 (requiring "adequate legal protection and effective legal remedies against the circumvention of effective technological measures . . .").

[11] David Nimmer, *Puzzles of the Digital Millennium Copyright Act*, 46 J. COPYRIGHT SOC'Y 401, 402 (1999).

[12] Herbert J. Hammond, *Exploring Emerging Issues: New Intellectual Property, Information Technology, and Security in Borderless Commerce: The Anti-Circumvention Provision of the Digital Millennium Copyright Act*, 8 TEX. WESLEYAN L. REV. 593, 595 (2002).

[13] Report of the House Comm. on Commerce, H.R. REP. NO. 105-551, pt. 2, at 24-25 (1998).

[14] *See* David Nimmer, *Appreciating Legislative History the Sweet and Sour Spots of the DMCA's Commentary*, 23 CARDOZO L. REV. 909 (2002) (reviewing the legislative history of the DMCA).

[15] 17 U.S.C. § 1201(a)(3)(A) (2000).

[16] *See id.* § 1201(a)(1).

[17] *See id.* § 1201(a)(2).

[18] *Id.*

[19] *See id.* § 1201(b).

and both parts are implicated in this Note. Part (a) of the DMCA refers to the actual circumvention of the technology, whereas part (b) is concerned with what one does with the information once circumvention has taken place.[20] David Nimmer analogizes part (a) to breaking into one's castle and part (b) to what the intruder does once inside.[21] Taken in this sense, it becomes obvious that the DMCA reaches well beyond actual copyright infringement and more towards the offense of invading another's property.[22] It is this extreme reach of the DMCA that concerns not only critics, but also this Note.

It should be noted that the DMCA also lists several exceptions to the anti-circumvention provision.[23] However, the lack of a catch-all exception has left the courts with the choice of stretching the exception categories or allowing unjust results.[24] One part of the DMCA, although not a catch-all, does allow for a blanket exception to certain classes of activities within the discretion of the Librarian of Congress.[25] It is one of these classes that is at issue in this Note.

The Librarian of Congress determined that an exception to the anti-circumvention measures should be afforded for compiling filtering software block lists.[26] This exception, however, is only in effect as it applies to part (a) of the DMCA.[27] Therefore, infringement may still exist under part (b), even with this exception in place, if one actually uses the circumvention technology. Accordingly, exemption, with respect to filtering software, is not absolute and courts may find themselves still in the position of having to stretch other exceptions.

1. Reverse Engineering and Fair Use. Reverse engineering has long been an approved practice of determining trade secrets and other protections. Indeed, the DMCA allows an exception for reverse engineering. However, the exception is allowed when no infringement occurs under the DMCA.[28] So one might ask how someone reverse engineers a work protected under the DMCA without actually violating it at the same time. This is the juxtaposition that many find themselves in when trying to reverse engineer a software program.[29] Although traditional

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[20] Nimmer, *supra* note 14, at 948-49.

[21] David Nimmer, *A Riff on Fair Use in the Digital Millennium Copyright Act*, 148 U. PA. L. REV. 673, 688-89 (2000).

[22] *Id.* at 686.

[23] *See* Hammond, *supra* note 12, at 597-99 (outlining the exceptions to the DMCA).

[24] *Id.* at 599.

[25] 17 U.S.C. §§ 1201(a)(1)(C) and (D) (2000).

[26] Exemption to Prohibition Against Circumvention, 37 C.F.R. § 201.40(b)(1) (2001). Filtering software is a program that can be installed on a computer to prohibit access to certain web sites. The list of web sites prohibited are commonly called block lists.

[27] 37 C.F.R. § 201.40(b).

[28] 17 U.S.C. § 1201(f) (2000).

[29] *See, e.g.*, Sony Computer Entm't, Inc. v. Connectix Corp., 203 F.3d 596, 599, 53 U.S.P.Q.2d

copyright law allows reverse engineering, as discussed below, the DMCA essentially outlawed reverse engineering and the tools necessary to engage in reverse engineering.[30] This prohibition works against the constitutional purpose of progressing science.[31] The prohibition may actually serve to impede desired progression.

Because reverse engineering of technological devices is complicated, those attempting to reverse engineer will most likely need some type of circumvention tool.[32] Prohibiting the use of circumvention tools allows the DMCA to work in a way that prohibits reverse engineering when dealing with complex technologies.[33] Prohibition of the tools required, as opposed to prohibition against typical copyright infringement, indicates why Congress considers the DMCA a "paracopyright" measure.

Reverse engineering of a protected work is typically used in the context of fair use. Because the two concepts are intertwined, "fair use becomes critical to promoting a robust electronic marketplace."[34] The DMCA hinders this goal even though courts have long recognized fair use as a non-infringing activity.[35] Although the purpose of the fair use exception is to balance the interests of the copyright owner with the constitutional goal of promoting science,[36] the DMCA tips the scale in favor of the copyright owner through limiting circumvention, and subsequently, reverse engineering.

(BNA) 1705, 1707 (9th Cir. 2000) (explaining reverse engineering of copyright protected elements may be necessary to reach functional or unprotected elements), Universal City Studios, Inc. v. Reimerdes, 111 F. Supp. 2d 294, 319-20, 55 U.S.P.Q.2d (BNA) 1873, 1888 (S.D.N.Y. 2000) (elaborating on the notion that reverse engineering is only to be used in the case of achieving interoperability).

[30] *See* Pamela Samuelson & Suzanne Scotchmer, *The Law and Economics of Reverse Engineering*, 111 YALE L.J. 1575, 1578 (2002).

[31] U.S. CONST. art. I, § 8, cl. 8.

[32] *See* Samuelson & Scotchmer, *supra* note 30, at 1630.

[33] *Id.*

[34] Nimmer, *supra* note 21, at 718 (quoting H.R. REP. NO. 105-551, pt. 2, at 35 (1998)).

[35] *See, e.g.*, Columbia Pictures Indus., Inc. v. Miramax Films Corp., 11 F. Supp. 2d 1179, 1186-87, 48 U.S.P.Q.2d (BNA) 1801, 1806 (C.D. Cal. 1998) (acknowledging fair use as a defense against infringement); Radji v. Khakbaz, 607 F. Supp. 1296, 1300, 226 U.S.P.Q. (BNA) 610, 612 (D.C. 1985) (considering the factors indicating fair use); Quinto v. Legal Times of Wash., Inc., 506 F. Supp. 554, 559-60, 213 U.S.P.Q. (BNA) 270, 273-74 (D.C. 1981) (explaining the court's purpose in determining fair use); Walt Disney Prods. v. Mature Pictures Corp., 389 F. Supp. 1397, 1398, 186 U.S.P.Q. (BNA) 48, 49-50 (S.D.N.Y. 1975) (promoting the notion that parody is fair use and therefore non-infringing), Marvin Worth Prods. v. Superior Films Corp., 319 F. Supp. 1269, 1273-74, 168 U.S.P.Q. (BNA) 693, 696-97 (S.D.N.Y. 1970) (explaining how fair use defenses are used to refute an infringement claim).

[36] *See* Tricia J. Sadd, *Fair Use as a Defense Under the Digital Millennium Copyright Act's Anti-Circumvention Provisions*, 10 GEO. MASON L. REV. 321, 322-23 (2001).

2. The 1976 Copyright Act, Fair Use, and the DMCA. The DMCA contains a provision allowing the fair use defense.[37] This is contrary to the legislative history indicating Congress did not change section 107[38] because it is technology neutral and applies to the digital world.[39] Some critics of the DMCA have determined that section 107 is no longer applicable with respect to digital technologies because the DMCA contains its own fair use provision.[40] Regardless of which provision is considered, the DMCA or section 107, courts will still generally consider the factors enumerated in section 107.[41]

The first factor considers the use of the copyrighted work.[42] Although courts generally consider the commercial intention of the infringement as being against fair use,[43] courts also consider if any public interest arises from the alleged infringement activity.[44] The public interest is also considered within the fourth factor. The fourth factor regards the potential effect on the market of the protected work.[45] However, progress will necessarily affect the market in some way, primarily with respect to market competition. Accordingly, courts look at market effects beyond mere entry of competing products.[46] With respect to the DMCA, this fourth factor meets resistance. Although competition is generally viewed as an asset to the market,[47] the DMCA interrupts this benefit by disallowing reverse engineering, which is critical to fair use.[48]

The second factor in section 107 considers the "nature of the copyrighted work."[49] This factor reflects the notion that the same level of protection is not

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[37] 17 U.S.C. § 1201(c)(1) (2000).

