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R. Terry Parker
Franklin Pierce Law Center, Concord, NH

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Sold Downstream: Free Speech, Fair Use, and Anti-Circumvention Law

R. TERRY PARKER*

INTRODUCTION

Here's a hypo. Living in Asia, I purchased a shameful amount of music and movies, all legit purchases through reputable stores, HMV and Tower Records, but little of which will get reissued. I wanted to preserve my collection but software in the discs prevented me from ripping backup copies to my computer. Lacking the technological savvy to get around this software myself, I purchased and used a product to help me circumvent these controls. Discuss.

Courts agree that copying the music and movies here is infringement but that fair use may provide a defense. However, courts do not agree as to whether or not fair use provides a defense when determining the liability of selling products that enable me to access and copy my CDs to my computer. This article examines a line of cases in the Ninth Circuit that hold that fair use or lawfulness of copying is irrelevant in calculating liability under the Digital Millennium Copyright Act (DMCA) and another line of cases in the Federal Circuit which hold that fair use should be relevant. In particular, this article argues that calculating fair use into the analysis is crucial in maintaining the balance between the First Amendment's protection of free speech rights and copyright's regulation of speech.

Part I will outline the relationship between free speech rights and copyrights, noting the important role that fair use plays in keeping this relationship harmonious. Part II will outline the anti-circumvention provisions in the Digital Millennium Copyright Act and argue that these broad brush provisions chill speech. Part III will discuss two streams in the current law: first, the Ninth Circuit's decisions *321 Studios v. Metro Goldwyn Mayer Studios, Inc.*¹ and *Sony Computer Entertainment America, Inc. v. Divineo*;² and, second, the Federal Circuit's decisions in *The Chamberlain Group, Inc. v. Skylink Technologies, Inc.*³ and *Storage Technology Corporation v. Custom Hardware Engineering & Consulting, Inc.*⁴ Part IV will

* J.D. Candidate, Franklin Pierce Law Center, Concord, N.H.

1. 307 F. Supp. 2d 1085 (N.D. Cal. 2004).

2. 457 F. Supp. 2d 957 (N.D. Cal. 2006).

3. 381 F.3d 1178 (Fed. Cir. 2004).

4. 421 F.3d 1307 (Fed. Cir. 2005).

argue that the Federal Circuit's approach to fair use is favored. However, an alternate analysis toward their conclusion would have more constitutional integrity. Namely, the DMCA, as applied to software, should be seen as a content-based restriction on speech and should not be read to prohibit circumvention of access controls where the circumvention would not constitute a copyright violation.

I. FIRST AMENDMENT TENSION AND FAIR USE AS A SAFETY VALVE

A. *Free Speech*

On its face, the protection of copyrights poses a First Amendment conundrum. By granting monopolies in speech, copyright law confuses a plain reading of the free speech clause: "Congress shall make no law . . . abridging the freedom of speech, or of the press . . ." ⁵ Although the wording "no law" is nowhere qualified by "ifs" or "buts" or "whereases," as Justice Black states, ⁶ the reality is that First Amendment jurisprudence is replete with "ifs" and "buts." The real question then is: after which of these "ifs" or "buts" does copyright seek cover?

The type of First Amendment protection will depend upon which of the "ifs" or "buts" are at issue. For example, the First Amendment offers its most robust protection to content-based speech, in other words, where the State is attempting to regulate speech because it expresses a certain viewpoint or deals with a certain subject matter. ⁷ The Court views this abridgment with "strict scrutiny," a presumptive violation of the Constitution. ⁸ Protection here depends upon whether or not the State shows a compelling state interest and whether or not the regulation is narrowly tailored to that interest. ⁹ By narrowly tailored, the Court means the government's means of accomplishing their goal must be the least restrictive means available. ¹⁰ On the other hand, the First Amendment offers much less protection to content-neutral regulations—regulations which restrict the time, place, and manner of the speech. ¹¹ These regulations are constitutional if the regulation furthers a substantial government interest, if that interest is unrelated to the suppression of free expression, and if the incidental restriction on expression is no greater than what is necessary to further the state's

5. U.S. CONST. amend. I.

6. *Beauharnais v. Illinois*, 343 U.S. 250, 275 (1952) (Black, J., dissenting).

7. *R.A.V. v. City of St. Paul, Minn.*, 505 U.S. 377, 382–83 (1992).

8. *Id.*

9. *Perry Educ. Ass'n v. Perry Local Educators' Ass'n*, 460 U.S. 37, 45 (1983).

10. *Id.*

11. *United States v. O'Brien*, 391 U.S. 367 (1968).

interest.¹² This sort of regulation is less readily found invalid. Moreover, the First Amendment offers even more limited protection to commercial speech—speech which proposes a commercial transaction.¹³ The Court views abridgments of this type of speech with intermediate scrutiny, the level of which varies within this category.¹⁴ As a further condition, the First Amendment offers no protection for speech that is incitement,¹⁵ fighting words,¹⁶ or obscenity.¹⁷ Finally, the First Amendment will protect any type of speech if the regulation against it is too vague or broad—for example, where protected speech might be swept up with the unprotected.¹⁸

Thus, the constitutionality of copyright law depends very much upon the type of speech and, thus, the type of scrutiny that attaches.

B. *Free Speech Safety Valves*

Although academics have argued that copyright law should be subject to a harsher version of scrutiny,¹⁹ the U.S. Supreme Court shut the door on this issue.²⁰ Eldred argued that the Copyright Terms Extension Act (CTEA) was a content-neutral regulation of speech that failed heightened judicial review under the First Amendment, reasoning the stricter version of intermediate scrutiny used in *Turner Broadcasting System, Inc. v. Federal Communications Commission*,²¹ was more appropriate.²² In *Turner*, cable operators had challenged the constitutionality of must-carry provisions of the Cable Television Consumer Protection and Competition Act of 1992, which required them to broadcast local stations on their systems.²³ Despite the obvious favoritism for local broadcasters, the Court held the must-carry provisions did not indicate the State's intent to distort the marketplace of ideas but a content-neutral response to the problems of a limited resource and the perceived economic vulnerability of the local broad-

12. *Id.* at 376–77.

13. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.*, 447 U.S. 557, 562–63 (1980).

14. *Id.* at 566.

15. *Brandenburg v. Ohio*, 395 U.S. 444 (1969).

16. *Chaplinsky v. New Hampshire*, 315 U.S. 568 (1942).

17. *Miller v. California*, 413 U.S. 15 (1973).

18. *Virginia v. Black*, 538 U.S. 343, 372 (2003) (Scalia, J., concurring).

19. Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1, 4–5 (2001). However, as early as 1970, Melville Nimmer had countered this argument by positing that copyright law was spared First Amendment scrutiny because the law had built-in mechanisms that honored the demands of the Constitution. Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech?*, 17 UCLA L. REV. 1180 (1970).

20. *Eldred v. Ashcroft*, 537 U.S. 186, 221 (2003).

21. 512 U.S. 622, 661–62 (1994).

22. *Eldred*, 537 U.S. at 218.

