

STATEMENT OF THE CASE

This *is* a typical free speech case. The trial court issued a preliminary injunction barring Andrew Bunner from republishing certain information that he discovered in the public domain. Prior to and contemporaneous with Bunner's republication, the information was publicly available worldwide and the subject of numerous news reports and extensive discussion in a variety of media. Under both the First Amendment and the Liberty of Speech Clause, the preliminary injunction is a classic content-based prior restraint.

This is *not* a typical trade secret case. Trade secret owners rarely seek relief against someone as far down the chain of republication, and unrelated to the alleged misappropriation, as Bunner. Bunner had no relationship with appellant DVDCCA, nor with those who allegedly improperly obtained and published the asserted trade secret. Bunner had no special access to the asserted trade secret; it was equally accessible to millions of people around the world. As regrettable as it may be, the trade secret is no longer secret. The preliminary injunction cannot undo this result.

Both prior restraints and content-based restrictions on speech are presumptively unconstitutional. Here the presumptions cannot be overcome. California has little interest in preventing someone as remote from the asserted misappropriation as Bunner from publishing information that remains publicly available throughout the world. Nor would the preliminary injunction, given its limited jurisdictional scope and the prevalence of the information in the public domain, make a dent in the asserted injury. Lastly, the record lacks sufficient evidence to support the preliminary injunction.

The Court of Appeal correctly concluded that the trial court abused its discretion. The trial court's order issuing the preliminary injunction

should be reversed and vacated.

ISSUE PRESENTED

Does the preliminary injunction barring Bunner from publishing certain categories of publicly available information in any medium violate the Liberty of Speech clause of the California Constitution and the First Amendment to the U.S. Constitution?

STATEMENT OF FACTS

1. BUNNER WAS AN INNOCENT REPUBLISHER OF DeCSS

Andrew Bunner republished a computer program called DeCSS on his website because he believed the information within it would be of interest to others. [AA287]¹ He first became aware of DeCSS on October 26, 1999, through a discussion on the news website *slashdot.org*. [AA287] At this point DeCSS had already been published worldwide and was readily available from many public sources. [AA264] Bunner did not know whether DeCSS contained any trade secrets or if any misappropriation of trade secrets was involved in its development. [AA288]

¹Citations to the record are indicated as AA (Appellant's Appendix), RA (Respondent's Appendix), and RT (Reporter's Transcript).

That is the undisputed totality of Bunner's involvement with DeCSS. There was no other evidence before the trial court about him.² Bunner had no relationship with appellant DVDCCA, the organization that licenses CSS technology for unscrambling DVD movies. He has never been employed by DVDCCA, its predecessors or licensees. He has never entered into or breached a licensing agreement with, or voluntarily assumed any obligation to, DVDCCA.

It is also undisputed that Bunner had no connection with either the authorship or the original publication of DeCSS on the Internet. He did not know who wrote DeCSS, how it was developed, or who originally published it. He was not the only one who considered DeCSS to be newsworthy. DeCSS was published on hundreds of websites, including the leading news site CNET.com.³ [AA079]

DVDCCA does not allege that Bunner stole its trade secrets. DVDCCA does not allege that Bunner pirated or distributed DVD movies or copied or played them without authorization. DVDCCA does not contend that he intends to do any of these things in the future. DVDCCA's sole complaint is that Bunner republished DeCSS on his website.

Bunner has now been enjoined from republishing DeCSS and other information about CSS for well over two years. All this time, DeCSS and

²Except the record does reflect that in December 1999, shortly before being served with the summons and complaint in this action, Bunner spoke by telephone with counsel for DVDCCA. During this telephone conversation, Bunner removed DeCSS from his website. He has not republished or otherwise disclosed DeCSS since that time. [AA083]

³Universal City Studios v. Corley, 273 f.3d 429, 439 (2d Cir. 2001).

information about CSS remain widely available.⁴

⁴A search for DeCSS on Google returns over 100,000 websites , including <http://www.cs.cmu.edu/~dst/DeCSS/Gallery>. That site has numerous expressions of DeCSS including a haiku version. DeCSS has also been published in the Wall Street Journal (David Hamilton, "Banned Code Lives in Poetry and Song," April 12, 2001, page B1), Wired Magazine (Declan McCullagh, "Descramble That DVD In 7 Lines," Mar. 7, 2001), and MIT's Technology Review (Simson Garfinkel, The Net Effect: The DVD Rebellion, July/August 2001).

2. CSS AND DeCSS

A DVD is a digital information storage medium commonly used to store movies. A DVD movie may be played on a standalone player attached to a TV or on many personal computers. The manufacturers of DVD movies encrypt, or scramble, the digitized audiovisual information stored in DVDs using an encryption system called CSS. Thus, a consumer cannot view the DVD movie she has purchased or rented unless the information is first descrambled. Manufacturers of DVD hardware and software license CSS so that their products can descramble CSS-encrypted movies. The descrambling process essentially involves a mutual authentication process between the DVD player, software and the DVD itself through the use of approximately 400 “master keys and algorithms.” Each DVD and each piece of DVD software contains all 400 sets of information . [AA70-72]

The DeCSS program also descrambles CSS encoded DVDs.⁵ DeCSS first appeared on the Internet no later than October 6, 1999. [AA479-80]. It was quickly republished at many sites; DVDCCA identified 118 websites in at least 11 states and 11 countries that had republished DeCSS or linked to sites republishing DeCSS, including the leading news site “CNET.com.” [AA079] English language descriptions of CSS were also published at this time. [AA226-27; 484]

DVDCCA alleged that DeCSS was created by a 15 year old Norwegian who

⁵As DVDCCA notes, DeCSS was apparently created to facilitate the development of a DVD player compatible with the popular Linux operating system, for which, in 1999, no version of CSS was available. As a result, consumers who purchased authentic DVDs but whose computers used Linux could play their DVDs.

reverse-engineered a copy of CSS contained in software sold by a licensee. It alleged that this information included its trade secrets and was then used to create DeCSS. It alleged that this reverse engineering was improper because this Norwegian minor must have entered into a “click through” licensing agreement when he installed the software. The licensing agreement purported to prohibit reverse engineering.

3. THE PRELIMINARY INJUNCTION PROCEEDINGS

On December 27, 1999, DVDCCA filed its complaint for misappropriation of trade secrets against Bunner, 20 other defendants, and dozens of Doe defendants. DVDCCA moved for a temporary restraining order (“TRO”) and a preliminary injunction. Bunner was the only defendant to appear to contest the motions. The trial court denied the TRO and set the preliminary injunction motion for hearing.

At the preliminary injunction hearing, DVDCCA presented no evidence that DeCSS had been used to copy or pirate any movies. DVDCCA presented no evidence of any sale or distribution of any movie copied with DeCSS. DVDCCA presented no evidence of any actual financial harm to it or its licensees from the republication of DeCSS. DVDCCA presented no evidence that enjoining the named defendants was likely to diminish to any degree the continued republication by unenjoined persons of DeCSS and other CSS information.

At the time of the preliminary injunction, DVDCCA had not identified which parts of CSS were its alleged trade secrets.⁶

⁶DVDCCA did not provide this information until almost one year later. See 12/20/00 Amended Submission of Plaintiff DVD Copy Control Assoc., Inc., Pursuant to § 2019(d), Ex. A.

Bunner contended that there was no trade secret, no evidence of misappropriation by him or anyone else, and that the First Amendment prohibited an injunction barring him from republishing DeCSS on the record before the trial court and prior to a final determination on the merits.

Rejecting these arguments, the trial court issued a preliminary injunction barring Bunner and the other defendants from

posting or otherwise disclosing or distributing, on their websites or elsewhere, the DeCSS program, the master keys or algorithms of the Content Scrambling System (“CSS”), or any other information derived from this proprietary information.

[AA712]

The trial court made no specific finding regarding Bunner’s knowledge of any impropriety either in the creation of DeCSS or in the publication of DeCSS by others before Bunner’s republication. Rather, the trial court treated all defendants the same and assumed that each had the same level of knowledge regarding DeCSS.

In no instance did the trial court apply any recognized First Amendment analysis.

4. ORDER OF THE COURT OF APPEAL

Bunner appealed the granting of the preliminary injunction claiming that the trial court abused its discretion by issuing a prior restraint on Bunner’s constitutional rights to free speech and in failing to apply any constitutional scrutiny or procedural safeguards. DVDCCA urged affirmance arguing that orders enjoining the publication of trade secrets were not subject to any constitutional scrutiny or limitations.