[38] 17 U.S.C. § 107 (2000).

[39] S. REP. NO. 105-190, at 23-24 (1998).

[40] *See* Nimmer, *supra* note 21, at 723.

[41] *Compare* 17 U.S.C. § 1201 (2000), *with* 17 U.S.C. § 107 (2000) (listing similar factors to consider with respect to non-infringing activities).

[42] 1976 Copyright Act, 17 U.S.C. § 107 (2000).

[43] *See* Harper & Row Publishers, Inc. v. Nation Enter., 471 U.S. 539, 562, 225 U.S.P.Q. (BNA) 1073, 1081 (1985) (explaining the presumption against fair use when there is a commercial purpose); Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1262, 231 U.S.P.Q. (BNA) 534, 540 (2d Cir. 1986) (stating that, although not conclusive, commercial purpose weighs against fair use).

[44] *See* Sega Enter. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1523, 24 U.S.P.Q.2d (BNA) 1561, 1570 (9th Cir. 1993) ("Public benefit need not be direct or tangible, but may arise because the challenged use serves a public interest.").

[45] 17 U.S.C. § 107 (2000).

[46] *See Sega Enter. Ltd.*, 977 F.2d at 1523-24 (noting that the challenged use, a video game format already available on the market, survived scrutiny under the fourth factor since video game players are likely to buy more than one video game).

[47] *See* Samuelson & Scotchmer, *supra* note 30, at 1583 (noting the justifications for allowing reverse engineering).

[48] *See supra* Part II.A.*1*.

[49] 17 U.S.C. § 107 (2000).

afforded to all works.[50] With respect to the DMCA, it appears that this factor is incorporated within the Act itself by allowing the Librarian of Congress to pronounce exceptions.[51] However, this provision of the DMCA is only acted upon every three years.[52] Accordingly, courts are still left to consider this factor on their own during the intermittent periods. The case presented in this note may have been one in which the court could have addressed this issue head on.

Finally, the third factor considers the amount of protected work that is copied in relation to the entire protected work.[53] In the context of digital technology and circumvention, this consideration may be moot. The DMCA does not appear to address this factor, and rightly so. With circumventing technology, one is not copying a work but looking inside the technology involved.[54] Therefore, at least with respect to the third factor, this consideration does not seem to come into play within the DMCA.

Overall, although Congress did not intend to diminish the effect of section 107, the DMCA does not explicitly allow for the application of the factors within the section. As previously stated, the third factor does not apply to technological devices covered in the DMCA, and the second factor is addressed in its own provision of the DMCA. Factors one and four are all that remain, but courts may be precluded from applying the factors because exceptions are enumerated without a catch-all provision.[55] Accordingly, the case presented in this Note was an opportunity for the court to finally resolve this issue.

B. *EDELMAN V. N2H2*

A complaint was filed by the American Civil Liberties Union (ACLU) on behalf of Benjamin Edelman on July 25, 2002.[56] Edelman was seeking declaratory and injunctive relief from the court to ensure he is not sued in the future for copyright infringement under the DMCA by N2H2.[57]

1. Who Is Benjamin Edelman and What Is He Trying to Do? Edelman is a computer researcher currently working part-time at Harvard Law School's Berkman Center for Internet & Society and began Harvard Law School in the fall

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[50] *See Sega Enter. Ltd.*, 977 F.2d at 1524.

[51] 17 U.S.C. §§ 1201(a)(1)(C) and (D) (2000).

[52] *Id.*

[53] 17 U.S.C. § 107 (2000).

[54] *See* Nimmer, *supra* note 21, at 686-88.

[55] *See supra* Part II.A.

[56] Edelman v. N2H2, Inc., No. 02-CV-11503 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[57] *Id.* ¶ 2.

of 2002.[58] In addition, he has served as an expert witness in prior court proceedings, including *American Library Association v. United States* (ALA).[59] In the *ALA* case, Edelman testified to the accuracy of filtering software.[60] It was during this research that Edelman discovered that the software blocked sites erroneously.[61] Now, Edelman would like to take his research further without possible repercussions from N2H2.

Edelman believes filtering software is a type of control on users.[62] This control is prominent because the purchaser of the software is often not the user.[63] This is especially true in the situation of library and public school use. Even if the purchaser and user are one and the same, the purchaser does not have complete information about what he or she is buying. Edelman explains this through the analogy of buying a car.[64] When a consumer buys a car, he or she is able to look under the hood, inspect the vehicle, and take it for a test drive; whereas when one purchases filtering software, if the block list is not known, the purchaser does not really know what he or she is buying.[65] Buying filtering software is like buying a car sight unseen.

With respect to the complaint filed against N2H2, the following were the enumerated prayers for relief: (1) no liability for breach of the software license, (2) no liability for intermediate copying of the program, (3) no liability for copying block lists, (4) no vicarious liability for distributing a circumvention tool, (5) no violation of trade secrets law, (6) no violation of the DMCA, (7) no violation for distributing a circumvention tool under the DMCA, (8) alternatively, with respect to (6) and (7), declare sections 1201(a)(1), (a)(2), and (b) unconstitutional with respect to this research, and (9) permanently enjoin N2H2 from filing suit in the future.[66] Although there is some overlap, the prayers for relief involve issues regarding the DMCA, the 1976 Copyright Act, and the United States Constitution. To understand the case fully, it is helpful to address each prayer for

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[58] Andrea L. Foster, *'Politics of Control' Leads a Law Student to Challenge Digital-Copyright Act*, CHRON. HIGHER EDUC., Sept. 13, 2002, at 36.

[59] 201 F. Supp. 2d at 442-47.

[60] *Id.* (researching was completed by hand entering addresses to determine which ones were blocked).

[61] *See* Berkman Center for Internet & Society, Harvard Law School, *Documentation of Internet Filtering Worldwide, at* http://cyber.law.harvard.edu/filtering (last visited Oct. 15, 2002) (listing erroneously blocked web sites).

[62] *See* Foster, *supra* note 58.

[63] *Id.*

[64] *Id.*

[65] *Id.*

[66] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 74-82 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

relief separately, detailing what Edelman proposes to accomplish through his research in addition to which authority is implicated.

2. Edelman's Prayers for Relief. The first prayer for relief concerned N2H2's software license.[67] When the filtering software is purchased, the license that must be agreed to prohibits reverse engineering and circumvention.[68] This license appears to be directly against normal copyright protection which permits reverse engineering of protected works. Accordingly, if Edelman continues his research on the block list, he is in violation of the software license.

In the past, courts have upheld software licenses as binding.[69] Therefore, he asked the court to allow his research to continue without being subject to breach of contract.[70]

The second, third, and fourth prayers involved the 1976 Copyright Act, specifically section 107. Edelman claimed that any intermediate copying that may take place during his research is allowed either by the First Amendment, or alternatively, constitutes fair use under section 107.[71] As discussed previously, section 107 allows fair use of a protected work.[72] Because he is reverse engineering a software program, Edelman anticipated the need to make copies of the program in connection with the research.[73] Accordingly, Edelman proposed that his research fell under the fair use exception of section 107.

Additionally, Edelman claimed that he was protected by section 107 with respect to copying and distributing the block lists once his research was completed.[74] The stated purpose for his need to copy and distribute wass to inform the public and allow the purchasers of the program to also make fair use of the protected work.[75] Alternatively, Edelman claimed that the copying and distributing is protected by the First Amendment.[76]

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[67] *Id.* ¶ 75.