23. *Turner*, 512 U.S. at 626.

cast industry.²⁴ Although content-neutral, the Court's application of the *O'Brien* version of intermediate scrutiny contained far more oomph than what was normally used in content-neutral analysis.²⁵

Writing for the Court in *Eldred*, Justice Ginsburg dismissed the constitutional challenge, arguing that both the First Amendment and the Copyright Clause were adopted close in time, a proximity which suggests the framers of the Constitution viewed copyright's limited monopolies as compatible with free speech rights.²⁶ Indeed, she argued, quite apart from chilling expression, the purpose of copyright is to promote the creation and publication of free expression.²⁷ The Court reasoned copyright law contains two built-in First Amendment accommodations: the idea/expression dichotomy and fair use.²⁸ With the idea/expression dichotomy, protection extends only to expression, not ideas, so the free communication of ideas is not restricted but is made available to the public for exploitation.²⁹ Likewise, fair use allows for the use of the actual expression of ideas in certain cases, affording latitude for scholarship and comment.³⁰ Distinguishing *Turner*, the Court noted that, where the "must-carry" provisions implicated the core of the First Amendment—the principle that each person controls their expression, copyright does not force anyone to reproduce another's speech against the carrier's will.³¹ The Court then parsed fair use from the First Amendment, noting "the First Amendment securely protects the freedom to make—or decline to make—one's own speech; it bears less heavily when speakers assert the right to make other people's speeches."³² The Court, however, did stop short of declaring copyright law "categorically immune from challenges under the First Amendment."³³

24. *Id.* at 655.

25. *See id.* at 664–65 (Here's the oomph: "When the Government defends a regulation on speech as a means to redress past harms or prevent anticipated harms, it must do more than simply 'posit the existence of the disease sought to be cured.' It must demonstrate that the recited harms are real, not merely conjectural, and that the regulation will in fact alleviate these harms in a direct and material way." (citation omitted)).

26. 537 U.S. at 219.

27. *Id.*

28. *Id.* at 219–20.

29. *Id.* at 219.

30. *Id.* at 219–20.

31. *Id.* at 220–21.

32. *Id.* at 221.

33. *Id.*

II. THE DMCA AND ITS FREE SPEECH CRITICS

A. *The Need for the DMCA*

Copyright law was clearly no match for the onslaught of personal computers, and less so the Internet. In the 1980s, the law little deterred an individual who used his personal computer to make infringing copies of CDs, be it software or music, the quality of which was in no way diminished with each copy. In the 1990s, the law had even less of a hold on an individual who could upload a copyrighted file to the Internet, in effect copying and distributing a dizzying amount of infringing copies all over the world within a single day. The content industries fought back with technology to prevent copying and distribution, but hackers quickly countered with means to circumvent that technology.

In response to this unprecedented scale of infringement, Congress enacted the Digital Millennium Copyright Act (DMCA) of 1998. In addition to fighting infringement, the aim was to make “available quickly and conveniently via the Internet the movies, music, software, and literary works that are the fruit of American creative genius.”³⁴ The DMCA was likewise in response to two World Intellectual Property Organization (WIPO) treaties, which required the United States to offer protection to digitally transmitted works by: (1) providing “legal remedies against the circumvention of technological measures designed to block access to copyrighted works; and (2) to prohibit the interference with copyright management information digitally encoded in copyrighted works, including information about copyright ownership and licensing terms.”³⁵ Title I of the DMCA adds Chapter 12 to the Copyright Act of 1976, but goes beyond the WIPO mandates in two respects: first by outlawing products that enable users to circumvent protection measures and second by laying down criminal penalties for violators, in effect regulating conduct that previously fell outside the reach of copyright law.³⁶

B. *The Anti-Circumvention Provisions in § 1201*

17 U.S.C. § 1201 (2000) adds three new causes of action to copyright law. Section 1201(a)(1)(A) prohibits circumvention of technological

34. S. REP. NO. 105-190, at 8 (1998). See, e.g., *Univ. City Studios, Inc. v. Corley*, 273 F.3d 429, 435 (2d Cir. 2001).

35. MARSHALL LEAFFER, UNDERSTANDING COPYRIGHT LAW 391–92 (2005) (citing WIPO Copyright Treaty, Apr. 12, 1997, S. TREATY DOC. NO. 105-17 (1997); WIPO Performances and Phonogram Treaty, Dec. 20, 1996, 36 I.L.M. 65 (1997)).

36. *Id.* at 392.

measures that control access.³⁷ Section 1201(a)(2) prohibits the trafficking in devices that circumvent such measures.³⁸ Section 1201(b) prohibits the trafficking in devices that aid in circumvention of copy-protection measures.³⁹ These prohibitions can be categorized into two groups: those concerning access control measures and those concerning use-control measures. The provision restricting circumvention of use-control measures in § 1201(b), unlike the restriction of access control measures in § 1201(a), prohibits the trafficking of the devices, but not the act of circumvention.⁴⁰ Copyright law already regulates this conduct and provides for exemptions and defenses which limit a copyright owner's rights, for example, a fair use defense under § 107 which allows certain infringements on a copyright owner's control of the use of his work.⁴¹ The distinction shields the preexisting rights of users under traditional copyright law from being undercut by the new legislation.⁴² Indeed, § 1201(c) expressly preserves these rights.⁴³

37. 17 U.S.C. § 1201(a)(1)(A) (2006) ("No person shall circumvent a technological measure that effectively controls access to a work protected under this title.").

38. *Id.* § 1201(a)(2) ("No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology . . . that—(A) is primarily designed . . . for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title.").

39. *Id.* § 1201(b).

Additional violations.—(1) No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that—

(A) is primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof;

(B) has only limited commercially significant purpose or use other than to circumvent protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof; or

(C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof.

(2) As used in this subsection—

(A) to 'circumvent protection afforded by a technological measure' means avoiding, bypassing, removing, deactivating, or otherwise impairing a technological measure; and

(B) a technological measure 'effectively protects a right of a copyright owner under this title' if the measure, in the ordinary course of its operation, prevents, restricts, or otherwise limits the exercise of a right of a copyright owner under this title.

Id.

40. *United States v. Elcom Ltd.*, 203 F. Supp. 2d 1111, 1120 (N.D. Cal. 2002).

41. 17 U.S.C. § 107.