The Court of Appeal found that DeCSS is “speech” protected by the First Amendment, and the preliminary injunction, as it barred the republication of specific expression and was not a restriction on use of that expression, was a prohibition on

pure speech. The Court of Appeal noted that DeCSS did not fall within any exception to the First Amendment. 93 Cal.App.4th at 660-62.

The Court of Appeal concluded that the preliminary injunction was a prior restraint on pure speech. As DVDCCA's statutory right to protect this trade secret did not outweigh Bunner's First Amendment rights, the preliminary injunction was unconstitutional.⁷ 93 Cal.App.4th at 665.

The Court of Appeal was careful to note the limited nature of its holding. It applied only to preliminary, not final, injunctions. It did not foreclose the possibility of damages. It did not prevent DVDCCA from obtaining a preliminary injunction against anyone bound by contract to keep its trade secret secret or one who uses DeCSS to violate a copyright. 93 Cal.App.4th at 661.

The Court of Appeal did not hold the UTSA unconstitutional. The Court of Appeal did not repeal California trade secret law. It merely held that, based on the record before it, the preliminary injunction issued against Bunner was unconstitutional.

STANDARD OF REVIEW

To issue a preliminary injunction, the trial court must find that (1) the harm

⁷The Court of Appeal "assume[d] for the purposes of its discussion" that DVDCCA had proved that Bunner had reason to know that DeCSS had been created through the unauthorized use of DVDCCA's trade secrets and that the balance of harms favored DVDCCA. The Court of Appeal assumed that had the preliminary injunction not implicated First Amendment rights, the relief would have been appropriate. 93 Cal.App.4th at 660.

to the plaintiff if the injunction is denied outweighs the harm to the defendant if the injunction is granted, and (2) the plaintiff will likely succeed on the merits. This Court reviews the trial court's decision for abuse of discretion in making these determinations. People ex rel. Gallo v. Acuna, 14 Cal.4th 1090, 1109 (1997). The finding that the trial court failed to properly consider the defendant's First Amendment rights indicates an abuse of discretion and will support the reversal of a preliminary injunction. See Gerawan Farming, Inc. v. Lyons, 24 Cal.4th 468, 517 (2000).

This Court is not however confined to the factual findings made by the trial court. The United States Supreme Court has repeatedly held that in cases raising free speech issues an appellate court "has an obligation" to examine the factual record independently to ensure that the judgment does not unnecessarily intrude on First Amendment rights. Hurley v. Irish-American Gay Group of Boston, 515 U.S. 557, 567-68 (1995) ("This obligation rests upon us simply because the reaches of the First Amendment are ultimately defined by the facts it is held to embrace, and we must decide for ourselves whether a given course of conduct falls on the near or far side of the line of constitutional protection."); Bose Corp. v. Consumers Union, 466 U.S. 485, 499 (1994).

The requirement for independent appellate review in free speech cases is also well-founded under the Liberty of Speech clause of the California Constitution. As this Court has stated, "the reviewing court in free speech cases must make an independent examination of the record." Los Angeles Teachers Union v. Los Angeles City Bd. of Educ., 71 Cal.2d 551, 557 (1969). Accord Zeitlin v. Arnebergh, 59 Cal.2d 901, 909 (1963).

The Court of Appeal, finding that the trial court's preliminary injunction implicated Bunner's First Amendment rights, applied independent

review. 93 Cal.App.4th at 664.

ARGUMENT

I. THE PRELIMINARY INJUNCTION IS A CONTENT BASED PRIOR RESTRAINT ON SPEECH PROTECTED BY THE U.S. AND CALIFORNIA CONSTITUTIONS

1. The First Amendment and the Liberty of Speech Clause Offer Expansive Protections from Restrictions on Speech

The guarantees of freedom of speech in both the First Amendment to the U.S. and the Liberty of Speech clause, article 1, section 2, of the California Constitutions are expansive.⁸ These constitutional protections encompass information and ideas about “all subjects.”⁹ Gerawan Farming, Inc. v. Lyons, 24 Cal.4th 468, 493 (2000); Spiritual Psychic Science Church of Truth, Inc. v. City of Azusa, 39 Cal.3d 501, 508 (1985), overruled on other grounds by, Kasky v. Nike, Inc., ___ Cal.4th. ___, 2002 DJDAR 4757 (May 2, 2002)¹⁰ (holding that “information of any sort” is protected by the Liberty of Speech

⁸The Liberty of Speech clause is “more definitive and inclusive than the First Amendment” and a stronger guarantee against the selective suppression of disagreeable communication. Gerawan Farming, Inc. v. Lyons, 24 Cal.4th 468, 490-91 (2000); Wilson v. Superior Court, 13 Cal.3d 652, 658 (1975). In this brief, the term “First Amendment” is used to describe the fundamental right to freedom of expression embodied in both the U.S. and California Constitutions.

⁹As the Court of Appeal recognized, there are certain specific categories of speech that have been deemed unprotected by the Liberty of Speech clause, namely obscenity, libel and fighting words. 93 Cal.App.4th at 662. Accord Keenan v. Superior Court, 27 Cal.4th 413, 428 (2002). None of these exceptions are at issue here.

¹⁰This Court recently “disapproved as ill-considered dicta two statements” from Spiritual Psychic that explained the contours of commercial speech. Kasky, 2002 DJDAR at 4765. The remainder of Spiritual Psychic was not disturbed.

clause); Ashcroft v. Free Speech Coalition, 535 U.S. ___, ___ 2002 DJDAR 4035, 4036 (April 16, 2002) (describing the “First Amendment’s vast and privileged sphere”). All forms of expression are protected, including “the paintings of Jackson Pollock, the music of Arnold Schoenberg, and the Jabberwocky verse of Lewis Carroll.” Hurley v. Irish-American Gay, Lesbian & Bisexual Group, 515 U.S. 557, 569 (1995).

When First Amendment rights are at issue, a trial court must “recognize that substantial constitutional issues are presented . . . and that care must be exercised to assure that defendants’ constitutional rights are not infringed.” People v. Projection Room Theater, 17 Cal.3d 42, 60 (1976).

2. The Preliminary Injunction Bars Publication of a Wide Variety of Protected Speech in all Media

The preliminary injunction bans a wide range of expression identified solely by its content, not its medium of expression nor its functionality. The injunction bans not just the DeCSS program, but also “the master keys or algorithms of [CSS], or any other information derived from this proprietary information.” Thus barred, for example, is publication of English language narrative descriptions of DeCSS not rendered in computer code and critical analyses and scholarly works “derived from” the asserted CSS information. Indeed, examples of such English language descriptions of CSS were before the trial court. [AA226-27]

Nor is the preliminary injunction limited to publication on the Internet. The preliminary injunction explicitly prohibits “disclosing or distributing, on their websites or elsewhere.” [AA701]

3. All of The Expression Subject to the Preliminary Injunction is Protected by the First Amendment

1. Speech that Instructs One How to Accomplish a Task or Analyzes a Process is Protected

The expression enjoined is information and ideas about how to secure certain kinds of digital content that are embedded in a DVD. As discussed above, information and ideas are without question “speech” protected by both the U.S. and California Constitutions. Spiritual Psychic, 39 Cal.3d at 508.

Information and ideas do not lose this First Amendment protection because they have the potential to inform the audience how to accomplish a task, even an illegal or potentially harmful one.¹¹ As the federal court that first considered whether a computer program was protected speech wrote: “Instructions, do-it-yourself manuals, recipes, even technical information about hydrogen bomb construction are often purely functional; they are also speech.” Bernstein v. United States, 922 F.Supp. 1426, 1435 (N.D.Cal. 1996) (quoting United States v. The Progressive, Inc., 467 F.Supp. 990 (W.D. Wisc. 1979)). And the U.S. Supreme Court has recently confirmed that the fact that information may foster illegal conduct does not diminish its First Amendment protections. See Ashcroft, 535 U.S. at ___, 2002 DJDAR at 4038 (“The government may not prohibit speech because it increases the chance an unlawful act will be committed ‘at some indefinite future time.’”); Bartnicki v.

¹¹The same reasoning applies to movies, novels, and songs that provide instruction. Surely the movie industry would not urge this Court to lessen the constitutional protection owed a film such as *Entrapment* (1999), which depicts detailed guidance for avoiding a museum security system and other criminal pursuits. Likewise, neither photocopiers, nor the instructions on how to use them, are illegal simply because they may be used to make illegal copies.