[68] *Id.* ¶ 57.

[69] *See* Bowers v. Baystate Tech., Inc., 302 F.3d 1334, 1342-43, 64 U.S.P.Q.2d (BNA) 1065 (Fed. Cir. 2002) (describing how a shrink-wrap license is a contract and can be breached); Adobe Sys., Inc. v. Stargate Software, Inc., 216 F. Supp. 2d 1051, 1059 (N.D. Cal. 2002) (explaining software licenses need to be enforced to allow extra protection); Adobe Sys., Inc. v. One Stop Micro, Inc., 84 F. Supp. 2d 1086, 1092, 53 U.S.P.Q.2d (BNA) 2003, 2008 (N.D. Cal. 2000) (agreeing software owners may place restrictions on users).

[70] *Edelman*, No. 02-CV-11503, ¶ 75.

[71] *Id.* ¶ 76.

[72] *See* Part II.A.*2* above.

[73] *Edelman*, No. 02-CV-11503, ¶ 59.

[74] *Id.* ¶ 77.

[75] *Id.* ¶ 45.

[76] *Id.* ¶ 77.

An additional fair use argument proposed by Edelman was the distribution of the circumvention tool.[77] Similar to the reasoning for the distribution of the block lists, Edelman claimed that he is not liable for vicarious or contributory infringement because the tool allows fair use of the block lists.[78] Also, Edelman claimed that he is not liable because he is "not supervising or acting in concert with actual infringers."[79] Therefore, Edelman claimed fair use not only on his own behalf, but also on the public's behalf.

The fifth prayer for relief concerned trade secret law.[80] Edelman claimed that either the block list is not protected by this law or reverse engineering is an acceptable method of obtaining a trade secret.[81] Traditional trade secret law provides for reverse engineering;[82] however, as will be analyzed in the next part and mentioned previously, the DMCA allows for only limited reverse engineering.[83] Therefore, the court is faced with deciding which law rules, traditional trade secret law or the DMCA.

The DMCA is the center of controversy with respect to the sixth, seventh, and eighth prayers. First, Edelman argued that he is not liable under the DMCA for infringement because his research falls within the exception for filtering software.[84] Alternatively, Edelman argued that the circumvention is fair use consistent with sections 107 and 1201(c).[85] However, although circumvention is permitted by the DMCA, creating a tool for circumvention is prohibited.[86] Accordingly, Edelman's seventh prayer dealt with the circumvention tool.

Edelman listed three reasons why no liability should attach to creating and distributing a circumvention tool: (1) it is fair use under sections 107 and 1201(c), (2) the public's fair use in gaining access to the block list, and (3) the tool will have a non-infringing use.[87] Edelman argued that allowing distribution of the circumvention tool will allow the purchasers of the software to monitor new web sites that are blocked because the list is constantly changing over time.[88] In addition, usage of the circumvention tool will not render the filtering software

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[77] *Id.* ¶ 78.

[78] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 78 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[79] *Id.*

[80] *Id.* ¶ 79.

[81] *Id.*

[82] *See* Samuelson & Scotchmer, *supra* note 30, at 1582.

[83] *See* Part II.A.2 above.

[84] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 80(a) (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[85] *Id.* ¶ 80(b).

[86] 17 U.S.C. § 1201(f)(2) (2000).

[87] *Edelman*, No. 02-CV-11503, ¶ 81.

[88] *Id.* ¶ 47.

inoperable.[89] Edelman argued that not only will there be no interference in the operation of the filtering software, the circumvention tool may actually help make the software better.

He proposed this betterment of the software through knowledge of the block lists. Edelman reasoned that if a block list is available to the public and other researchers, not only can purchasers customize their own lists, but further enhancement of the software will enable a better product to be produced by N2H2.[90] Enhancement of the program can be accomplished by knowing exactly what programs are blocked by the software, thus enabling fine tuning of how the web sites are defined by N2H2.[91]

An alternative reason not to attach liability was outlined in the eighth prayer for relief. This prayer stated that an alternative argument for allowing the circumvention and the circumvention tool under the DMCA with respect to Edelman's research is because the DMCA is a content-based restriction on the First Amendment and therefore will not withstand scrutiny.[92] This Note will only look at this argument briefly within the next section.

Overall, Edelman's arguments primarily rest on fair use under section 107 and the DMCA. However, the future of fair use and reverse engineering under the DMCA might still be in doubt. The future implications based on this case are discussed in the next section.

3. N2H2 and its Filtering Software. N2H2 is a Seattle, Washington, based software company that specializes in internet filtering programs.[93] It has been in existence since 1995.[94] Two different software programs are available by N2H2: Sentian™ for the workplace and Bess™, which is targeted for schools.[95] This note, along with Edelman's research, surrounds the Bess™ software.

N2H2 boasts about being the leader in filtering software, with "[o]ver 40% of all schools in the U.S."[96] using their filtering software. This equates to over sixteen million students nationwide.[97] From these numbers, it is easy to understand why Edelman is concerned about incorrectly blocked web sites. N2H2 argues that filtering software is highly effective at "blocking pornographic

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[89] *Id.* ¶ 51.

[90] *Id.* ¶¶ 46-50.

[91] *Id.* ¶ 50.

[92] *Edelman*, No. 02-CV-11503, ¶ 82.

[93] N2H2, Inc., *About N2H2*, *available at* http://www.n2h2.com/about/index/php (last visited Oct. 10, 2002).

[94] *Id.*

[95] *Id.*

[96] N2H2, Inc., *Bess™ Filtering for Schools*, *available at* http://www.n2h2.com/products/bess.php?os=filtering_info&content=school (last visited Nov. 5, 2002).

[97] *Id.*

and offensive materials."[98] However, what it does not state, which is Edelman's argument, is that the filtering software overprotects by blocking sites erroneously.[99] As Edelman notes in his complaint, even Congress is concerned with the possibility of overblocking by filtering software and has thus commissioned studies on the software.[100]

Filtering software operates by allowing the purchaser, which is not necessarily the user, to determine categories in which to block access.[101] The category list for N2H2 includes topics such as: adults only, alcohol, auction, chat, drugs, gambling, hate/discrimination, murder/suicide, nudity, pornography, profanity, sex, and weapons.[102] At first glance, these categories may appear to be a good idea with respect to children, however, the filtering software is also used in public libraries, where adults will be using the computers. In addition, some web sites are blocked that, because of the subject matter, are considered, for example, pornographic but have great research value.[103]

This leads to the question of how web sites get on the block list. Although N2H2 will not disclose how it specifically compiles and maintains its block list, filtering software companies generally use the same resources.[104] The process generally begins using search engines and links from other web sites to look up key blocked words, reviewing lists of new domain names,[105] and following leads given to the company from customers and the public.[106] Once a list is compiled, although Edelman argues the list is rarely reviewed,[107] N2H2 states that employees check on blocked web sites to ensure accuracy.[108] It is this problem of accuracy that Edelman is focused on with respect to his research.

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[98] David Burt, *The Facts on Filters: A Comprehensive Review of 26 Independent Laboratory Tests of the Effectiveness of Internet Filtering Software*, *available at* http://www.n2h2.com/pdf/facts_on_filters_whitepaper.pdf (last visited Nov. 1, 2002).

[99] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 30 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[100] *See* COPA Commission, *Executive Summary*, *available at* http://www.copacommission.org/report/executivesummary.shtml (outlining the reason for the report).

[101] *See* COPA Commission, *Introduction*, *available at* http://www.copacommission.org/report/introduction.shtml.

[102] N2H2, Inc., *Filtering Categories*, *available at* http://www.n2h2.com/products/categories.php.

[103] *See, e.g.*, *infra* Part II.B.4.

[104] *Edelman*, No. 02-CV-11503, ¶ 18.

[105] A domain name is the address name of a specific web site, for example, www.law.uga.edu is the address for the University of Georgia School of Law.

[106] *Edelman*, No. 02-CV-11503, ¶ 19.