42. *Id.*

43. *Id.* § 1201(c) ("Other rights, etc., not affected.—(1) Nothing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title. (2) Nothing in this section shall enlarge or diminish vicarious or contributory liability for copyright infringement in connection with any technology, product, service, device, component, or part thereof. (3) Nothing in this section shall require that the design of, or design and selection of parts and components

C. Critics Arguing These Broad Brushed Restrictions Chill Speech

In 1999, Pamela Samuelson called for revision of the anti-circumvention measures or judicial interpretation to narrow the scope of § 1201.⁴⁴ She argued that while the text and legislative history did show congressional intent to ensure consumers would continue to enjoy non-infringing uses of copyrighted works—in particular for fair use, free speech, and free press purposes—the reality was that, in barring the trafficking of circumvention products, those of us who are technologically challenged—thus unable to circumvent use-controls without the purchase of such products—are prohibited from circumventing use-control measures.⁴⁵ As Anthony Reese argued, this merger of control measures under § 1201(a) and § 1201(b) is more and more common in practice where, if accommodated by the courts, users' ability to legally circumvent use-control measures is seriously threatened, “[sucking] most of the oxygen out of Chapter 12's breathing space for circumvention of rights-control measures for non-infringing purposes.”⁴⁶ Moreover, there is the obvious conflict in the text, on the one hand outlawing technologies whose main purpose is circumvention of use-control measures while on the other hand recognizing the lawfulness of fair-use type circumventions.⁴⁷ This contradiction does beg the question: whether or not Congress has made an empty promise of fair use and has thus, if we recall the safety valve role as posited in *Eldred*,⁴⁸ skewed the balance between First Amendment and copyright law.⁴⁹

Two current pieces of legislation are pending in an alleged attempt to right the balance between protecting copyright owners' right to guard access to their works and protecting a consumer's lawful use of works. The Digital Media Consumers' Rights Act would allow for circumvention and trafficking in circumvention products where such products were protected

for, a consumer electronics, telecommunications, or computing product provide for a response to any particular technological measure, so long as such part or component, or the product in which such part or component is integrated, does not otherwise fall within the prohibitions of subsection (a)(2) or (b)(1). (4) Nothing in this section shall enlarge or diminish any rights of free speech or the press for activities using consumer electronics, telecommunications, or computing products.”)

44. Pamela Samuelson, *Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need to Be Revised*, 14 BERKELEY TECH. L.J. 519, 524 (1999).

45. *Id.* at 546–48.

46. R. Anthony Reese, *Will Merging Access Controls and Rights Controls Undermine the Structure of the Anticircumvention Law?*, 18 BERKELEY TECH. L.J. 619, 650–51 (2003).

47. Samuelson, *supra* note 44, at 557.

48. 537 U.S. 186 (2003).

49. *Id.*

by a fair use defense.⁵⁰ It has not met much success—re-introduced into Congress three times and more recently rejected because Congress prefers not to use legislation as a means of addressing fair use.⁵¹ The Benefit Authors without Limiting Advancement or Net Consumer Expectations Act of 2003 comes with less bravado, but there has been no action on this bill since its referral to the House Committee on the Judiciary in March of 2003.⁵²

If fair use is to function as a First Amendment safety valve within copyright law, the DMCA needs to be interpreted in a manner that gives fair use room to breath. The next section outlines the circuit split on free speech and fair use in the context of anti-circumvention law.

III. CASE LAW

Courts consistently deny free speech challenges to the DMCA. However, anti-circumvention law seems to diverge into two currents when addressing what constitutes permissible circumvention and trafficking in circumvention devices and what does not. The Northern District of California and the Southern District of New York flow in one direction and the Federal Circuit and the Sixth Circuit in another. This part of the article will outline the opinions of the courts in *321 Studios v. Metro Goldwyn Mayer Studios, Inc.*⁵³ and *Sony Computer Entertainment America, Inc. v. Divineo*⁵⁴ on the one hand and the opinion of the Federal Circuit in *The Chamberlain Group, Inc. v. Skylink Technologies, Inc.*⁵⁵ and *Storage Technology Corporation v. Custom Hardware Engineering & Consulting, Inc.*⁵⁶ on the other.

50. Digital Media Consumers' Rights Act of 2005 (DMCRA), H.R. 1201, 109th Cong. § 5(b) (2005).

51. Alison R. Watkins, *Surgical Safe Harbors: The Family Movie Act and the Future of Fair Use Legislation*, 21 BERKELEY TECH. L.J. 241, 262 (2006).

52. Benefit Authors Without Limiting Advancement or Net Consumer Expectations Act of 2003 (BALANCE), H.R. 1066, 108th Cong. (2003).

53. 307 F. Supp. 2d 1085 (N.D. Cal. 2004).

54. 457 F. Supp. 2d 957 (N.D. Cal. 2006).

55. 381 F.3d. 1178 (Fed. Cir. 2004).

56. 421 F.3d 1307 (Fed. Cir. 2005). See also *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522 (6th Cir. 2004) (providing an example of the courts taking a more expansive reading of fair use defense in the § 1201 context).

A. Restrictive Views of Fair Use

1. 321 Studios v. Metro Goldwyn Mayer Studios, Inc.⁵⁷

The plaintiff, 321 Studios, was a small Internet company that marketed and sold an instruction manual and software that aided customers in making backup copies of DVDs.⁵⁸ The business was purportedly aimed at legitimate copying and sought a declaratory judgment stating it did not violate § 1201(a)(2) and § 1201(b)(1) of the DMCA.⁵⁹ 321 Studios also challenged the constitutionality of the DMCA—that it restricted 321 Studio's First Amendment free speech rights under the First Amendment and violated the First Amendment by skirting the fair use defense.⁶⁰

The court prefaced its opinion with a lengthy discussion of the persuasiveness of three precedents, *Universal City Studios, Inc. v. Reimerdes*,⁶¹ which reached the appellate level as *Universal City Studios, Inc. v. Corley*,⁶² and finally *United States v. Elcom Ltd.*⁶³ In *Corley*, where Eric Corley was enjoined from publishing the decryption software DeCSS, the court found a First Amendment challenge to the DMCA did not survive.⁶⁴ The court held that, although computer code was speech, code should be divided into communicative and functional speech.⁶⁵ The speech at issue was functional and as such was more conduct than message.⁶⁶ Aimed at conduct, the regulation attracted intermediate scrutiny.⁶⁷ Under intermediate scrutiny an injunction was not an unreasonable burden on speech.⁶⁸ Moreover, the court held the DMCA did not unconstitutionally limit fair use.⁶⁹ Similarly, in *Elcom*, where a computer programmer was arrested for publishing a program that allowed users to remove restrictions on Adobe's eBook Reader, the defendant argued the DMCA was unconstitutionally vague and that the DMCA was a content-based restriction which violated the First Amendment because it was not narrowly tailored to serve a compelling government interest.⁷⁰ Furthermore, according to the defendant,

57. 307 F. Supp. 2d at 1085.

58. *Id.* at 1089.

59. *Id.*

60. *Id.*

61. 111 F. Supp. 2d 346 (S.D.N.Y. 2000).

62. 273 F.3d 429 (2d Cir. 2001).

63. 203 F. Supp. 2d 1111 (N.D. Cal. 2002).

64. 111 F. Supp. 2d at 303.

65. *Id.* at 328–29.

66. *Id.*

67. *Id.* at 329–30.

68. *Id.* at 330–33.

69. 321 Studios v. Metro Goldwyn Mayer Studios, Inc., 307 F. Supp. 2d 1085, 1092–93 (N.D. Cal. 2004) (citing *Univ. City Studios, Inc. v. Corley*, 273 F.3d 429 (2d Cir. 2001)).