Vopper, 532 U.S. 514, 530 (2001) (“[I]t would be quite remarkable to hold that speech by a law-abiding possessor of information can be suppressed in order to deter conduct by a non-law-abiding third party.”).

Taken far beyond the simple republication at issue here, speech that not only instructs its audience how to accomplish a task, but enthusiastically encourages such conduct is protected by the First Amendment. Ashcroft, 535 U.S. at ____, 2002 DJDAR at 4038 (“The mere tendency of speech to encourage unlawful acts is not a sufficient reason for banning it.”). Only when encouragement is designed and likely to result in imminent lawless conduct can such speech be restricted. Brandenburg v. Ohio, 395 U.S. 444, 447 (1969); Siegel v. Committee of Bar Examiners, 10 Cal.3d 156, 174 n.18 (1973). Short of this bright line, the distinction between conduct and the speech that encourages the conduct is well respected. Ashcroft, 535 U.S. at ____, 2002 DJDAR at 4033; In re M.S., 10 Cal.4th 698, 714 (1995).¹²

2. The Publication of Speech One Seeks to Keep Confidential is Protected

The First Amendment also protects the publication of information that another has good reason to keep confidential. See New York Times v. United States,

¹²Even speech that is designed to *force* the audience to engage in certain conduct remains protected by the First Amendment. “The claim that the expressions were intended to exercise a coercive impact on respondent does not remove them from the reach of the First Amendment.” Organization for a Better Austin v. Keefe, 402 U.S. 415, 419 (1971).

403 U.S. 713, 714 (1971) (protecting publication of Pentagon Papers over asserted national security concerns). This remains true even when such confidentiality is statutorily or constitutionally mandated. Bartnicki, 523 U.S. at 517 (barring post-publication liability for publishing cellular phone conversation known to have been illegally recorded); Landmark Communications v. Virginia, 435 U.S. 829, 840 (1978) (rejecting argument that First Amendment protection does not extend to “the publication of information ‘which by Constitutional mandate is to be confidential’”). See, e.g., Florida Star v. B.J.F., 491 U.S. 524, 526 (1989) (identity of rape victim); Smith v. Daily Mail Publishing Co., 443 U.S. 97, 98 (1979) (limiting identity of juvenile offender). See also Nicholson v. McClatchy Newspapers, 177 Cal.app.3d 509 (1986) (judicial evaluation); In re Providence Journal, 820 F.2d 1342, 1351 (1st cir. 1986), mod. on other grounds on reh’g en banc, 820 F.2d 1354 (1st Cir. 1987). (surveillance logs received by way of improper Freedom of Information Act production); Proctor & Gamble v. Bankers Trust, 78 F.3d 219, 221 (6th Cir. 1996) (private business information that was asserted to be trade secrets, filed under seal, and otherwise confidential).

The publication of asserted trade secrets is likewise protected by the First Amendment. CBS v. Davis, 510 U.S. 1315, 1316-18 (1994) (Blackmun, Circuit Justice); Sports Management News v. Nachtigal, 921 P.2d 1304, 1308-09 (Ore. 1996) (“The speech that the [Oregon Uniform Trade Secrets Act] restricts is, of course, constitutionally protected expression.”); Garth v. Staktek Corp., 876 S.W.2d 545, 549 (Tex. App. 1994); Ford Motor Co. v. Lane, 67 F.Supp.2d 745, 752-53 (E.D. Mich. 1999).

3. DeCSS is Protected Speech

DeCSS, a computer program expressed in programming language, is

protected by the First Amendment.¹³ Indeed, every court that has seriously considered the issue has held that computer code, both source and object code, receives constitutional protection. Universal City Studios v. Corley, 273 F.3d 429, 445-49 (2d Cir. 2001) (recognizing both source and object code are speech); Commodity Futures Trading v. Vartuli, 228 F.3d 94 (2d Cir. 2000) (holding that an injunction forbidding future dissemination must be narrowed to allow for dissemination for speech purposes); Junger v. Daley, 209 F.3d

¹³Throughout this case, DVDCCA had not disputed that DeCSS is speech. At the hearing on the preliminary injunction it agreed that “computer code is speech.” [RT 39:19-20] Its papers to the Court of Appeal conceded the same. DVDCCA now claims before this Court that DeCSS and all computer code is not simply speech but rather “expressive conduct” deserving diminished constitutional protection. However, as DVDCCA concedes in its Opening Brief, the question of whether a restriction on expressive conduct is subject to a lower level of protection is answered by reference to the nature of regulation, not the nature of the speech. See Texas v. Johnson, 491 U.S. 397, 406 (1989); Clark v. Community for Creative Non-Violence, 468 U.S. 288, 298 (1984). Whether DeCSS is functional or has conduct elements is immaterial at this stage of the analysis. Bernstein, 922 F.Supp. at 1426, 1435. The issue is addressed in detail below.

481, 484-5 (6th Cir. 2000) (recognizing source code as speech but not reaching object code); Universal City Studios. v. Reimerdes, 111 F.Supp. 2d at 326-27; Bernstein, 922 F.Supp. At 1436 (same).

4. The Publication of Speech Over the Internet is Protected

The U.S. Supreme Court has recognized that expression over the Internet is at the core of protected speech and entitled to unqualified constitutional protection. Reno v. ACLU, 521 U.S. 844, 870 (1997).

4. The Preliminary Injunction is Subject to Strict Scrutiny Because it is A Content-Based Restriction on Protected Expression

By its plain language, the preliminary injunction¹⁴ bans the publication of specified information identified solely by its content. And the preliminary injunction was adopted precisely to stop others from receiving this information. As such it is a prototypical content-based restriction. Content-based restrictions are presumptively unconstitutional and must withstand strict scrutiny.

1. The Preliminary Injunction is Not Content-Neutral

¹⁴DVDCCA does not contend that the preliminary injunction is content-neutral. Instead, DVDCCA argues extensively that the California UTSA is content-neutral. That question is not before this Court. The Court of Appeal did not adjudge the facial constitutionality of the UTSA. Bunner does not contest it. Nor did DVDCCA include the facial constitutionality of the UTSA in its Issues Presented.

An order is content-neutral for the purposes of the First Amendment only if it was adopted “without reference to the content of the regulated speech.” Planned Parenthood Shasta-Diablo, Inc. v. Williams, 10 Cal.4th 1009, 1014, 1019 (1995) (quoting Va. Pharmacy Bd. v. Va. Consumer Council, 425 U.S. 748, 771 (1976)). The U.S. Supreme Court has required courts to examine whether the restriction is “directed at the communicative nature.” Texas v. Johnson, 491 U.S. 397, 406 (1989). A restriction that “is directed only at works with a specified content” fails the content-neutrality test. Keenan v. Superior Court, 27 Cal.4th 413, 428 & n.14, 430 n.16, 2002 DJDAR 1957, 1961 & n.14, 1962 n.16 (February 21, 2002) (quoting Simon & Schuster, Inc. v. New York State Crime Victims Bd., 502 U.S. 105, 116 (1991)).¹⁵

For injunctions, which typically address certain specific acts, courts will look to whether the injunction would have issued regardless of the expressive content. Thus, in Madsen v. Women’s Health Center, 512 U.S. 753, 763 (1994), an injunction against certain persons who protested outside of a women’s health facility was found to be content-neutral. The injunction prohibited a panoply of conduct, such as entering the premises, blocking access, using bullhorns, and harassing and threatening people. But the injunction was not specific to conduct associated with expression about

¹⁵Content-neutrality must not be conflated with its more narrow sub-category, viewpoint-neutrality. “When the government targets not subject matter, but particular views taken by speakers on a subject, the violation of the First Amendment is all the more blatant. Viewpoint discrimination is thus an egregious form of content discrimination.” Rosenberger v. Rectors, 515 U.S. 819, 829 (1995). A preliminary injunction that, for example, barred republication DeCSS in a manner critical of CSS, but not republication in a laudatory manner, would be viewpoint-based.

abortion. Id. at 759-61. There was no evidence that “similar conduct directed at a target having nothing to do with abortion” would also not have been enjoined. Although the terms of the injunction applied only to abortion protesting, the injunction would have issued regardless of the subject matter of the protests. Id. at 763. See Williams, 10 Cal.4th at 1019-20 (looking to whether the injunction was “impelled by the petitioners’ course of conduct, rather than the content of their speech”).