[107] *Id.* ¶ 21.

[108] *See* N2H2, Inc., *Filtering Categories*, *available at* http://www.n2h2.com/products/categories.php; *see also* Ross Kerber, *ACLU Sues Firm Over Its Filtering Software*, BOSTON GLOBE, July 26, 2002, at E4 (quoting a representative of N2H2 stating it periodically checks web sites to ensure the site still exists and the content has not changed).

4. Erroneously Blocked Web Sites Researched Thus Far by Edelman. Edelman began researching filtering software block lists along with compiling the list for publication. His research consisted of entering URLs directly into the computer to check if the site was blocked.[109] Because this is highly inefficient, and ineffective, Edelman initiated the suit.

A list of web sites compiled thus far is available to the public.[110] One of the sites blocked by N2H2 is the IRIS Center Romania.[111] This web site is compiled and maintained by a non-profit organization in conjunction with the University of Maryland.[112] The purpose of the web site is for the study of regulations and bureaucracy in Romania, along with improving the business environment there.[113] N2H2's filtering software has this web site blocked, listing it under the category of pornography.[114] Another example of an erroneously blocked web site is one for the New South Wales Fire Brigades.[115] This site is maintained by the largest fire service in Wales.[116] Although N2H2 blocks this site because it allegedly contains pornography, upon further examination, one can see that the site is dedicated to fire prevention tips and current news such as the possibility of brush fires.[117] This is a far cry from pornography regardless of what definition is used.

Regarding pornography, N2H2 also lists both Bienvenue Au Festival de Montgolfieres,[118] an informational site about an international hot air balloon festival, and the National Volunteer Center,[119] a site to find available volunteer opportunities, as pornographic.[120] Accordingly, both web sites are blocked by N2H2's filtering software.[121]

Sex is another category blocked by the filtering software. Under this category is the web site for The Origin of Chess.[122] This web site is an online book by Sam

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[109] *See* http://cyber.law.harvard.edu/people/edelman/mul-v-us (last visited Nov. 14, 2002).

[110] *Blocked Site Archives*, http://cyber.law.harvard.edu/people/edelman/mul-v-us/index-subset.html (last visited Nov. 14, 2002).

[111] *Id.*

[112] *Iris Center Romania*, *at* http://www.iriscenter.ro (last visited Nov. 16, 2002).

[113] *Id.*

[114] *Blocked Site Archives*, *at* http://www.cyber.law.harvard.edu/people/edelman/mul-v-us/index-subset.html (last visited Nov. 14, 2002).

[115] *Id.*

[116] *New South Wales Fire Brigade*, *at* http://www.nswfb.nsw.gov.au (last visited Nov. 16, 2002).

[117] *Id.*

[118] *International de Montgolfieres de Saint-Jean-Sur-Richelieu*, *at* http://www.montgolfieres.com (last visited Nov. 16, 2002).

[119] *National Volunteer Centre*, *at* http://www.nvc.org.sg (last visited Nov. 16, 2002).

[120] *Blocked Site Archives*, *available at* http://www.cyber.law.harvard.edu/people/edelman/mul-v-us/index-subset.html (last visited Nov. 14, 2002).

[121] *Id.*

[122] *Id.*

Sloan arguing that the game of chess originated in China, and not India as many believe.[123] Again, this site is blocked because it allegedly contains sexual material.[124] It is immaterial that this site would be extremely helpful to the student researching the game of chess, or just an avid player interested in its history, the site has no reference to sexual material.

In addition to the chess web site, other research sites are also blocked by N2H2's filtering software. One such web site is for the Alan Guttmacher Institute.[125] The institute focuses on research related to sexual and reproductive health.[126] This site is blocked under all of N2H2's categories.[127] However, upon closer examination, the web site details various studies and ongoing research in the sexual and reproductive health field.[128] Obviously, this site is of the utmost importance to one conducting research on sexually transmitted diseases or even pregnancy. This is not the type of web site that exposes children to harmful material; it is educational.

Generally, as this brief list of blocked web sites demonstrates, there is concern for erroneous filtering. However, unless Edelman is given permission to go forward with his research techniques, the extent to which web sites that should not be blocked actually are blocked by N2H2's software may remain unknown.

5. N2H2's Software License. The first prayer for relief, as discussed previously, concerned the software license.[129] Specifically, Edelman was concerned about the restriction on use and confidentiality provisions of the license. With respect to restricting use of the software, the license states that the owner of the software shall not reverse engineer the software, including decryption and decoding, nor circumvent any access control mechanism.[130] Obviously, in order for Edelman to proceed with his research on the block lists, some type of circumvention and reverse engineering is needed.

The second provision of the license, confidentiality, prohibits disclosure of any confidential information as it pertains to the filtering software.[131] According to N2H2, the block list and any encryption measures within the software are

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[123] *The Origin of Chess, at* http://www.samsloan.com/origin.htm (last visited Nov. 16, 2002).

[124] *Blocked Site Archives, available at* http://cyber.law.harvard.edu/people/edelman/mul-v-us/index-subset.html (last visited Nov. 14, 2002).

[125] *The Alan Guttmacher Institute, at* http://www.agi-usa.org (last visited Nov. 16, 2002).

[126] *Id.*

[127] *Blocked Site Archives, available at* http://www.cyber.law.harvard.edu/people/edelman/mul-v-us/index-subset.html (last visited Nov. 14, 2002).

[128] *The Alan Guttmacher Institute, at* http://www.agi-usa.org (last visited Nov. 16, 2002).

[129] The software license has also been referred to as a shrink-wrap, mass market, click-wrap, or click-on license.

[130] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 11 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[131] *Id.* ¶ 12.

protected by trade secrets and are thus considered confidential.[132] Accordingly, Edelman wanted the court to determine no misappropriation will occur so that he is not liable in the future.[133] Although N2H2 emphatically denies Edelman should be fearful of any legal remedy,[134] according to its own report with the Securities and Exchange Commission, N2H2 will respond to Edelman's research with full force of the law, including protecting the software license.[135]

C. N2H2'S MOTION TO DISMISS

In response to Edelman's complaint, N2H2 filed a motion to dismiss under Federal Rules of Civil Procedure 12(b)(1).[136] N2H2 claimed that Edelman "is not in imminent danger of being sued for his activities."[137] However, as previously discussed, N2H2 has stated that it will prosecute if Edelman initiates his proposed research.[138] This section discusses the motion to dismiss in addition to Edelman's response to the motion and the court's findings.

1. Standing in the Court. Edelman claimed declaratory relief because he fears future litigation by N2H2.[139] However, N2H2 claimed in the motion to dismiss that it has not initiated suit against Edelman and he has nothing to fear with respect to future litigation.[140] But, Edelman claimed the threat is real,[141] and accordingly, claimed he has standing in the court.[142]

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[132] *Id. See* ACLU, *Update on Trial in ACLU Challenge to Library Censorship*, *at* http://archive.aclu.org/court/Courtroom_report.html (last visited Oct. 13, 2002) (detailing N2H2's motion to suppress testimony in Am. Library Ass'n v. United States, 201 F. Supp. 2d 401, with respect to its block list because it is considered a trade secret).

[133] *Edelman*, No. 02-CV-11503, ¶ 75.

[134] *See, e.g., Civil Liberties Union Challenges DMCA*, 8 No. 11 Intell. Prop. Strategist 8 August, 2002 ("N2H2 spokesman David Burt has said that his company would not-and has not-threatened lawsuits against those who have published lists of wrongfully obstructed sites."); *see also infra* notes 136-175 (discussing N2H2s motion to dismiss).

[135] *See* Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, Form 10-Q, Commission File No. 0-26825, *available at* http://www.sec.gov/Archives/edgar/data/1077301/000089102002001251/v83748e10vq.htm (last visited Nov. 15, 2002) [hereinafter Quarterly Report].