70. 203 F. Supp. 2d 1111, 1127–31 (N.D. Cal. 2002).

the DMCA infringed the fair use rights of third parties, thus chilling free expression.⁷¹ The *Elcom* court rejected each of these arguments.⁷²

a. Did 321 Studios Sell a Product Regulated by § 1201?

321 Studios argued that their product did not meet the definition of circumventing a technological measure set in § 1201(a)(2)—which limits regulation to circumvention without the copyright owner's authority—because their product only worked on original DVDs and the purchaser of an original has authority to access that DVD.⁷³ The court followed the precedent set in *Corley*, where the same argument had been offered, and found that a purchaser of an original has the authority to view but not to decrypt.⁷⁴ Next, the plaintiff argued § 1201(b)(1)⁷⁵ did not apply because that section concerned illegal copying, whereas 321's software circumvented CSS, which concerned access, not copying.⁷⁶ The court acknowledged this was technically true, but merged the two concepts of access and use-control, arguing the purpose of preventing access was to prevent copying.⁷⁷ Although the primary use was lawful, the court noted that the lawful use of the software was not regulated by the statute, which merely regulated the unlawful trafficking of devices that facilitated lawful or unlawful use.⁷⁸

b. Other First Amendment Violations?

321 Studios argued the DMCA violated the First Amendment in several ways.⁷⁹ First, it argued that by preventing legitimate downstream use of copyrighted material, the DMCA violates the First Amendment rights of

71. *Id.* at 1122.

72. *Id.* at 1134–35.

73. *321 Studios*, 307 F. Supp. 2d at 1096.

74. *Id.*

75. 17 U.S.C. § 1201(b)(1) (2006) (“No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that— (A) is primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof; (B) has only limited commercially significant purpose or use other than to circumvent protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof; or (C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof.”).

76. *321 Studios*, 307 F. Supp. 2d at 1096–97.

77. *Id.* at 1097.

78. *Id.*

79. *Id.* at 1099.

its users.⁸⁰ Second, it argued the law unconstitutionally restricted 321's speech because it is an overbroad regulation.⁸¹ Relying on *Corley* and *El-com*, the court held that, while code is speech, this is not a content-based distinction because the law is aimed at functional speech in the code, not the communicative speech.⁸² As a content-neutral restriction, the law survives the intermediate scrutiny test set forth in *Turner*, because the government interest was unrelated to the suppression of free speech, and the incidental restrictions on speech are no greater than what is essential to further that interest.⁸³ Likewise, the court found that the statute did not pose impermissible burdens on the fair use rights of users.⁸⁴ The court rejected the claim that users have a First Amendment right to fair use of the works.⁸⁵

2. Sony Computer Entertainment America, Inc. v. Divineo⁸⁶

Divineo marketed and sold anti-circumvention devices, an HDLoader, "mod chips," and other devices which allowed users of Sony's PlayStation to play from alternate drives, to play homemade games, or other games, either original games or illegally copied.⁸⁷ Divineo described its product as chips sold to customers who wanted to modify their video game consoles to make them as similar to a computer as possible.⁸⁸ The HDLoader allowed users to load and run Sony games faster from a hard drive that has been connected to the PlayStation.⁸⁹ Although Divineo does not provide instructions, the mod chips may be configured by consumers to allow a copied game to be played.⁹⁰

Sony argued that selling these products was in violation of § 1201(a)(1) and § 1201(b)(1), specifically that Divineo manufactured and

80. *Id.*

81. *Id.*

82. *Id.*

83. *Id.* at 1100–01 (citing *Turner Broad. Sys., Inc. v. FCC*, 512 U.S. 622, 624 (1994)).

84. *Id.*

85. *Id.* at 1101 ("[T]he First Amendment securely protects the freedom to make—or decline to make—one's own speech; it bears less heavily when speakers assert the right to make other people's speeches. To the extent such assertions raise First Amendment concerns, copyright's built-in free speech safeguards are generally adequate to address them." . . . While . . . not immune from challenges under the First Amendment, it is a stretch to claim that *Eldred* mandated absolute First Amendment protection for fair use of copyrighted works." (quoting *Eldred v. Ashcroft*, 537 U.S. 186, 221 (2003))).

86. 457 F. Supp. 2d 957 (N.D. Cal. 2006).

87. *Id.* at 959. See <http://en.wikipedia.org/wiki/HD Loader> (describing an HD loader); http://en.wikipedia.org/wiki/Mod_Chip (describing modchips).

88. *Sony*, 457 F. Supp. 2d at 959.

89. Defendant Frederic Legault's Answer to Plaintiff's First Amended Complaint at ¶ 35, *Sony*, 457 F. Supp. 2d 957 (N.D. Cal. 2005) (No. 4:04-cv-042000-CW).

90. *Id.* ¶ 36.

trafficked in a product whose primary and sole function was to circumvent Sony's access control, and that they trafficked in devices primarily designed to circumvent use-control measures.⁹¹ Divineo argued that the products at issue may be used in a way that did not involve accessing copies of Sony's copyrighted work or in a way that merely makes fair use of them.⁹² For example, the mod chips provide interoperability of independently created programs. Similarly, a mod chip may be the only way to play games that are purchased legally but imported into the United States.

The court followed the precedent set in *321 Studios* and *Elcom*, asserting that downstream fair use of circumvention devices is not a defense under the DMCA.⁹³ According to the DMCA, the use of such devices is still lawful but the trafficking is not.⁹⁴ That one must be technologically sophisticated in order to make fair use of lawfully purchased games is not evidence that the purpose of the mod chip is lawful.⁹⁵

B. Cases Accommodating Downstream Fair Use as a Defense to the DMCA

1. Chamberlain Group v. Skylink Technologies, Inc.⁹⁶

The plaintiff, Chamberlain, manufactured garage door openers.⁹⁷ Their system consisted of a hand-held transmitter and an opening device in the homeowner's garage, whereby the hand-held transmitter sends a signal to the opening device, which then opens the door.⁹⁸ Chamberlain employed a rolling code as a signal to prevent other transmitters from opening the door.⁹⁹ The defendant, Skylink, manufactured a hand held transmitter that operated the Chamberlain motor by circumventing the rolling code.¹⁰⁰ Chamberlain sued, alleging both patent infringement and violations of the DMCA, but lost at both the trial and the appellate court level.¹⁰¹

91. *Sony*, 457 F. Supp. 2d at 959.

92. *Id.* at 965.

93. *Id.* at 965–66.

94. *Id.* at 964.

95. *Id.* at 965.

96. 381 F.3d 1178 (Fed. Cir. 2004).

97. *Id.* at 1183.