In the present case, it is beyond dispute that Bunner was enjoined solely because of the content of his republication. Aside from the content of his republication, DeCSS, his conduct was otherwise unobjectionable to DVDCCA. The preliminary injunction, like the Son of Sam law, applies to “speech or expression about a particular subject.” Keenan, 27 Cal.4th at 427. Unlike the injunctions against abortion protestors in Madsen and Williams, the preliminary injunction was adopted with reference to the content of certain speech and is justified because of the communicative impact of the speech itself: if people know of the information, it will no longer be a secret.¹⁶

2. Content-Based Restrictions are Presumptively Unconstitutional and Subject to Strict Scrutiny

¹⁶DVDCCA surprisingly contends that “the purpose of enjoining DeCSS was not to stop the spread of any ideas contained in program; it was to prevent the improper use of DVDCCA’s trade secrets for decrypting and illegally copying DVDs.” [Opening Brief 21] However, DVDCCA has claimed throughout this case that the preliminary injunction is necessary precisely to prevent the public from knowing the CSS information. It is precisely because DVDCCA fears the “spread of the ideas” that it sought this preliminary injunction rather than one to enjoin use of DeCSS. Indeed, elsewhere in its brief, DVDCCA acknowledges that “the injunction in this case was for the sole purpose of protecting DVDCCA’s trade secrets.” [Opening Brief 33]

Content-based restrictions on protected speech are presumptively unconstitutional. R.A.V. v. St. Paul, 505 U.S. 377, 382 (1992); Dulaney v. Municipal Court, 11 Cal.3d 77, 85 (1974). “At a minimum,” such restrictions must be “narrowly tailored to serve compelling state interests.” Keenan, 27 Cal.4th at 429. Accord Simon & Schuster, 502 U.S. at 118.

5. The Preliminary Injunction is Independently Subject to Strict Scrutiny And Other Constitutional Requirements Because it is a Prior Restraint

Independent of it being a content-based restriction, the preliminary injunction is subject to strict scrutiny because it is a prior restraint.

1. The Preliminary Injunction is a Prior Restraint

The preliminary injunction against Bunner is a prior restraint.¹⁷ It prohibits him from publishing specific material, DeCSS and the other information, rather than remedying the harm caused by publication. Alexander v. United States, 509 U.S. 544, 550 (1993) (“Temporary restraining orders and permanent injunctions—i.e., court orders that actually forbid speech activities—are classic examples of prior restraints.”); Wilson v. Superior Court, 13 Cal.3d 652, 658 (1975) (finding that a preliminary injunction preventing the defendant from publishing and distributing several versions of his newsletter or any statements that were “substantially similar” to

¹⁷DVDCCA urges that a prior restraint must be content-based. The U.S. Supreme Court has no such requirement. Indeed, one of the seminal prior restraint cases, Organization for a Better Austin v. Keefe, 402 U.S. 415, 417 (1971), dealt with a manifestly content-neutral preliminary injunction against “passing out pamphlets, leaflets or literature of any kind.”

certain ones that had already been made was a prior restraint).¹⁸

The prior restraint doctrine applies to preliminary injunctions barring publication of trade secrets by third parties. “[P]reliminary injunctive relief may potentially run afoul of prior restraint doctrine in three sets of trade secrets cases. First publication of a trade secret by a party who isn’t bound by the contract . . . certainly ought to be protected against a preliminary injunction.” Mark A. Lemley & Eugene Volokh, Freedom of Speech and Injunctions in Intellectual Property Cases, 48 Duke L.J. 147, 231-32 (1998).

¹⁸ Compare Aguilar v. Avis Rent a Car System, Inc., 21 Cal.4th 121, 138 (1999) (lead opn. of George, C.J.) (finding that a *permanent* injunction was not a prior restraint because the order was issued only after a final determination by the jury that conduct enjoined was unlawful).

Courts that have considered the issue have consistently applied the prior restraint doctrine in analyzing the validity of preliminary injunctions issued against third party publishers of asserted trade secrets. See CBS v. Davis, 510 U.S. 1315-1316-18 (1994) (Blackmun, Circuit Justice) (applying the prior restraint doctrine to strike down a preliminary injunction issued under the South Dakota UTSA); Sports Management News v. Nachtigal, 921 P.2d 1304, 1308-09 (Ore. 1996) (calling a preliminary injunction issued under the Oregon UTSA against a third party publisher “instantly recognizable as a classic ‘prior restraint’”); Ford Motor Co v. Lane, 67 F.Supp.2d 745, 750, 752-53 (E.D. Mich. 1999) (applying the prior restraint doctrine to invalidate a preliminary injunction issued under the Michigan UTSA); Religious Technology Center v. Lerma, 897 F.Supp. 260, 263, 266-67 (E.D.Va. 1995) (characterizing a requested preliminary injunction against the disclosure of a religious organization’s trade secrets by the *Washington Post* as a prior restraint comparable to that sought against the same paper in the Pentagon Papers case). In each of these cases, the prior restraint doctrine was applied despite a finding that the third party republisher knew that the asserted trade secrets had been misappropriated. See CBS, 510 U.S. at 914 (“Nor is the prior restraint doctrine inapplicable because the videotape was obtained through calculated misdeeds.”).¹⁹

¹⁹That the prior restraint doctrine applies to preliminary injunctions against even *first party* publishers is supported by two cases upon which DVDCCA relies.

In Cherne Indus., Inc. v. Grounds & Assoc, Inc., 278 N.W.2d 81, 94 n.9 (Minn. 1979), the court was considering a permanent injunction issued after a full trial, but noted that a preliminary injunction against the same publication would be a prior restraint.

In Garth v. Staktek Corp., 876 S.W.2d 545, 549-50 (Tex. App. 1994), the court, finding that the preliminary injunction was prior restraint, required that it be necessary to “prevent an imminent and irreparable harm” and that “no less restrictive alternative form of protection” be available. Id. at 549-50. The Garth court upheld the preliminary injunction before it because it satisfied this strict scrutiny. Garth was later applied to strike down a preliminary injunction. Markel v. World Flight, Inc., 938 S.W.2d 74, 80 (Tex.App. 1996). DVDCCA erroneously characterizes Garth as “rejecting a prior restraint analysis.”

DVDCCA contends that California courts have “regularly issued or upheld injunctions on the publication of trade secrets over First Amendment defenses.” However, the cited authorities do not support a general rule against application of the prior restraint doctrine where a preliminary injunction is sought against a third party republisher. The cases each concerned the enforcement of a contractual obligation owed to the trade secret owner. In no case did the court address, let alone reject, the prior restraint doctrine.²⁰

²⁰See Courtesy Temp. Serv. v. Camacho, 213 Cal.App.3d 1278, 1291 (1990) (enjoining unfair business practices by former employees); American Credit Indem. Co. v. Sacks, 213 Cal.App.3d 622, 638 (1989) (enjoining the use of a former employer’s customer list to solicit, but not merely inform, potential customers); MAI Systems Corp. v. Peak Computer, Inc., 991 F.2d 511, 521-22 (9th Cir. 1993) (affirming a permanent injunction against soliciting, not merely informing, old customers of new employment, but reversing the injunction with respect to other trade secrets where it was not shown that the trade secrets were actually used); Religious Tech. Ctr. v. Netcom On-Line

Communication Serv., 1997 U.S. Dist. LEXIS 23572 (N.D. Cal., Jan. 3, 1997) (addressing contractual duty of confidentiality owed by a former member of a religious organization).

DVDCCA also cites cases dealing with injunctions against copyright or trademark infringement. As discussed below, such injunctions are subject to a completely different constitutional analysis because of the constitutional basis of trademark and copyright law.

Finally, DVDCCA suggests that the prior restraint doctrine should only apply to speech regarding governmental matters. This Court has consistently rejected this limited reading of free speech protections. Spiritual Psychic Science Church of Truth v. City of Azusa, 39 Cal.3d 501, 508, 512 (1985) “[T]he First Amendment reaches beyond protection of citizen participation in, and ultimately control over governmental affairs and protects in addition the interest in free interchange of ideas and impressions for their own sake, for whatever benefit the individual may gain.”Id. (quoting In re Giannini, 69 Cal.2d 563, 569-70 n.3 (1968)).

2. Prior Restraints Are Subject to Strict Scrutiny and a Heavy Evidentiary Burden

The “chief purpose” of the First Amendment is “to prevent previous restraints on publication.” Near v. Minnesota 283 U.S. 697, 713 (1930). Accord Nebraska Press Assn. v. Stuart, 427 U.S. 539, 559 (1976) (“[P]rior restraints upon speech and publication are the most serious and least tolerable infringement on First Amendment rights.”).