[136] Plaintiff's Memorandum of Law in Opposition to Defendant's Motion to Dismiss at 10, Edelman v. N2H2, Inc., No. 02-11503-RGS (D. Mass. filed Oct. 31, 2002), *available at* http://archive.aclu.org/issues/cyber/Edelman_dismissal_motion.html [hereinafter Plaintiff's Memorandum].

[137] *Filtering Co. Seeks to Dismiss Researcher's DMCA Suit*, COMPUTER & ONLINE INDUSTRY LITIG. REP. (Andrews Publ'n, Inc.) Oct. 22, 2002, at 4.

[138] Quarterly Report, *supra* note 135, at Item 1.

[139] Plaintiff's Memorandum, *supra* note 136, at 11-12.

[140] *Filtering Co. Seeks to Dismiss Researcher's DMCA Suit*, *supra* note 137.

[141] Plaintiff's Memorandum, *supra* note 136, at 12.

[142] *Id.* at 11-14.

The United States Constitution requires courts to adjudicate only cases or controversies.[143] As such, parties must have standing in order to appear before the court.[144] The United States Supreme Court, in *Valley Forge Christian College v. Americans United for Separation of Church and State, Inc.*,[145] outlined three factors courts should use in determining whether a party has standing. The factors include (1) personal injury or threat of injury that is (2) fairly traceable to the defendant and the action involved and (3) is redressable.[146] The Court believes that these factors reflect the constitutional requirement of a case or controversy.[147]

With respect to the first factor, actual injury or threat of injury, Edelman claimed N2H2 indicated future litigation. Edelman pointed to N2H2's own report filed with the Securities and Exchange Commission[148] in addition to N2H2's past actions with respect to its filtering software.[149] Within these documents, N2H2 admitted Edelman would violate the law by engaging in the research, and accordingly, N2H2 can, and will, seek legal remedies. Therefore, Edelman claimed the first prong was satisfied by this threat of injury.[150]

With respect to the second prong, the threat being traceable to the defendant, there is no question that the threat stems from N2H2 because its software is the one being researched with respect to this complaint.[151] Prong three requires redressability, i.e., a ruling in Edelman's favor must show it affords him relief.[152] Because Edelman sought an injunction against further litigation by N2H2, which could result in monetary damages, a ruling in favor of Edelman would have provided relief.[153] Accordingly, Edelman argued that the third prong was satisfied and claimed he had standing.[154]

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[143] U.S. CONST. art. III, § 2, cl. 1.

[144] *See* Warth v. Seldin, 422 U.S. 490, 498 (1975) (explaining that standing is "founded in concern about the proper—and properly limited—role of the courts . . .").

[145] 454 U.S. 464 (1982).

[146] *Id.* at 472.

[147] *Id.*

[148] Quarterly Report, *supra* note 135, at Item 1.

[149] *See, e.g.*, ACLU, *Update on Trial in ACLU Challenge to Library Censorship*, *at* http://archive.aclu.org/court/Courtroom_report.html (last visited Oct. 13, 2002) (detailing N2H2's motion to suppress testimony in Am. Library Ass'n v. United States, 201 F. Supp. 2d 401, with respect to its block list because it is considered a trade secret).

[150] Plaintiff's Memorandum, *supra* note 136, at 12.

[151] Edelman v. N2H2, Inc., No. 02-CV-11503 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[152] Valley Forge Christian Coll. v. Amns. United for Separation of Church and State, Inc., 454 U.S. 464, 472 (1982).

[153] *See Edelman*, No. 02-CV-11503, ¶¶ 74-82.

[154] Plaintiff's Memorandum, *supra* note 136, at 11-14.

2. Declaratory Relief Under 28 U.S.C. § 2201. Courts have previously held that standing is not automatic merely because a party is claiming declaratory relief.[155] Conversely, when standing is present, declaratory relief is not automatically granted.[156] The Declaratory Judgment Act (DJA)[157] allows courts to make a declaration of rights;[158] however, the DJA does not mandate courts allow the relief sought, it is merely an authorization.[159] However, a court may not deny declaratory relief without justification and declaratory relief is not precluded by the existence of an alternate, equally effective remedy also available to the parties involved.[160] As such, courts have identified two situations in which declaratory relief should be granted: "(1) when the judgment will serve a useful purpose in clarifying and settling the legal relations in issue, [or] (2) when it will terminate and afford relief from the uncertainty, insecurity, and controversy giving rise to the proceeding."[161]

Although N2H2 claimed that Edelman is "abusing the legal system by merely using this action to attempt to obtain access to [its] . . . information . . .,"[162] Edelman claimed his right to declaratory relief under a mix of the two situations noted above.[163] In addition, because actual litigation is not necessary to seek relief,[164] Edelman claimed that the real threat of future litigation by N2H2 is

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[155] *See, e.g.*, Golden v. Zwickler, 394 U.S. 103, 108 (1969) (explaining standing requirements still must be met when seeking declaratory relief); Md. Cas. Co. v. Pac. Coal & Oil Co., 312 U.S. 270, 273 (1941) (detailing how declaratory relief is only granted for a case or controversy); Hartford Fire Ins. Co. v. Midof, 123 F. Supp. 2d 762, 764-65 (S.D.N.Y. 2000) (determining standing must first be established separately from right to declaratory relief); Conway Sch. Dist. v. Wilhoit, 854 F. Supp. 1430, 1435 (E.D. Ark. 1994) (refusing to allow declaratory relief to expand the court's jurisdiction beyond established standing requirements).

[156] *See, e.g.*, Hollis v. Itawamba County Loans, 657 F.2d 746, 750 (5th Cir. 1981) (explaining courts can use discretion in granting declaratory relief, taking into consideration factors not present with respect to standing); Yellow Cab Co. v. City of Chicago, 186 F.2d 946, 951 (7th Cir. 1951) (denying declaratory relief even though standing existed because relief would not settle the controversy); Ryder Serv. Corp. v. Savage, 945 F. Supp. 232, 235 (N.D. Ala. 1996) (discussing one situation to deny declaratory relief, although standing exists, is when a non-removable state law claim is presented).

[157] 28 U.S.C. § 2201 (2000).

[158] Pub. Affairs Assoc., Inc. v. Rickover, 369 U.S. 111, 112, 132 U.S.P.Q. (BNA) 535, 536 (1962).

[159] *Id. See also* Wilton v. Seven Falls Co., 515 U.S. 277, 286-87 (1995) (characterizing the DJA as being an enabling act and not an absolute right).

[160] FED. R. CIV. P. 57.

[161] Broadview Chem. Corp. v. Loctite Corp., 417 F.2d 998, 1001, 163 U.S.P.Q. (BNA) 455, 457 (2d Cir. 1969) (quoting Borchard, DECLARATORY JUDGMENTS 294, 299 (2d ed. 1941)).

[162] *Filtering Co. Seeks to Dismiss Researcher's DMCA Suit*, COMPUTER & ONLINE INDUSTRY LITIG. REP. (Andrews Publ'n, Inc.) Oct. 22, 2002, at 4.

[163] Plaintiff's Memorandum, *supra* note 136, at 12-13.

[164] Océ-Office Sys., Inc. v. Eastman Kodak Co., 805 F. Supp. 642, 645-46, 25 U.S.P.Q.2d (BNA) 1370, 1373 (N.D. Ill. 1992).

sufficient under the DJA.[165] As discussed previously, the threat of litigation is real, and not hypothetical as N2H2 claimed,[166] under the DMCA, 1976 Copyright Act and trade secret laws.[167]

3. The Court's Ruling on the Motion to Dismiss. The Massachusetts District Court granted N2H2's motion to dismiss.[168] The Court determined that Edelman lacked standing because the "lawsuit is supported only by Edelman's conjecture as to N2H2's intentions."[169] In stating that conclusion, the court determined that N2H2's filing with the Securities and Exchange Commission only pertained to the defense of this suit, and not any future action on N2H2's part.[170] However, the filing states that N2H2 will not only "defend the validity of [its] license agreement . . ." but that N2H2 also "intend[s] to assert all of [its] legal rights against Mr. Edelman if he engages in future activity . . . ."[171] Each of these appear to be different assertions and each will be discussed in more detail below.