98. *Id.*

99. *Id.*

100. *Id.*

101. *Id.* at 1203–04.

a. Sections 1201(a)(2) and 1201(b)(1)

Chamberlain complained that Skylink violated § 1201(a)(2), which provides liability where a person traffics in a device designed to circumvent, without the authority of the copyright owner, access control measures.¹⁰² Chamberlain cited *Corley* and *321 Studios* as precedent, showing that the authority granted to the consumer did not extend to the trafficker.¹⁰³

However, the Federal Circuit affirmed the district court's ruling that § 1201(a)(2) applied only where a technological measure was circumvented without the authority of the copyright owner, and, because Skylink did have authority, found in favor of Skylink.¹⁰⁴ Chamberlain had implicitly given authority because a homeowner, who buys the Chamberlain product, owns it and has a right to use it.¹⁰⁵ Had they not authorized use, they could have set explicit terms and conditions upon the purchase, restricting use.¹⁰⁶ According to the court, to read the DMCA as Chamberlain had would grant an additional property right, as opposed to another cause of action, which could not have been the intention of the *Corley* court.¹⁰⁷ Such a reading, in the eyes of the court, would have unreasonable policy implications, effectually granting broad immunities to both antitrust and copyright laws.¹⁰⁸ Therefore, the court held that § 1201 "prohibits only forms of access that bear a reasonable relationship to the protections that the Copyright Act otherwise affords copyright owners."¹⁰⁹ That is, liability for circumventing access control measures extends only to where there is reasonable potential of infringement.¹¹⁰

102. Digital Millennium Copyright Act, 17 U.S.C. § 1201(a)(2) (2000) ("No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that—(A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title; (B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or (C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.").

103. Plaintiff-Appellant's Combined Petition for Panel Rehearing and for Rehearing en banc at 11, *Chamberlain Group, Inc. v. Skylink Techs., Inc.*, 381 F.3d 1178 (Fed. Cir. 2004) (No. 04-1118).

104. *Chamberlain*, 381 F. 3d at 1203–04.

105. *Id.* at 1187.

106. *Id.*

107. *Id.* at 1193.

108. *Id.*

109. *Id.* at 1202–03.

110. *Id.*

The court also grounded its conclusion in the structure and legislative history of the DMCA.¹¹¹ The structure of the Act, according to the court, makes it clear that § 1201 only applies to circumventions reasonably related to protected rights.¹¹² For example, the Act sets three provisions targeted at the circumvention of technological protections: § 1201(a)(1) preventing circumvention of access controls, § 1201(a)(2) preventing trafficking in products that circumvent access controls, and § 1201(b)(1) preventing trafficking in devices that circumvent use-controls.¹¹³ The Act omits liability for circumventing use-control measures because there were long-standing provisions elsewhere that controlled use.¹¹⁴ The other provisions filled needs created by the digital challenge, but did not create a new form of infringement.¹¹⁵ Furthermore, because § 1201(c) provides that “nothing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title,” allowing § 1201(a) to prohibit access without regard to these rights would be illogical. The legislative history emphasizes the need to balance the rights of users with the rights of content creators, but to find liability for circumvention of access where protection of rights was not an issue would greatly askew this balance.¹¹⁶ The court also noted that the Second Circuit cases upon which Chamberlain relies all include this nexus between access and rights protected by copyright.

C. *Storage Technology Corp. v. Custom Hardware Engineering & Consulting, Inc.*¹¹⁷

StorageTek (STK) manufactured and sold computer tape storage drives with a follow up maintenance service.¹¹⁸ A maintenance code was preloaded on the systems, booting up onto the RAM when the machines were turned on, but a license provided that consumers acquired no rights to use it.¹¹⁹ A password scheme, called GetKey, protected the maintenance code and the maintenance data.¹²⁰ Custom Hardware Engineering (CHE) pro-

111. *Id.* at 1194–95 (implying that *Corley* might be distinguished because it needed to limit its query to Constitutional issues and did not need to consider the full boundaries set by the overall structure of the DMCA).

112. *Id.*

113. *Id.* at 1194–95.

114. *Id.* at 1195.

115. *Id.*

116. *Id.* at 1196–97.

117. *Storage Tech. Corp. v. Custom Hardware & Eng'g Consulting, Inc. (Storage Tech III)*, No. 02-12102-RWZ, 2006 U.S. Dist. LEXIS 43690 (D. Mass. June 28, 2006).

118. *Id.* at *2.

119. *Id.* at *3.

120. *Id.*

vided a rival maintenance service.¹²¹ In order to access the maintenance information, they circumvented the password protocol.¹²² In 2002, STK sued alleging, inter alia: (1) CHE infringed their software since by booting up to access the information they copied the software in the RAM, and (2) a violation of the DMCA because STK circumvented an access protection measure.¹²³ CHE counter-claimed with allegations of antitrust and state law violations.¹²⁴ In 2003, the district court granted a preliminary injunction against CHE in *Storage Tech I*.¹²⁵ The case reached the Federal Circuit in 2005, where the court vacated the preliminary injunction and remanded the case, finding that CHE was likely to prevail.¹²⁶

On the infringement issue, a divided panel noted that § 117(c) provided a defense where infringement is made “solely by virtue of activation of a machine . . . for purposes only of maintenance or repair of that machine” and that CHE’s infringement fell within this defense.¹²⁷ Likewise, the Federal Circuit found an implied license permitted the purchasers to load the code as well, despite contractual language excluding use of the maintenance code.¹²⁸ The court reasoned that the copying happened as a result of activating the machine and that CHE had authority to activate the machines.¹²⁹ The customers could not activate the machine without copying the code.¹³⁰ Absent wording preventing them from activating the machines, they had an implied license to copy the code, and this implied license extended to CHE, who was acting as an agent for the customer.¹³¹ On the circumvention issue, the court followed *Chamberlain*, finding it likely that STK would lose on this issue because circumventing access control measures violates § 1201 only when infringing or facilitating infringement of a right protected by the Copyright Act.¹³² Where the copying is protected by the § 117(c) defense, circumvention is not liable.¹³³ The court reasoned that the DMCA must be read in the context of the Copyright Act, balancing the rights of the copyright owner with the rights of

121. *Id.*

122. *Id.*

123. *Id.* at *4.

124. *Id.*

125. *Id.* at *4–5.

126. *Storage Tech. Corp. v. Custom Hardware & Eng’g Consulting, Inc. (Storage Tech II)*, 421 F.3d 1307, 1309–11 (Fed. Cir. 2005).

127. *Id.* at 1311–15 (citing 17 U.S.C. § 117(c) (2000)).

128. *Id.*

129. *Id.* at 1315–16.

130. *Id.*

131. *Id.*

132. *Id.* at 1319.