As such, a prior restraint bears a heavy presumption against its constitutional validity. Bright v. Los Angeles Unified School Dist., 18 Cal.3d 450, 462-63 (1976); Wilson v. Superior Court, 13 Cal.3d 652, 657 (1975). See also Organization for A Better Austin v. Keefe, 402 U.S. 415, 419 (1971). The U.S. Supreme Court has repeatedly struck down speech-restricting injunctions and temporary restraining orders. See, e.g., CBS, 510 U.S. 1315; Vance v. Universal Amusement Co., 445 U.S. 308 (1980); National Socialist Party of America v. Skokie, 432 U.S. 43 (1977); Nebraska Press Assn., 427 U.S. 539; New York Times v. United States, 403 U.S. 713 (1969); Keefe, 402 U.S. 415; Carroll v. President & Commissioners of Princess Anne, 393 U.S. 175 (1968); Youngdahl v. Rainfair, Inc., 355 U.S. 131 (1957). This Court has done the same. People ex rel. Busch v. Projection Room Theater, 17

Cal.3d 42, 58-59 (1976); Wilson, 13 Cal.3d at 661.

A prior restraint will thus not issue unless it is necessary to prevent a serious and likely harm. Nebraska Press Assn., 427 U.S. at 562. Relevant to this determination are the gravity of the harm discounted by its probability, the effectiveness of the order in mitigating the harm, and the availability of alternative measures to preventing the harm. Id.

Additionally, a prior restraint must be strongly supported by the factual record. Id. Substantial evidence is required to overcome the heavy presumption against constitutional invalidity. See NAACP v. Claiborne Hardware, 458 U.S. 886, 934 (1982) (discussing the heavy burden of demonstrating that protected expression is not being infringed); Keefe, 402 U.S. at 420. See also Carroll, 393 U.S. at 181, 183 (noting the need “to assure the fullest presentation and consideration of the matter which the circumstances permit” to foster “the balanced analysis and careful conclusions which are essential in the area of First Amendment adjudication”). Those who seek to restrain or punish speech bear these heavy burdens of persuasion and proof. See New York Times, 403 U.S. at 713.²¹

²¹Also, any preliminary injunction that prohibits speech, even speech not protected by the First Amendment, must be imposed for a *specified brief period of time* for the purpose of preserving the status quo, and a *prompt*

final judicial determination is assured. Vance v. Universal Amusement Co., 445 U.S. 308, 315-16 (1980); Southeastern Promotions, Ltd v. Conrad, 420 U.S. 546, 560 (1975); Freedman v. Maryland, 380 U.S. 51, 59 (1965); Projection Room Theater, 17 Cal.3d at 57. Although permitted in other contexts, temporary injunctions that are necessary to allow the court time to sort out difficult legal or factual questions are not available to prohibit the exercise of First Amendment rights. New York Times, 403 U.S. at 727 (Brennan, J. concurring). Accord Proctor & Gamble, 78 F.3d at 226-27.

The test is thus somewhat more rigorous than the strict scrutiny test applicable to content-based restrictions on speech discussed above.²²

6. O'Brien Intermediate Scrutiny Is Not the Proper Constitutional Analysis Because the Preliminary Injunction Is Not a Restriction on Conduct, Not Content Neutral, and Not a Statute

DVDCCA contends that the proper constitutional analysis is the intermediate scrutiny test established in United States v. O'Brien, 391 U.S. 367 (1968). This Court must reject this contention for four independent reasons: the argument was not raised below; the preliminary injunction is a restriction on expression, not conduct, the preliminary injunction is content-based, and the preliminary injunction is not a statute.

1. DVDCCA Did Not Ask Either the Trial Court or the Court of Appeal to Apply Any Constitutional Scrutiny

DVDCCA did not raise the issue of intermediate scrutiny on which it now relies in the lower courts. In the trial court, DVDCCA conceded that 'computer code is speech, but argued that a preliminary injunction could be issued without First Amendment scrutiny. In the Court of Appeal, DVDCCA again argued that the First Amendment had no application. It stated: "Bunner takes great pains to show that source code is speech. Plaintiff agrees, but the point is irrelevant." [Respondent's

²²DVDCCA argues extensively and repeatedly that the First Amendment is not an absolute bar to injunctive relief in intellectual property cases. The Court of Appeal made no finding to the contrary. Nor does Bunner argue for such absolute immunity. Bunner simply claims that the preliminary injunction issued in this case is invalid.

Brief p. 18 n. 5] DVDCCA again did not raise intermediate First Amendment scrutiny. Thus, throughout this litigation, DVDCCA has argued that the First Amendment does not apply to injunctions issued under the UTSA.

A party is not permitted to change position and adopt a new and different theory on appeal. To permit one to do so is not only unfair to the trial court, but manifestly unjust to the opposing litigant. Richmond v. Dart Industries, Inc., 196 Cal. App. 3d 869, 874 (1987).

2. The Preliminary Injunction is Not a Restriction on Conduct

Regulations that restrict only the speech element of expressive conduct are treated as restrictions on pure speech regardless of the fact that there was also a conduct element that could have been restricted. Only regulations that restrict the conduct element of expression, incidentally affecting the speech element, are subject to intermediate scrutiny. Spiritual Psychic Science Church of Truth, Inc. v. City of Azusa, 39 Cal.3d 501, 513 (1985) (explaining the O'Brien test).

These distinctions are crucial. “To preserve these freedoms, and to protect speech for its own sake, the Court’s First Amendment cases draw vital distinctions between words and deeds, between ideas and conduct.” Ashcroft v. Free Speech Coalition, 535 U.S. ___, ___, 2002 DJDAR 4035, 4038 (April 16, 2002).

The key inquiry is whether the *restriction* is “aimed at a communicative element.” Id. Courts look not at the nature of the expression, computer code²³ for example, but at the regulation. Clark v. Community for

²³As the Bernstein court observed:

Defendants appear to insist that the higher utility value of speech the less like speech it is. An extension of that

Creative Non-Violence, 468 U.S. 288, 298 (1984). Restrictions on flag burning that focus on the communicative element of the act are subject to strict scrutiny even though flag burning is undeniably conduct. Texas v. Johnson, 491 U.S. 397, 406 (1989).

Thus in Universal City Studios v. Corley, 273 F.3d 429, 454 (2d Cir. 2001), which considered a permanent injunction against the posting of DeCSS on the Internet issued under the Digital Millennium Copyright Act, 17 U.S.C. §1201 et seq., the court applied intermediate scrutiny not because of the potentially functional nature of computer code, but because both DMCA and the injunction “target only the nonspeech component” of DeCSS.²⁴

The preliminary injunction bans no “conduct.” Republishing information is not symbolic speech, like flag or draft card burning or arm

argument assumes that once language allows one to actually do something, like play music or make lasagna, the language is no longer speech. The logic of this proposition is dubious at best. Its support in the First Amendment law is nonexistent. Bernstein v. United States, 933 F.Supp. 1426, 1436 (N.D. Cal. 1996).

²⁴It bears further noting that the court’s findings in Corley were based on a fully developed factual record, very much unlike the meager record before the trial court. Id. at 435-41.

band wearing. “It would be anomalous if the mere fact of publication and distribution were somehow deemed ‘conduct’ which in turn destroyed the right to freely publish.” Wilson v. Superior Court, 13 Cal.3d 652, 660 (1975). “A computer program is so unlike flag burning and nude dancing that defendants’ reliance on conduct cases is misplaced.” Bernstein, 922 F.Supp. at 1435 (rejecting O’Brien as the only test for a regulation of computer code).

Here, the asserted speech (publishing DeCSS) and non-speech (executing DeCSS for some illegal purpose) elements are not inescapably intertwined. They can be regulated separately.²⁵ See Spiritual Psychic, 39 Cal.3d at 517-18 (holding that fraud could be regulated independently of regulations on all fortune telling). The preliminary injunction only restricts the speech element.

3. The Preliminary Injunction is Not Content-Neutral

Second, O’Brien applies only to content-neutral restrictions. Spiritual Psychic, 39 Cal.3d at 516. As explained above, the preliminary injunction is not content-neutral.