Another point that the court made in its ruling is that Edelman does not have a constitutional interest that "outweighs N2H2's right to protect its copyrighted property from an invasive and destructive trespass . . . ."[172] However, this argument presumes that a copyright owner has an absolute right to disallow anyone from reverse engineering the work. It has already been established that reverse engineering and fair use are part of the copyright protection.[173] Accordingly, what the court is proposing is that a copyright owner has a fee simple in the work.[174] Although that might be an idealistic view for the copyright owner, it might stagnate growth and competition in the market, which is directly adverse to the constitutional command of progress.[175]

D. PAST CHALLENGES TO THE DMCA

Only a few cases have presented challenges to the DMCA for the courts to decide. The central concerns regarding these cases include fair use of copyrighted

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[165] Plaintiff's Memorandum, *supra* note 136, at 11-12.

[166] *Id.* at 14.

[167] *Id.* at 16-18.

[168] Edelman v. N2H2, Inc., No. Civ. A. 02-CV-11503RGS, 2003 1856428 (D. Mass. Apr. 7, 2003).

[169] *Id.* at *1.

[170] *Id.* at *1 n.1.

[171] Quarterly Report, *supra* note 135, at Item 1.

[172] *Edelman*, 2003 WL 1856428, at *2.

[173] *See supra* Part II.A.

[174] *See generally* L. Ray Patterson, *The DMCA: A Modern Version of the Licensing Act of 1662*, 10 J. INTELL PROP. L. 33 (2002) (explaining the history of copyright with respect to the DMCA and how copyright was thought of as a fee simple for the owner of the works).

[175] U.S. CONST. art. I, § 8, cl. 8.

works, reverse engineering of technological devices, and circumvention. Each of these concerns are reviewed based on the type of claim within this section.

1. DMCA Challenges Regarding Reverse Engineering and Circumvention. Reverse engineering of computer programs often involves intermediate copying. Prior to the enactment of the DMCA courts considered this copying a type of infringement.[176] However, with the popularity of computer programs, along with the enactment of the DMCA, courts have changed their position in recognizing intermediate copying as a necessity.[177]

The acceptance of intermediate copying of programs comes with limitations. First, the copying must be used in conjunction with accessing unprotected portions of the work.[178] This implies that if the copying is used to reach protected portions, the court will still find infringement. In addition, the copying must be a necessary element of the reverse engineering.[179] However, as noted previously, when reverse engineering computer programs, making intermediate copies of the program is usually necessary.

Finally, it is important to note that the number of intermediate copies is irrelevant.[180] When dealing with intermediate copying with respect to computer programs, the program is technically copied every time the computer is started and the program begins to run.[181] One could get around making multiple copies by merely keeping the computer on at all times.[182] Accordingly, the court will not accept a rule that would be subject to manipulation and determined that the number of copies made was irrelevant.[183]

Circumvention is often coupled with reverse engineering, although it can be engaged in separately. Courts have had the opportunity to review cases in both situations under the DMCA. Because circumvention is strictly prohibited by the DMCA, without exception, courts have determined circumvention is a form of infringement.

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[176] *See* Sega Enter. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1518-19, 24 U.S.P.Q.2d (BNA) 1561, 1566-67 (9th Cir. 1993).

[177] *See* Sony Computer Entm't., Inc. v. Connectix Corp., 203 F.3d 596, 602, 53 U.S.P.Q.2d (BNA) 1705, 1710 (9th Cir. 2000).

[178] *Id.*

[179] *Id.* at 602-03.

[180] *Id.* at 605.

[181] *Id.*

[182] Sony Computer Entm't., Inc. v. Connectix Corp., 203 F.3d 596, 605, 53 U.S.P.Q.2d (BNA) 1705, 1711-12 (9th Cir. 2000).

[183] *Id.*

Past circumvention has included video games,[184] digital video discs (DVDs),[185] and computer programs.[186] Although different types of protected works have been subject to circumvention, each has been determined, at least preliminarily, to be an infringement. However, each of these cases presents a situation in which the one circumventing is doing so to get around a protective measure.[187] Accordingly, courts have consistently held that the DMCA facially prohibits circumvention, regardless of purpose, and therefore it is considered an infringement.[188]

2. DMCA Challenges Regarding Fair Use. Fair use is encompassed within the DMCA[189] and the 1976 Copyright Act.[190] Because the DMCA merely states it does not limit fair use, courts generally consider the four factors within section 107.[191] However, the idea that fair use of a technological work is more difficult under the DMCA is irrelevant.[192]

Often fair use is argued in conjunction with circumvention. However, courts are reluctant to find a valid argument with respect to fair use when the purpose is to circumvent a protected work.[193] Conversely, when the proposed circumvention is viewed by the court as non-infringing, the focus shifts to commercial use, amount of the protected work duplicated, and the effect on the market.

Commercial use weighs against finding fair use, although the courts have rejected the presumption against fair use.[194] In addition, the effect on the market

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[184] Sega Enter. Ltd. v. Accolade, Inc., 977 F.2d 1510, 24 U.S.P.Q.2d (BNA) 1561 (9th Cir. 1993).

[185] Universal City Studios, Inc. v. Corley, 273 F.3d 429, 60 U.S.P.Q.2d (BNA) 1953 (2d Cir. 2001).

[186] United States v. Elcom, Ltd., 203 F. Supp. 2d 1111, 62 U.S.P.Q.2d (BNA) 1736 (N.D. Cal. 2002); RealNetworks, Inc. v. Streambox, Inc., No. C99-2070P, 2000 U.S. Dist. LEXIS 1889 (W.D. Wash. 2000).

[187] *See, e.g., RealNetworks, Inc.*, 2000 U.S. Dist. LEXIS 1889, at *6-*8 (explaining that the purpose of the defendant's product was to circumvent the security measure put in place by the plaintiff to ensure no copies could be made without permission); *Universal City Studios, Inc.*, 273 F.3d at 437-38 (describing the purpose of the DeCSS program was to circumvent protections encoded within DVDs).

[188] 17 U.S.C. § 1201(a)(1)(A) (2000) ("No person shall circumvent a technological measure that effectively controls access to a work protected under this title.").

[189] 17 U.S.C. § 1201(c)(1) (2000).

[190] 17 U.S.C. § 107 (2000).

[191] *See supra* notes 37-55 and accompanying text.

[192] *See* United States v. Elcom, Ltd., 203 F. Supp. 2d 1111, 1131, 62 U.S.P.Q.2d (BNA) 1736, 1748 (N.D. Cal. 2002).

[193] *See, e.g.*, Universal City Studios, Inc. v. Corley, 273 F.3d 429, 459, 60 U.S.P.Q.2d (BNA) 1953, 1973-74 (2d Cir. 2001) (explaining that fair use does not allow one to use a product with the purpose of circumventing a protected work).

[194] *See* Sony Computer Entm't, Inc. v. Connectix Corp., 203 F.3d 596, 606, 53 U.S.P.Q.2d (BNA)

is not as important unless the proposed fair use renders the protected work worthless. This is grounded on the notion that copyright protection does not give one a right to a monopoly, and competition in the market is generally considered beneficial.[195]

However, with respect to the amount of the protected work embodied in the secondary work, cases generally present an issue in which the fair use is predicated on not using any portion of the protected work within the final product.[196] Accordingly, courts have given little weight to this factor. It has been noted that using the entire protected work does not necessarily preclude a fair use argument.[197] As will be discussed in the next section of this note, this might be important with respect to Edelman's declaratory claim against N2H2.

In addition to the factors outlined in section 107, fair use is often predicated upon First Amendment rights of free speech. In this regard, those claiming fair use argue the right to access the protected work because circumvention is a form of speech or expression protected by the United States Constitution. In general, courts have held that computer programs are at least some sort of speech or expression that is entitled to protection.[198] Because programs are considered protected, the next inquiry involves the level of scrutiny.