133. *Id.* at 1317.

the consumer to access and use the work.¹³⁴ CHE's alleged infringement aside, the court held that liability for circumvention depends upon whether or not a "sufficient nexus" exists between the rights protected by copyright law and the circumvention.¹³⁵

On remand, the district court found that the loading and use of the maintenance software did not consist of copyright infringement or a violation of the DMCA's anti-circumvention measures.¹³⁶ The court considered three allegedly infringing copies of the maintenance software: reverse.exe, Run Time Diagnostics, and English translations of FSCs.¹³⁷ Each of these infringement claims failed on technicalities.¹³⁸ First, the previous allegation concerned copying of the maintenance code, but on the facts, the reverse.exe was not maintenance code.¹³⁹ Throughout the litigation, the maintenance code was defined as having three defining features: it locates, diagnoses, and analyzes equipment malfunctions; it is enabled by or disabled by the GetKey; and it includes any portion of the code supporting maintenance function.¹⁴⁰ These features did not apply to reverse.exe. Secondly, the Run Time Diagnostics and the FSC's were a portion of the maintenance code, but because STK had strategically confined its infringement claim to "Maintenance Code in its entirety," which limited CHE's discovery, STK was not allowed to pursue a claim based on precisely the elements of the Maintenance Code that it refused to disclose in discovery.¹⁴¹ The court found that Storage Tech was asserting a new claim. Regarding the DMCA violation, STK, acknowledging the Federal Circuit opinion and frustrated with its pursuit of these claims, was willing to withdraw its claims if CHE agreed not to seek attorney's fees.¹⁴² CHE, however, refused to relinquish, leading the court to consider the issue.¹⁴³ STK then asserted that its DMCA claim was based on circumvention of GetKey to access and copy the Run Time Diagnostics.¹⁴⁴ Circumvention is actionable to the extent that it infringes or facilitates infringement in a right protected by the Copyright Act.¹⁴⁵ Customers can access Run Time Diag-

134. *Id.* at 1318.

135. *Id.*

136. *Storage Tech. Corp. v. Custom Hardware & Eng'g Consulting, Inc. (Storage Tech III)*, No. 02-12102-RWZ, 2006 U.S. Dist. LEXIS 43690, at *22 (D. Mass. June 28, 2006).

137. *Id.* at *11.

138. *Id.* at *21.

139. *Id.* at *13-15.

140. *Id.*

141. *Id.*

142. *Id.*

143. *Id.* at *15-19.

144. *Id.* at *23.

145. *Id.* at *24.

nostics without violating the Copyright Act because it is available on the hard drive or the disks that STK ships with its products.¹⁴⁶

IV. ANALYSIS

A. Problems with the Free Speech Analysis in 321 Studios

With the *321 Studios* decision following *Corley* and *Elcom*, the DMCA looks firmly entrenched against a First Amendment challenge. Unfortunately, the free speech analysis from these cases is unconvincing. The trouble is in the court's approach in determining the type of speech when analyzing the regulation as applied.¹⁴⁷ In equating computer code with "conduct," the court moved with some quick hands.

First, the court in *321 Studios* agreed that computer code is speech within the reach of First Amendment protection, a point upon which the case law is well settled.¹⁴⁸ As explained in *Corley*, the law provides speech-wide avenues where First Amendment protection is concerned, letting past speech devoid of political relevance, artistic expression, and accommodating speech of controversial use—for example, the instructions for dangerous sex acts.¹⁴⁹ The court in *321 Studios* then noted the level of scrutiny depends upon whether or not the regulation is aimed at the content of the speech, an equally well-settled point.¹⁵⁰ Here *321 Studios* argued that the DMCA is aimed at the content of the speech.¹⁵¹ This seems sensible. A content-based restriction is one aimed at either the subject matter or the viewpoint of the speech.¹⁵² The code prohibited here, DeCSS, is targeted because of its subject matter, circumvention. However, having determined that code is speech, the court seems to detour from the usual First Amendment analysis by arguing this particular speech does not count because it is functional, as opposed to communicative.¹⁵³ According to the court, the code here produces a result, the circumvention of CSS, and as

146. *Id.* at *25.

147. Again, distinguishing between content-based and content-neutral regulation of speech is crucial in First Amendment analysis because a law deemed content-based triggers strict scrutiny, a test that few laws survive. See *Reno v. Am. Civil Liberties Union*, 521 U.S. 844, 885 (1997) ("[W]e presume that government regulation of the content of speech is more likely to interfere with the free exchange of ideas than to encourage it. The interest in encouraging freedom of expression in a democratic society outweighs any theoretical but unproven benefit of censorship.").

148. *321 Studios v. Metro Goldwyn Mayer Studios, Inc.*, 307 F. Supp. 2d 1085, 1099 (N.D. Cal. 2004).

149. *Univ. City Studios, Inc. v. Corley*, 273 F.3d 429, 446 (2d Cir. 2001).

150. *321 Studios*, 307 F. Supp. 2d at 1101.

151. *Id.* at 1100.

152. *Consol. Edison Co. of N.Y. v. Pub. Serv. Comm'n*, 447 U.S. 530, 537 (1980).

153. *321 Studios*, 307 F. Supp. 2d 1099–1100.

such should be treated as conduct.¹⁵⁴ Conduct, as opposed to speech, attracts far less First Amendment protection.¹⁵⁵ However, this “yeah, but” flow in the analysis is troubling.

As the defendant argued in *Elcom*, all computer code is by nature functional.¹⁵⁶ For example, according to the Copyright Act, “a ‘computer program’ is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.”¹⁵⁷ Programs that do not function, flop. In this sense, the function and the expression are inextricably tied. The court refutes this by citing Justice Whyte who, in *Elcom*, noted that the courts regularly parse out the functional from the expressive in copyright law, for example, in infringement issues.¹⁵⁸

The trouble is that functionality is more intractable than the court lets on. An early example is *Apple Computer, Inc. v. Franklin Computer Corp.* where, as a defense to infringing an operating system, Franklin argued copyright protection did not extend to the object code because it was essentially functional, but the court held that if protection extended to software it had to extend to both the source code and the object code.¹⁵⁹ The two could not be “kenneled” from each other.¹⁶⁰

Elcom is correct in that courts do parse function from expression in software, but this is not copyright at its most graceful. For example, in *Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc.*, the court attempted to separate the idea from expression in a computer program, defining the program’s idea as its function or ultimate purpose.¹⁶¹ The result was wide protection for software because the function was limited to its ultimate purpose. However, in *Computer Associates v. Altai Inc.*, the court chose not to define the functional elements of the code as merely the ultimate purpose, but found functional elements entwined, which made for some awkward parsing.¹⁶² The court posited a test for separating the idea from the expression, abstracting the program into its various levels of generality, its ultimate function on the one hand and its detailed code on the other.¹⁶³ The elements dictated by efficiency or taken from the public domain are filtered out to not receive protection, and the remainder is com-

154. *Id.* at 1100.

155. *Id.*

156. *Id.* (citing *United States v. Elcom Ltd.*, 203 F. Supp. 2d 1111, 1128 (N.D. Cal. 2002)).

157. 17 U.S.C. § 101 (2000).

158. *321 Studios*, 307 F. Supp. 2d at 1100 (quoting *United States v. Elcom Ltd.*, 203 F. Supp. 2d 1111, 1129 (N.D. Cal. 2002)).

159. 714 F.2d 1240, 1249 (3d Cir. 1983).

160. *Id.*

161. 797 F.2d 1222, 1236 (3d Cir. 1986) (citing *Apple Computer, Inc. v. Formula Int’l, Inc.*, 526 F. Supp. 75, 783 (C.D. Cal. 1983)).

162. 982 F.2d 693, 706 (2d Cir. 1992).