4. The Preliminary Injunction is Not a Statute

Even if the preliminary injunction were both content-neutral and a restriction on conduct, the appropriate test is more demanding than O’Brien intermediate scrutiny. O’Brien applies only to statutes. Injunctions are evaluated under a “somewhat more stringent application of the general First Amendment principles.” Madsen v. Women’s Health Center, 512 U.S. 753, 765 (1994). See

²⁵DVDCCA’s position urging O’Brien scrutiny for all restrictions on computer code is based in part on the false assertion that code is, in all forms, automatically executable. The preliminary injunction by its plain language includes much more than that one particular rendering of DeCSS.

Planned Parenthood Shasta-Diablo, Inc. v. Williams, 10 Cal.4th 1009 (1995) (reconsidering earlier decision in light of the standard announced in Madsen). The Madsen court thus rejected the intermediate scrutiny analysis it would have used to examine the constitutionality of a statute.²⁶ 512 U.S. at 765.

Instead, in determining whether a content-neutral injunction survives a First Amendment challenge, the court must determine whether the challenged injunction burdened no more speech than necessary to serve a significant governmental interest. Id.

5. THE PRELIMINARY INJUNCTION IS AN UNCONSTITUTIONAL RESTRICTION ON BUNNER'S FREE SPEECH RIGHTS

1. The Preliminary Injunction Does Not Survive Strict Scrutiny Due A Content-Based Restriction Because There is No Compelling State Interest in Preventing A Third Party From Publishing Publicly Available Trade Secrets

A content-based restriction on protected speech will be unconstitutional unless it is narrowly tailored to serve a compelling state interest. The preliminary injunction issued by the trial court cannot meet this standard because the state has

²⁶Madsen specifically addressed intermediate scrutiny due a time, place and manner restriction. However, the U.S. Supreme Court has acknowledged that the O'Brien expressive conduct test and the time, place and manner test are identical and often used interchangeably. Clark, 468 U.S. at 298-99 & n.8. Thus, Madsen must apply with equal force to preliminary injunctions issued against symbolic speech.

little interest in preventing Bunner, who owes no duty of confidentiality to DVDCCA and committed no independent wrong, from republishing information that was published worldwide and remains widely available.

1. Because Bunner Has No Connection to Either DVDCCA or the Persons Who Made the Initial Public Disclosure of DeCSS, There is No Compelling State Interest In Enjoining Him

California's interest in enforcing trade secret protections by injunction is strongest in cases in which the enjoined party has breached either a consensual obligation of nondisclosure, has committed a crime or other independent wrong, or has induced or participated in someone else's commission of these wrongs. None of these elements are present here. Trade secrets plaintiffs whose "lifeblood" is their secrets rarely find themselves confronting someone as far down a chain of transmission as Bunner.

California has a legitimate interest in enforcing consensual agreements to refrain from speaking. See, e.g., Cohen v. Cowles Media Co., 501 U.S. 663, 669-672 (1991) ("The parties themselves . . . determine the scope of their legal obligations, and any restrictions that may be placed on the publication of truthful information are self-imposed.").

Such agreements are a feature of most trade secrets cases, and are the font from which the state's interest in enjoining the publication of trade secrets flows. In Cherne Indus., Inc. v. Grounds & Assoc, Inc., 278 N.W.2d 81 (Minn. 1979), a case relied on by DVDCCA, the court looked solely to the state's interest in enforcing an employment contract to justify the injunction over a First Amendment objection. Cherne, 278 N.W.2d at 94. The court balanced the asserted First Amendment interest with "the public interest in preserving the ability of parties to enter contracts and to seek judicial

enforcement of such contracts,” not an interest in protecting trade secrets.
Id.

Indeed, trade secret law is founded on the existence of a confidential relationship between the holder of the trade secret and the party seeking to publish it. As the U.S. Supreme Court has noted in its leading case on trade secrets, “The protection afforded the trade secret holder is against disclosure or unauthorized use of trade secrets by those to whom the secret has been confided under the express or implied restriction of nondisclosure or nonuse.” Kewanee Oil Co. v. Bicon Corp., 416 U.S. 470, 475 (1974). See also Vacco Indus. v. Van Den Berg, 5 Cal.App.4th 34, 50 (1992) (“The protection which is extended to trade secrets fundamentally rests upon the theory that they are improperly acquired by a defendant, usually through theft or a breach of confidence.”).²⁷

The earliest cases in this country to protect trade secrets with injunctions were founded on the same principle, namely, “state[d] in the broadest terms, that ‘courts of equity will restrain a party from making a disclosure of secrets communicated to him in a course of a confidential

²⁷“The only protection equity affords the possessor of a trade secret is to prevent its use by those who obtain the secret information in breach of contract or a fiduciary relationship, and by parties who knowingly participate in such breach. . . . One who obtains secret information honestly may use it freely.” Ferroline Corp. v. General Aniline & Film Corp., 207 F.2d 912, 922-23 (7th Cir. 1953).

employment.” Peabody v. Norfolk, 98 Mass. 452, 459 (1868); (quoting 2 Story *Equity* at §952). See also Stone v. Goss, 65 N.J. Eq. 756 (N.J. 1905) (noting the fundamental principle that “employees of one having a trade secret, who are under an express contract, or a contract implied from their confidential relation to their employer, not to disclose the secret, will be enjoined from divulging the same to the injury of their employer”). With respect to third parties, and then only those who induced the breach of confidence, equitable relief was only available to enjoin *use* of the trade secret. Id.

Likewise, the earliest California case dealt specifically with a non-compete clause in an employment contract. Empire Steam Laundry v. Lozier, 165 Cal. 95 (1913). The duty of nondisclosure which this Court upheld was one “having its origin in the relation of the employer and the employed.” Id. (quoting Witkop & Holmes Co. v. Boyce, 112 N.Y.Supp. 874 (N.Y. Sup. Ct. 1908))

Nothing in these early cases suggests a state interest in enjoining the world at large from further disseminating publicly available information. See Peabody v. Norfolk, 98 Mass. 452 (1868) (explaining that a trade secret holder “has not indeed an exclusive right to it as against the public, or against those who in good faith acquire knowledge of it”).

It remains today that the purpose of trade secret law is to provide a remedy for: 1) breaches of consensually assumed duties of confidentiality, explicitly created by contract or imposed by law as an incident of some voluntary relationship; 2) violations of some independent legal tort or crime (e.g., trespass, theft); and 3) interference by third parties who induce or participate with others to commit these wrongs. See Vincent Chiappetta,

Myth, Chameleon Or Intellectual Property Olympian? A Normative Framework Supporting Trade Secret Law, 8 Geo. Mason L. Rev. 69, 94 (1999).

California has never recognized an interest in affording trade secrets an absolute privilege from disclosures. See Uribe v. Howie, 19 Cal.App.3d 194, 206 (1971) (“An absolute privilege for all trade secrets could amount to a legally sanctioned license for unfair competition or fraud.”). Both the courts and the legislature have recognized in a variety of contexts that trade secrets must yield to other interests. For example, the UTSA must accommodate a former employee’s right to engage in fair competition with her former employer. MAI Systems, Inc. v. Peak Computer, Inc., 991 F.2d 511, 521 (9th Cir. 1993) (“[T]he common law right to compete fairly and the right to announce a new business affiliation have survived the enactment of the Uniform Trade Secrets Act.”); American Credit Indem. Co. v. Sacks, 213 Cal.App.3d 622, 634-36 (1989). And the UTSA itself provides that trade secrets must be disclosed in response to Public Records Act requests unless the public interest favors continued secrecy. Civil Code §3426.7(c); Uribe, 19 Cal.App.3d at 206.²⁸

²⁸The public’s interest is in participating in government, not “serving

the privacy interests of a private contractor.” San Gabriel Tribune v. Superior Court, 143 Cal.App.3d 762, 777 (1983). Masonite Corp. v. County of Mendocino Air Quality Mgt. Dist., 42 Cal.App.4th 436, 449 (1996), cited by DVDCCA, involved a specific statutory exception to the Public Records Act. Because access to public records is a statutory, not constitutional, right, the Masonite court did not consider the trade secret interests relative to any free speech interest. See Black Panther Party v. Kehoe, 42 Cal.App.3d 645, 654 (1974).

Additionally, California has an interest in encouraging reverse engineering to advance technology, even though this may result in the loss of trade secrets. Sony Computer Entertainment, Inc. v. Connectix Corp., 203 F.3d 596, 605 (9th Cir. 2000).