Typically, those claiming fair use argue that strict scrutiny should apply.[199] In order for the court to use strict scrutiny, the DMCA must be content-based, as opposed to content-neutral.[200] The difference between content-based and content-neutral centers on the purpose in adopting the restriction.[201] If the restriction is adopted as content-based, strict scrutiny would apply, and there must be a compelling interest along with using the least restrictive means possible.[202] Conversely, if the restriction is considered content-neutral it will be upheld as long as it furthers a "substantial government interest unrelated to the suppression of free expression" and the restriction is no greater than what is needed to further the government's interest.[203]

1705, 1712 (9th Cir. 2000).

[195] *Id.* at 607-08.

[196] *Id.* at 605-06.

[197] *See* Sega Enter. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1526-27 (9th Cir. 1993) (noting that, although in the case presented there is limited use of the protected work, entire usage does not preclude fair use).

[198] *See Universal City Studios, Inc.*, 273 F.3d at 449; *Elcom*, 203 F. Supp. 2d at 1126.

[199] *See, e.g.*, *Elcom*, 203 F. Supp. 2d at 1127 (noting defendant's argument that the DMCA is a content-based restriction and therefore strict scrutiny should apply).

[200] *See Universal City Studios, Inc.*, 273 F.3d at 450.

[201] *Id.*

[202] *Id.*

[203] *Elcom*, 203 F. Supp. 2d at 1129.

Courts have determined that the restriction is not based on content, but rather the government's interest in protecting copyright owners.[204] Therefore, intermediate scrutiny applies to DMCA restrictions. Accordingly, the courts have determined that the DMCA does not restrict more than necessary to achieve the goal of protecting copyright owners.[205]

III. ANALYSIS

This section will consider all the facts surrounding the Edelman case, in addition to the statutes involved. In doing so, the motion to dismiss filed by N2H2 will be analyzed. Finally, repercussions to the DMCA will be considered based on Edelman's arguments in his complaint.

A. MOTION TO DISMISS GRANTED

Past cases in which the DMCA was implicated often involved a motion to dismiss. However, the motion was typically made by the infringing party once suit was initiated by the copyright owner.[206] In the Edelman case, N2H2 filed the motion to dismiss based on the fact that no action has yet been brought against Edelman.[207] Although no suit has yet been initiated against Edelman, the motion to dismiss should have been denied. This is based on the threat of future litigation by N2H2.[208]

N2H2's filing with the Securities and Exchange commission (SEC) asserted two different reactions it would take against Edelman.[209] The first assertion, pertaining to defending its license agreement, is directed at the suit initiated by Edelman.[210] But, there is a second assertion stating that N2Hs will not allow Edelman to continue future research and would "assert all of [its] legal rights."[211] From this, it seems clear that N2H2 is threatening future litigation against Edelman, and therefore there is a real threat. However, the court did not address the possibility of this being a second assertion by N2H2, only that N2H2 stated it would defend itself.[212]

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[204] *Id.* at 1128-29.

[205] *Id.* at 1132.

[206] *See, e.g.*, United States v. Elcom, 203 F. Supp. 2d 1111, 1117, 62 U.S.P.Q.2d (BNA) 1736, 1738 (N.D. Cal. 2002) (denying motion to dismiss after suit was brought against defendant).

[207] Plaintiff's Memorandum, *supra* note 136, at 12.

[208] Quarterly Report, *supra* note 135, at Part II Item 1.

[209] *Id.* at Item 1.

[210] *Id.*

[211] *Id.*

[212] *Edelman*, 2003 WL 1856428, at *1.

Another point that the court did not address is that actual litigation need not be initiated prior to declaratory relief being sought.[213] In addition, although previous cases have centered on circumventing security measures, Edelman was seeking relief from further liability in order to research and create a circumvention tool that might help N2H2 create a better filtering program and would also aid the public in its own fair use of the software.[214]

B. WHY SHOULD THE COURT DECIDE IF LIABILITY EXISTS?

Before determining possible future implications, it must be noted that this case was different from those previously presented in the court. The purpose of the claim for relief was to conduct research.[215] As mentioned previously, this research would have a positive impact on future filtering software, public inquiry, and also N2H2's current filtering software. Although Edelman proposed the creation and distribution of a circumvention tool,[216] the tool was not for circumventing protection measures. In the past, circumvention tools were employed to enable the user to violate copyright protections for mere duplication. The protections were set in place to prevent the actual circumvention that was taking place when using the tool.[217] Here, N2H2 allows the checking of web sites, but it must be accomplished by entering one site at a time into N2H2's "URL Checker," thereby requiring the user to know the specific site to be checked.[218]

Edelman proposed the release of the entire block list at one time along with a tool to allow individual users to update the list periodically.[219] Therefore, Edelman simply proposed a more efficient way for individuals to check if a web site is blocked. When set in this light, it is difficult to understand what problem

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[213] *See* Océ-Office Sys., Inc. v. Eastman Kodak Co., 805 F. Supp. 642, 645-46, 25 U.S.P.Q.2d (BNA) 1370, 1373 (N.D. Ill. 1992).

[214] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 50 (D. Mass. filed July 25, 2002), *available at* http://archive.aclue.org/court/edelman.pdf.

[215] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶¶ 25-32 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[216] *Id.* ¶ 47.

[217] *See, e.g.*, Universal City Studios, Inc. v. Corley, 273 F.3d 429, 437-38, 60 U.S.P.Q.2d (BNA) 1953, 1957-58 (2d Cir. 2001) (explaining the purpose of DeCSS is to circumvent protections on DVDs which prevents illegal copying); United States v. Elcom Ltd., 203 F. Supp. 2d 1111, 1118-19, 62 U.S.P.Q.2d (BNA) 1736, 1739 (N.D. Cal. 2002) (declaring the only purpose of the program is to circumvent publisher's copyright protections on reproducing ebooks); RealNetworks, Inc. v. Streambox, Inc., No. C99-2070P, 2000 U.S. Dist. LEXIS 1889, at *10-*13 (W.D. Wash. 2000) (describing how the program circumvents protections on downloading streaming media).

[218] N2H2, Inc., *URL Checker*, *at* http://database.n2h2.com.

[219] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 50 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

N2H2 has with Edelman's research. This is definitely a different situation from that presented when one tries to circumvent specific protection measures.

Edelman has not yet decided his next step in this process.[220] Two such possibilities are to appeal the motion to dismiss or to continue the research until such time as N2H2 files suit against Edelman. Unfortunately, a real possibility is that Edelman may also discontinue the research altogether.[221] If the research ceases, it will be the public who will be losing in the end. Therefore, it is important that if this case does not proceed, if one like it occurs in the future the ramifications are discussed. Accordingly, the remaining analysis uses the *Edelman* case to discuss how the court should handle this situation in the future once standing is determined to exist. The ramifications can apply to the case presented here or another case that has not yet been brought before the court based on similar circumstances.

1. What Would the Future Hold If the Court Rules in Favor of Edelman? If the court finds in favor of Edelman, the ramifications would mainly be witnessed with respect to the DMCA and the future of copyright protection for the Internet industry. With respect to the DMCA, a ruling in favor of Edelman effectively invalidates the provisions of the DMCA prohibiting the production of a circumvention tool and also distributing the tool.

Essentially, this ruling would leave the DMCA an empty shell. Accordingly, if the provisions are ruled inapplicable in this case, this leaves the door open for other circumvention tools with respect to technologies such as DVDs, gaming software, and computer programs. However, this problem can be rectified by a narrow holding of the court.

Because Edelman's research concerns public benefit and does not have an impact on the operability of N2H2's filtering software,[222] if the court rules that circumvention is permitted only with respect to this specific fact pattern, it would close the door on the possibility of rampant circumvention. By issuing a narrow holding, the court will allow this important research to continue. As mentioned previously, most cases arise from circumventing protection measures within the technology. Here, the circumvention is for research purposes and to further public interest. Accordingly, it is possible for the court to hold that circumvention is permitted only in this narrow situation.