163. *Id.* at 706–07.

pared with the corresponding elements in the offending work.¹⁶⁴ This test narrows the scope of protection. However, applying this to First Amendment analysis would presumably result in more constitutional protection of DeCSS. *Elcom*, and by extension *321 Studios*, employed neither test, but concluded code is conduct because it leads to a functional end result.

This might be a preferred way of treating software but it is not in sync with the earlier part of the analysis, which takes a more expansive view of when code is speech. Given how little in software is really expressive in the way a book on how to circumvent access and copyright control measures is expressive, there is a good argument that code is not speech at all. The test should focus on the end result: whether the regulation is one of something really “speech-y,” like a game with a narrative and other speech properties or one of something not very “speech-y” at all, like a program that facilitates transactions in a bank, or the opening of a garage door.¹⁶⁵ The approach in *Elcom* hints at this, but in a contradictory manner.

Raymond Nimmer would likely argue that this separating of functional from expressive in DeCSS may not have been necessary in order to avoid strict scrutiny.¹⁶⁶ Given that the expressive elements are intertwined with the functional, intermediate scrutiny might still apply because the regulation is ultimately aimed at conduct and should be analyzed according to *United States v. O’Brien*.¹⁶⁷ There, the defendant destroyed his draft card on the steps of the South Boston Court house in front of a small crowd, in violation of a regulation prohibiting such conduct.¹⁶⁸ His defense was that his conduct was expression.¹⁶⁹ The Court held:

[W]hen “speech” and “nonspeech” elements are combined in the same course of conduct, a sufficiently important governmental interest in regulating the nonspeech element can justify incidental limitations on First Amendment freedoms. . . . [A] government is sufficiently justified if it is within the constitutional power of the Government; if it furthers an important or substantial government interest; if the government interest is

164. *Id.* at 707–11.

165. See Dan L. Burk, *Patenting Speech*, 79 TEX. L. REV. 99, 121–23 (2000) (arguing that computer software is not expressive but should be viewed as a machine itself, removing it from First Amendment analysis all together).

166. See, e.g., RAYMOND T. NIMMER, FIRST AMENDMENT SPEECH AND THE DIGITAL MILLENNIUM COPYRIGHT ACT: A PROPER MARRIAGE, IN COPYRIGHT AND FREE SPEECH—COMPARATIVE AND INTERNATIONAL ANALYSES 27–29 (Johnathan Griffiths & Uma Suthersaner eds., 2005), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=572886 (arguing the DMCA targets conduct because the aim of the code is not expressive speech but conduct).

167. 391 U.S. 367, 376 (1968).

168. *Id.*

169. *Id.*

unrelated to the suppression of free expression; and if the incidental restriction on alleged First Amendment freedoms is no greater than is essential to the furtherance of that interest.¹⁷⁰

321 Studios applied intermediate scrutiny, citing *Turner*, but without *Turner*'s oomph, as if applying *O'Brien*.¹⁷¹ Applying *O'Brien*, we see the government is sufficiently justified as set out in the Constitution.¹⁷² The interest in incentivizing speech is substantial. This interest is unrelated to the suppression of free expression, indeed just the opposite.¹⁷³ The restriction on marketing this software is no greater than is essential to the furtherance of that interest. Thus, if the DMCA regulates a mix of conduct and expressive speech, the argument goes, the regulation would survive *O'Brien* scrutiny.

As in *Elcom*, this is an uneasy assumption. To assume this is a regulation of conduct just because the speech has both functional and expressive elements is flawed. For example, to say that speech has functional elements does not mean the expressive elements somehow disappear. The expression is still there, or there would be no functional element. Furthermore, to say that speech is conduct because the speech leads to an inevitable function confuses the result with the instructions, the cake with the recipe. If the code is communication from which the machine produces a result, circumvention, to regulate the result, circumvention, is a regulation of conduct. However, to regulate the communication that leads to that conduct is a regulation of speech—a content based regulation of speech.

An alternative argument for finding the DMCA lawful as applied in *321 Studios* or *Elcom* would be the incitement argument. For example, because circumvention is illegal, the regulation of speech inciting circumvention might be seen as constitutional. The constitutional guarantees of free speech do not prevent regulation of speech where the “advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.”¹⁷⁴ Lack of imminence is the usual hang-up for demonstrating a regulation is constitutional on incitement grounds. That would not be a problem here if they show the code immediately effects the circumvention when it is implemented by the machine. On this point, it appears that § 1201, as applied in *321 Studios*, would survive an as applied First Amendment challenge. However, liability might also hinge on whether or not the speech led to imminent lawless action at the time it

170. *Id.*

171. *321 Studios v. Metro Goldwyn Mayer Studios, Inc.*, 307 F. Supp. 2d 1085, 1101 (N.D. Cal. 2004).

172. U.S. CONST. art. I, § 8, cl. 8.

173. *See, e.g., Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003).

174. *Brandenburg v. Ohio*, 395 U.S. 444, 447 (1989).

was “uttered.” I suspect this hinge veered the court from opting for the incitement door.

Rather than viewing the code as conduct or unprotected speech, the court should have acknowledged this is a content-based regulation but—because of copyright law’s unique constitutional status—a regulation that would have survived strict scrutiny. The precedent for this is *Burson v. Freeman*.¹⁷⁵ In that case, a Tennessee statute prohibited campaign speech within one hundred feet of the polling place.¹⁷⁶ This regulation had three strikes against it: (1) a curb on political speech (2) in a public forum (3) that was content based—all earmarks for VIP protection in First Amendment law.¹⁷⁷ Nevertheless, the regulation was constitutional since this was a rare case where the regulation was aimed at protecting a fundamental constitutional right.¹⁷⁸ To analogize, the DMCA, as applied in *321 Studios*, is a content-based regulation but should be seen as constitutional because it is narrowly tailored to protect a fundamental right guaranteed in the Constitution—i.e., the protection of copyrights.

To conclude this point, the DMCA should be seen as a content-based regulation of speech when applied to code. This is nonetheless a constitutional regulation because copyright law protects a right guaranteed by the Constitution. This is an acceptable paradox, if we borrow the argument from *Eldred* and *Harpers*, because copyright law, far from restricting speech on the whole, is an engine of free expression, and the doctrine of fair use and the idea/expression dichotomy keep this regulation from chilling too much speech.

Unfortunately, fair use has not been given sufficient room in some circuits, undermining this balance.

B. Fair Use Should be Considered in the DMCA Calculus

The *321 Studios* opinion, as well as *Corley*, *Elcom*, and *Davineo*, mistakenly demeaned the role of fair use in their analysis, resulting in a sweeping new right for copyright owners. This is problematic from a constitutional perspective because a content-based regulation of speech must be narrowly tailored to its goal, the goal here being the protection of copyrights. When the DMCA is used not to protect copyrights, but to protect the aftermarket of goods, the regulation operates beyond its aim and is thus unconstitutional.

175. 504 U.S. 191 (1992).

176. *Id.* at 193–194.

177. *Id.* at 196.

178. *Id.* at 210.