California's interests here are at best minimal. With respect to Bunner, there is no voluntarily assumed duty to enforce. There is no independent wrongful act or conspiracy or aiding and abetting or inducement to commit a wrongful act to discourage.²⁹

2. California has Little Interest in Preventing Republication of Information Widely Available Elsewhere

California's interest in protecting trade secrets by injunction is also strongest when the trade secrets have not yet been disclosed publicly. California has little interest in trying to stuff the genie back in the bottle by enjoining the republication of information that has been subject to widespread, worldwide publication, and will continue to be published by parties not within its jurisdiction. Any such injunction is doomed to futility. Equity is loath to do a futile act.³⁰

²⁹Because California has little interest in barring Bunner's republication, the preliminary injunction fails the Madsen test, discussed above, as well.

³⁰Nor do DVDCCA or its licensees have such an interest. Under the terms of the CSS license, the licensees' duty of confidentiality expires once CSS has been publicly disclosed for 90 days. [AA 518¶5.2(h)]

That California's interest is limited to protecting only non-public information is evident from the limited reach of the UTSA. The UTSA requires that a trade secret be "information . . . not . . . generally known to the public" and provides that "an injunction shall be terminated when the trade secret has ceased to exist." Cal. Civ. Code §§ 3426.1(d)(1), 3426.2. Moreover, as discussed more fully below, the Intellectual Property Clause of the federal Constitution preempts states from imposing liability for disclosure or use of ideas already publicly disclosed. U.S. Const. Art. 1 sec. 8.

To the contrary, "the public interest is always served in promoting First Amendment values and in preserving the public domain from encroachment." Sun Trust Bank v. Houghton-Mifflin Co., 268 F.3d 1257, 1276 (11th Cir. 2001).

California thus has little interest in enjoining Bunner from republishing DeCSS or the other CSS information.

2. The Preliminary Injunction Does Not Survive Prior Restraint Strict Scrutiny

As discussed above, a prior restraint will not issue unless it is necessary to prevent a serious and likely harm, and is likely to actually mitigate that harm. Nebraska Press Assn., 427 U.S. at 562. Even without considering whether DVDCCA is likely to suffer an adequately serious harm, addressed below, the preliminary injunction clearly cannot withstand prior restraint scrutiny because it does little to stop the world-wide availability of the asserted trade secrets.

The U.S. Supreme Court has mandated that a court not "ignore the reality of the problems of managing and enforcing pretrial restraining orders." Nebraska Press Ass'n v. Stuart, 427 U.S. 539, 565 (1976). A court "must assess" the "probable efficacy of prior restraint on publication" to operate

as a “workable method” of protecting the rights that the injunction is designed to address. Id. A court’s inability to enjoin publication in other jurisdictions counsels against issuing a preliminary injunction. Id. at 565-66.

The trial court acknowledged the “many potential enforcement problems” of its injunction. [AA716] It clearly abused its discretion when it nonetheless held that “a likelihood that an order may be . . . not enforced in other jurisdictions is not a reason to deny the relief sought.” [AA716]

3. The Preliminary Injunction is Void as an Improper Prior Restraint Because it is Not Adequately Supported by the Record

A court considering a preliminary injunction evaluates two inter-related factors: (1) the likelihood that the plaintiff will prevail on the merits at trial; and (2) a comparison of the harms that the parties will suffer if the preliminary injunction is granted or denied. See People ex rel. Gallo v. Acuna, 14 Cal.4th 1090, 1109 (1997).³¹

The evidence in the record before the trial court was clearly insufficient under the Nebraska Press standard—indeed, under any standard—to support a finding on either prong favoring issuance of the preliminary injunction.

³¹Nowhere in its Opening Brief does DVDCCA so much as mention the preliminary injunction test. Rather DVDCCA simply contends that the First Amendment is satisfied as long as the preliminary injunction passes intermediate scrutiny.

1. The Balance of the Hardships Favors Bunner Because His Constitutional Injury Outweighs DVDCCA’s Speculative Economic Injury

1. The Preliminary Injunction Has Resulted in A Serious Deprivation of Bunner’s Constitutional Rights

An order preventing one from exercising his or her constitutional right to liberty of speech causes a serious constitutional injury. “The loss of First Amendment freedoms for even minimal periods of time, unquestionably constitutes irreparable injury.” Elrod v. Burns, 427 U.S. 347, 373 (1976). See also Paradise Hills v. Procel, 235 Cal.App.3d 1528, 1538 (1991) (applying the principle while balancing the harms in the context of the request for a preliminary injunction of protected speech).

Moreover, the harm suffered extends to society as a whole.

While [free speech] rights are by nature individual rights, their enforcement benefits society as a whole. Indeed, only by protecting each individual’s free speech and petition rights will society’s general interests in these rights be secured.

Press v. Lucky Stores, 34 Cal.3d 311, 319 (1983). See also American Booksellers Ass’n v. Superior Court, 129 Cal.App.3d 197, 206 (1982) (noting “the pervasive chilling effect” of a preliminary injunction against the exercise of free expression).

The trial court clearly abused its discretion when it characterized the harm to Bunner and the other defendants as “truly minimal” and required Bunner to show proof of economic injury.³² [AA714]

³²The court stated:

They will simply have to remove the trade secret information from their web sites. They may still continue to discuss and debate the subject as they have in the past in both educational, scientific, philosophical and political context. Defendants have not provided evidence of any economic harm which an injunction could currently cause.

[AA714] Compare the trial court’s reasoning to Wilson v. Superior Court, 13 Cal.3d 652, 659 (1975), in which this Court rejected the assertion that a

preliminary injunction against the deceptive use of an article was not a prior restraint because the requested injunction did not enjoin the general discussion of the plaintiff's background.

2. There Was No Evidence that DVDCCA Would Suffer Additional Harm Had the Preliminary Injunction Not Issued

A prior restraint cannot be justified when it will be an ineffective remedy, whether by virtue of jurisdictional limits or others, to the harm purportedly suffered by the moving party. Obviously, the court cannot be sure that any less injury “will result,” if it is not certain the injunction will be enforced. See New York Times, 403 U.S. at 730 (Stewart, J. concurring) (requiring a showing that the absence of the injunction will “*surely result* in direct, immediate or irreparable damage”) (emphasis added); See also Paradise Hills, 235 Cal.App.3d at 1538 (holding that the relevant “balancing harm” analysis is what injury “*will result* to the moving party” absent the preliminary injunction).

As discussed above, a preliminary injunction issued in Santa Clara County barring a handful of defendants from republishing DeCSS and other CSS information will do little to alleviate the asserted harm when the same information was being, and continues to be, published world-wide. DVDCCA presented no evidence that the preliminary injunction would be of any marginal benefit.³³

³³Indeed, DVDCCA failed to offer anything more than mere averments that Bunner’s or his codefendants’ acts *may* result in the alleged harm at all. One declarant admitted that large scale movie piracy was at that time only a potentiality. [AA488] DVDCCA placed much emphasis on the assertion that the music industry put off the release of DVD audio because of the security problems. [AA611] But this was past, not future, harm. DVDCCA offered no evidence that the preliminary injunction would reverse that decision.

Irreparable harm must not be presumed simply because the UTSA authorizes an injunction. The presumption of irreparable harm that in other contexts accompanies a legislative authorization of an injunction is not available when First Amendment rights are threatened. Pennekamp v. Florida, 328 U.S. 331, 335 (1946).

Were it otherwise, the scope of freedom of speech and of press would be subject to legislative definition and the function of the First Amendment as a check of legislative power would be nullified.

Landmark Communications v. Virginia, 435 U.S. 829, 843-44 (1978).

1. The Harm DVDCCA Asserts it Will Suffer Does not Outweigh the Constitutional Injury to Bunner

When an injunction is sought against pure speech, the trial court must find that publication poses a serious threat of substantive evil to counterbalance a deprivation of liberty of speech. Wilson, 13 Cal.3d at 660 (using the national security interest in the *Pentagon Papers* as a baseline for counterbalancing liberty of speech rights). See also Bozek, 31 Cal.3d at 536 (holding that First Amendment rights are awarded substantial weight in counterbalancing tort policies); Smith v. Silvey, 149 Cal.App.3d 400, 407 (1983) (requiring that the interest sought to be protected by the injunction have “equal dignity and protection with First Amendment liberties”); Proctor & Gamble v. Bankers Trust, 78 F.3d 219, 227 (6th Cir. 1996) (forgoing the usual balancing of harms and requiring proof of harm to “an interest more fundamental than the First Amendment itself”). In re Providence Journal, 820 F.2d 1342, 1351 (1986) (requiring that the party requesting the preliminary injunction against publication assert a “near sacred right”).³⁴

³⁴Indeed, the only cases in which the U.S. Supreme Court has seemed willing to even entertain the possibility of overriding First Amendment interests are those in which the interests of co-equal constitutional protections or the fate of the Republic itself were asserted. Cf. Florida Star v. B.J.F., 491 U.S. 524, 526 (1989) (right to privacy) Landmark Comm., 435 U.S.