A narrow holding will also be consistent with exceptions outlined by the Librarian of Congress. It is already recognized that filtering software may be

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[220] E-mail from Benjamin Edelman, J.D. Candidate, Harvard Law School (Apr. 11, 2003).

[221] Edelman v. N2H2, Inc., No. 02-CV-11503, ¶ 53 (D. Mass. filed July 25, 2002), *available at* http://archive.aclu.org/court/edelman.pdf.

[222] *Id.* ¶ 51.

circumvented for research purposes,[223] and this ruling would take that exception one step further. That small step by the court will allow all to benefit from the research.

It is important for the court to be cognizant of the future implications on the DMCA, yet it is also possible to accommodate Edelman and essentially leave the DMCA intact. Without the proper narrowness of the holding, those in the Internet industry will be left without protection for copyrighted works. This may lead to a collapse of the internet and the information it provides. If those providing information and programs through the Internet are not afforded protection, information and software will not be readily available. As such, it is important that those involved in the industry are given protection, yet in a situation such as this, the protection is not as prominently needed.

In addition, in order to preserve industries such as those related to movies, music, and gaming programs, it is important that they be afforded protection. This protection is currently given through the DMCA. In order to ensure the continued free exchange of these technologies, the court must be careful if it rules in favor of Edelman. Without such protection the movie industry might return to videocassettes, or even just movie theater releases, the music industry might return to vinyl records, and the gaming industry might cease to exist. However, a narrow holding should address this problem and as such is sufficient to allow Edelman to continue while protecting copyright owners.

2. What Would the Future Hold If the Court Rules in Favor of N2H2? The first issue with respect to a ruling in favor of N2H2 is that Edelman would cease his research on its filtering software.[224] Although this might not seem like a bad idea to N2H2, the ramifications on the public trust are paramount. Questions will arise by consumers with respect to not only N2H2's filtering software, but all filtering software.

This is analogous to the problems faced by the tobacco industry. Consumers will question what the software companies, especially those like N2H2 who will not release the block list, are hiding. This will lower the confidence in the filtering software industry and might actually have more of a detrimental effect than if the court ruled in favor of Edelman. Consumers might forego purchasing the software because of questions regarding the secrecy of the block lists. Therefore, ruling in favor of N2H2 might have a larger impact on the market than allowing the block list and circumvention tool distribution. This appears to work in favor of the fair use factor of effect on the market by actually increasing confidence in the industry.[225]

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[223] Exemption to Prohibition Against Circumvention, 37 C.F.R. § 201.40 (2001).
[224] *Edelman*, No. 02-CV-11503, ¶ 53.
[225] 17 U.S.C. § 107 (2000).

In addition to the confidence factor, a ruling in favor of N2H2 works against the consumer inquiry into what is actually being purchased. Consumers naturally want to know what they are buying. Accordingly, by disallowing the distribution of the block list, the court would essentially be saying that the consumer does not need to know what he or she is buying. Like the confidence factor, this might work against N2H2 with respect to market effects.

The effects with respect to confidence and wanting to know what one is purchasing might affect other software companies in addition to N2H2. N2H2's is not the only filtering software available. Accordingly, if consumers begin to question the motivation of N2H2, other companies might also suffer from decreased sales. This might not only affect filtering software but any software that might now, or in the future, require increased knowledge by the consumer with respect to what is actually being purchased.

3. How the Court Should Rule, Revisited. In considering the ramifications on each side, it appears as if the court has to choose the lesser of two evils. However, this is not necessarily true. Other possible solutions are set out below, yet just ruling narrowly might also take care of the problem presented. As noted previously, it is difficult to understand why N2H2 would not allow this research to continue. More on point, it is difficult to understand why N2H2 does not just give a copy of its block list to Edelman as he requested from the beginning.[226] Ruling in favor of Edelman might actually benefit N2H2. Accordingly, it is in the public's interest, and N2H2's, to allow Edelman to continue his research and distribute the block list and circumvention tool without fear of future liability, within a narrow holding of the court.

C. POSSIBLE ALTERNATE REMEDIES TO THE DECLARATORY RELIEF SOUGHT

Although an alternate remedy does not preclude declaratory relief,[227] other remedies need to be explored for future consideration. Edelman's situation can be dealt with through a narrow holding, but what if this problem, or something similar, occurs in the future? Certainly, the courts do not need to be inundated with requests for declaratory relief every time someone considers violating the circumvention prohibition contained within the DMCA. Yet, as noted previously, the circumvention prohibition is needed to protect technology industries. Accordingly, alternative remedies for the future need to be explored.

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[226] In response to Edelman's request for its block list, N2H2 stated in an email addressed to Edelman that it was "sure [Edelman has] enough intelligence to know that the list is proprietary information and will not be shared. [N2H2] is also sure that life will some day bring [Edelman] greater things to do with [his] time." *See* Plaintiff's Memorandum, *supra* note 136, at 9.

[227] FED. R. CIV. P. 57.

One possible remedy Congress could take is to amend the DMCA. An amendment can take the form of either an exception or an additional section to the Act. With respect to an exception, the current exception for filtering software could be extended to allow publishing of block lists and also circumvention tools, but only as the tools apply to determining block lists. The exception would have to be carefully construed as to not permit circumvention of the actual program, that is, making the program inoperable. Inoperability of software is a major concern of the DMCA; and as such, the exception cannot go to that extreme. In the same respect, an additional section could be added to the DMCA outlining the same exceptions with respect to filtering software.

Another possible remedy is to repeal the DMCA and have Congress start over from scratch. The Act is in accordance with an international treaty,[228] but as long as the treaty conditions are met, a new act would suffice. However, the problem presented in the *Edelman* case can be sufficiently addressed through the exception procedure, and therefore, a new act might not be necessary at this point. If more exceptions occur in the future, a new act is a viable alternative to having a long list of exceptions.

Certainly other remedies might exist. However, until problems are presented to the courts in the future, it is uncertain how to deal with the issues. The alternate remedies suggested here are in response to problems such as the one presented in the *Edelman* case. As technology advances, it might become necessary to implement one of these alternates, or even an alternate remedy not suggested here. The main concern is to prevent having a list of exceptions longer than the Act itself and also to keep the Act as simple as possible. Adding complexities by amending the DMCA or lengthy lists of exceptions will only create more uncertainty, therefore dictating an alternate remedy.

IV. CONCLUSION

The problem presented in the *Edelman* case was unique with respect to the DMCA. Edelman's research encompasses further knowledge for the public and the circumvention proposed has no adverse affects on N2H2's filtering software. This is different from previous cases before the court regarding the DMCA. As such, this is a controversy that must be addressed by the court.

Because of the controversial nature, the court should have denied the motion to dismiss filed by N2H2 and ruled on the merits of the case. In ruling, the court would have to take into consideration not only the DMCA but also future ramifications with respect to how the court rules. The ramifications, however,

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[228] WIPO Copyright Treaty, Apr. 12, 1997, art. 11, S. TREATY DOC. NO. 105-17, *available at* 1997 WL 447232.

seem to be detrimental only with respect to a ruling in favor of N2H2. A ruling in favor of Edelman would further not only public interest, but also the interests of other filtering software companies including N2H2. However, the court cannot have a blanket ruling allowing all circumvention. Accordingly, a narrow holding with respect to the facts presented in this case will suffice for this situation and also keep the DMCA intact.

However, because future technologies may present problems later, if that happens, the court should consider alternate remedies. These remedies include repealing the DMCA and starting over from scratch, or the alternate remedy of providing additional exceptions specific to each situation. Whichever alternative is used, it is imperative to ensure future protection of technology copyright owners so as not to turn the clock back to a time where technology was near non-existent.

Overall, this case was about more than just circumvention. The implications, now and in the future, with respect to research such as Edelman's and the public's own fair use are paramount. Allowing this case to go forward, if appealed, or allowing a similar case to proceed is the only way to finally settle this "paracopyright" protection problem.

CATHY NOWLEN