First, not factoring fair use into the analysis is out of sync with the WIPO treaties.¹⁷⁹ The treaties' requirements see anti-circumvention law as existing within the context of copyright law, not separate from it.¹⁸⁰ For example, they require protection and remedies against the circumvention of technological measures, but qualify those measures as those "in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law."¹⁸¹ Not allowing downstream fair use to play into the anti-circumvention analysis takes copyright law beyond those parameters. Although this is allowed, given that the treaties set forth minimum standards, doing so does cause problems as mentioned above.

Unlike the scenario before the courts in *Corley* and *Elcom*, the products at issue in *321 Studios* and *Divineo* had a predominantly lawful purpose and, as such, fair use should have been factored into the analysis, not dismissed. For example, in *321 Studios*, the product served customers who wanted to back up their DVDs.¹⁸² In *Divineo*, the product allowed customers to play from a more efficient disk as well as to play altered games.¹⁸³ The court there dismissed this element, reasoning that fair use is still available.¹⁸⁴ For example, the DMCA does not prevent the owner from pointing his camcorder at his television and copying the movie. According to *Corley*:

We know of no authority for the proposition that fair use, as protected by the Copyright Act, much less the Constitution, guarantees copying by the optimum method or in the identical format of the original. . . . The fact that the resulting copy will not be as perfect or as manipulable as a digital copy obtained by having direct access to the DVD movie in its digital form, provides no basis for a claim of unconstitutional limitation of fair use.¹⁸⁵

This is true if we take a narrow reading of § 1201. For example, § 1201(b) prohibits trafficking in the devices and § 1201(c) ensures that the DMCA is

179. WIPO Copyright Treaty, Apr. 12, 1997, S. TREATY DOC. NO. 105-17 (1997); WIPO Performances and Phonogram Treaty, Dec. 20, 1996, 36 I.L.M. 65 (1997).

180. WIPO Copyright Treaty, Apr. 12, 1997, S. TREATY DOC. NO. 105-17 (1997); WIPO Performances and Phonogram Treaty, Dec. 20, 1996, 36 I.L.M. 65 (1997).

181. WIPO Copyright Treaty art. 11, Dec. 20, 1996, available at http://www.wipo.int/treaties/en/ip/wct/trtdocs_wo033.html.

182. *321 Studios v. Metro Goldwyn Mayer Studios, Inc.*, 307 F. Supp. 2d 1085, 1089 (N.D. Cal. 2004).

183. *Sony Computer Entm't Am., Inc. v. Divineo*, 457 F. Supp. 2d 957, 959 (N.D. Cal. 2006).

184. *Id.* at 965-66; *321 Studios*, 307 F. Supp. 2d at 1101.

185. *321 Studios*, 307 F. Supp. 2d at 1101-02 (quoting *Univ. City Studios, Inc. v. Corley*, 273 F.3d 429, 459 (2d Cir. 2001)).

not read to prohibit fair use. Other means of fair use are not, in theory, prohibited.

As the Federal Circuit noted, a problem with this reading is that if we allow prohibitions on access controls to sweep up use-controls, this creates a new copyright, a new form of property, radically altering the landscape of the previous law.¹⁸⁶ For example, such a reading would allow for content owners to control the aftermarket of goods. This is not a sensible result. The Federal Circuit's contextual reading recognizes that removing fair use as a defense conflicts with the policy of copyright law in general and of the DMCA in particular. The policy of copyright law is to encourage, not smother, innovation.¹⁸⁷ The policy of the DMCA is to "ensure a thriving electronic marketplace for copyrighted works on the Internet."¹⁸⁸ This is achieved by striking a balance between the copyright owner and the consumer which lies at the heart of intellectual property law. For example, the copyright clause is ultimately a utilitarian construct, balancing the protections offered to the copyright owner with the benefit to the public. The sweeping right set out above by the Second Circuit upsets this balance.

However, judicial arguments anchored on policy are easily unmoored. Here, the copyright owners will argue a broader role of fair use in § 1201 tips the balance too far in the wrong direction. The fear is that courts will open the door to rampant infringement. This will depend upon how far downstream the fair use has to be before it is not a factor. Although the expansive reading of fair use does open the door for uncertainty, the Federal Circuit cases here suggest little tolerance for infringement.¹⁸⁹ In *Chamberlain* and *Storage Tech*, the downstream use at issue was lawful. The Federal Circuit's reading would not restrict the DMCA in its application in *Remeirdes* or *Corley*. The court made much of Corley's proclaimed intent to infringe in distinguishing that case.¹⁹⁰ Whether or not their reading would have provided protection for *321 Studios* or *Divineo* is less clear. In each, although substantial fair use did appear downstream, so did the potential for unlawful copying. For example, a lawful owner of a DVD could make thousands of copies and sell them. These will be issues to be decided on a case by case basis, demarcating over time the contours of what is allowed and what is not. Deciding where these boundaries lie is no easy task, given the vagaries of fair use jurisprudence.

186. *Chamberlain Group, Inc. v. Skylink Techs., Inc.*, 381 F.3d 1178, 1198 (Fed. Cir. 2004).

187. U.S. CONST. art. I, § 8, cl. 8.

188. H.R. REP. NO. 105-551, at 9 (1998) (as cited in David Nimmer, *Appreciating Legislative History: The Sweet and Sour Spots of the DMCA's Commentary*, 23 CARDOZO L. REV. 909, 916 (2002)).

189. *Chamberlain*, 381 F.3d at 1187 (emphasizing Corley's unlawful intent).

190. *Id.*

Although the policy of allowing copyright law to reach beyond its normal aim might well be unsound, the real problem is that such an application of the DMCA is simply unlawful. If we do not consider whether or not a use falls under the fair use defense and then allow the DMCA to regulate beyond its tailored aim, such a regulation is not constitutional. The DMCA, as argued above, is a content-based regulation of speech. A content-based regulation of speech is constitutional only so far as it is narrowly tailored to its aim. Where the DMCA is used to protect copyrights, the regulation is lawful. Where it prohibits what copyright law would otherwise find lawful, the DMCA is unlawful.

V. CONCLUSION

The use of the First Amendment as a defense is of limited help in DMCA litigation, failing because the DMCA is seen as a content-neutral regulation attracting intermediate scrutiny. As discussed above, this analysis, as posited in *Corley*, *Elcom*, and *321 Studios*, is suspect. This article has argued the DMCA should be seen as a content-based regulation of speech where it regulates computer code that causes the circumvention. Although content-based regulations are typically unlawful, the DMCA should be seen as a constitutional as long as the law is applied to protect copyrights. However, lawfulness depends upon considering fair use as a defense in DMCA violations. As the Federal Circuit has recognized, if we do not consider downstream fair use in anti-circumvention law, the DMCA creates property rights that did not otherwise exist. This is not the aim of the legislation. More troubling, if we do not factor fair use into our analysis, we allow the DMCA to possibly regulate beyond the reach of copyright law. Where the DMCA regulates speech that does not violate copyright law, the regulation is unconstitutional.

The worry in striking the DMCA as unconstitutional is understandable. After all, copyright is an engine of free expression. However, this worry should not cause us to dismiss with our normal free speech analysis.