An economic or property interest in an asserted trade secret simply does not rise to this lofty level. Allred v. Shawley, 232 Cal.App.3d 1489, 1496 (1991) (noting that in comparing the rights of shopping center owners with those of speakers, “[t]he balance is tipped in favor of the right to voice ideas as opposed to the property rights or mere naked title of the owners”); Paradise Hills, 235 Cal.App.3d at 1538, 1542 (holding that defendant’s free speech rights outweighed the plaintiff’s economic interest).

The fact that the preliminary injunction may be necessary to preserve the information as a trade secret does not change the calculus.

The interest of the trade secret owner in getting such an injunction is likely to be strong, since the secret itself may be destroyed by the publication; but of course the same could be said about the United States’ interest in blocking publication of the Pentagon Papers. Nonetheless, courts can’t order newspapers not to publish materials, whether the Pentagon papers or the formula for Coca-Cola, even if the materials were leaked by someone (such as Daniel Ellsberg) who had a duty to keep them private.

Lemley & Volokh, supra at 231-32.

The trial court found that DVDCCA would suffer purely economic harm absent the preliminary injunction. [AA714-15] In finding that this injury outweighed Bunner’s constitutional injury, the trial court abused its discretion. Indeed, by seemingly requiring Bunner to “provide[] evidence of

829 at (integrity of the judiciary); Nebraska Press, 427 U.S. at 551 (Sixth Amendment right to a fair trial); New York Times, 403 U.S. 713 at (1971) (Douglas, J. concurring) (“power to wage war successfully”).

any economic harm,” the trial court had the analysis perfectly backward.
[AA714]

1. The Record Does Not Adequately Support A Finding that DVDCCA Was Likely to Prevail on the Merits

The plaintiff has the burden of proving both the existence of a trade secret and unlawful misappropriation. Morlife, Inc. v. Perry, 56 Cal. App. 4th 1514 (1997). The evidence in the record does not adequately support either finding to the extent necessary to justify a prior restraint.

The record is defective in several respects. The evidence did not support a finding that the trade secret survived the widespread publication of DeCSS on the Internet and elsewhere. The evidence did not support a finding that DeCSS was the product of the misappropriation of CSS trade secrets. The evidence did not support a finding that Bunner knew or should have known that DeCSS was the product of misappropriation of trade secrets.³⁵

1. DVDCCA is Unlikely to Prove That CSS was a Protectable Trade Secret

The first posting of DeCSS was October 6, 1999. [AA479-80] Soon thereafter, DeCSS spread across numerous websites and other media, from academic

³⁵The trial court acknowledged the evidentiary weaknesses in DVDCCA’s case. It characterized DVDCCA’s misappropriation case as “problematic” and stated that it was “not well-positioned” to make a critical determination of Norwegian law that governed that finding. [AA713-14] Nevertheless, it granted the preliminary injunction because it believed, wrongly, that the balance of harms so strongly favored DVDCCA. [AA714]

papers to t-shirts, worldwide. DVDCCA acquired the rights to CSS and filed suit nearly three months later. [AA073] DeCSS was well established in the public domain by that time.

A trade secret does not survive such widespread and sustained publication. Under the UTSA, the information must “not . . . be generally known to the public or to other persons who can obtain economic value from its disclosure or use.” Civil Code § 3426.1(d)(1). See Vacco Industries, Inc. v. Van Den Berg, 5 Cal.App.4th 34, 50 (1992) (“[A] trade secret is protectible only so long as it is kept secret.”); Religious Tech. Center v. Netcom On-line Commun. Servs., 923 F.Supp. 1231, 1254 (N.D. Cal. 1995) (“Once trade secrets have been exposed to the public, they cannot later be recalled.”). See also Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1002 (1984) (“Information that is public knowledge or that is generally known in an industry cannot be a trade secret.”); Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 475, 490 (1974) (“The subject of a trade secret must be secret, and must not be of public knowledge or of a general knowledge in the trade or business.”); Enterprise Leasing Co. v. Ehrnke, 3 P.3d 1064, 1069 (Ariz. Ct. App 1999) (“[T]he hallmark of a trade secret obviously is its secrecy . . . matters that are public knowledge are not safeguarded as trade secrets.”); Murray v. Bank One, 649 N.E.2d 1307, 1313 (Ohio App. 1994) (“If information is generally known in the industry, it is not ‘secret’ and ‘cannot qualify as a trade secret.’ ”); 1 *Milgrim on Trade Secrets* § 1.05[1], at 1-197 (2000) (“Since secrecy is a requisite element of a trade secret, . . . unprotected disclosure of the secret will terminate that element and, at least prospectively, forfeit the trade secret status”).

Publication in newspapers or journals thus terminates the statutory

protections. The legislative history of the UTSA confirms that “[o]btaining the trade secret from published literature” is a proper means of acquiring knowledge of the information alleged to be a trade secret. Sen. Com. on Jud., Rep. on Assem. Bill 501, 8 Sen. Jour. (1983-1984 Reg. Sess.) p. 13883. See also 1 *Milgrim on Trade Secrets*, supra, § 1.03, at 1-163 (“[W]hether secrecy is lost through seepage in conduct of business, sale or exposition of a product embodying the secret, disclosure of the idea through a trade or technical publication, or by way of patent . . . the principle remains: a secret on the wing cannot be recalled.”); Ehrnke, 3 P.3d at 1069 (“Information is considered public knowledge if it is available in trade journals, reference books or published materials”).

Numerous courts have held that publication on the Internet is the type of public disclosure that cannot be undone. Netcom, 923 F. Supp. at 1256 (holding that evidence of misappropriation did not “negate the finding that, once posted, the works lost their secrecy”); Religious Tech. Center v. Lerma, 908 F.Supp. 1362, 1368 (E.D. Va. 1995) (holding that trade secret was destroyed by 10 day publication on an Internet newsgroup); Hoechst Daifoil Co. v. Nan Ya Plastics Corp., 174 F.3d 411, 419 (4th Cir. 1999) (approving Lerma); Religious Tech. Center v. F.A.C.T.NET, Inc., 901 F.Supp. 1519, 1526-27 (D. Colo. 1995) (finding that the trade secrets were widely known from numerous sources including the Internet).

Once the information is no longer secret, the UTSA does not protect information even if there are compelling reasons to keep the information confidential. Thus even the key codes for locks protecting people’s homes, a favorite analogy of DVDCCA, may be disclosed. Chicago Lock Co. v. Fanberg, 676 F.2d 400 (9th Cir. 1982) (applying the California UTSA).

DeCSS was on the Internet for months, not moments, before this lawsuit was filed, and more before the preliminary injunction was issued. Still today, any person anywhere can find it using a computer, an Internet connection and a Google search for the term “DeCSS.” Given the imposing evidentiary burden on DVDCCA to justify its prior restraint, or indeed under any evidentiary standard, the evidence simply does not support the finding that the trade secrets were still “secret.”

In addition to demonstrating that its trade secrets were still in fact “secret,” DVDCCA had the burden of excluding the possibility of legitimate discovery. See Legis. Comm. Comment-Senate, Civ. Code § 3426.1. DVDCCA cannot overcome the fact that its licensees distributed the CSS trade secrets in a form that left them readily discoverable on every DVD and in each piece of DVD software. Compare Futurecraft Corp. v. Clary Corp., 205 Cal. App. 2d 279, 281 (1962) (“[I]t is no 'trick,' but only a matter of some labor and time, for an engineer or a machinist to cut open a valve and see in bare display all the details of its configuration. Every time a valve was sold, all the 'secrets' in its design were transmitted to the purchaser, who then was empowered to transmit them to others as he wished or willed.”).

2. DVDCCA is Unlikely to Prove that DeCSS was Created by Misappropriation

The evidence before the trial court supporting DVDCCA’s claims that DeCSS was created through misappropriation of its trade secrets was weak. The trial court acknowledged as much. It found that although DVDCCA had established that CSS contained trade secrets and was likely to establish that DeCSS had been developed by reverse engineering CSS, the likelihood of DVDCCA being able to prove that the reverse engineering was improper was

uncertain. It called DVDCCA's case's "problematic" in that it must ultimately prove that CSS was reverse engineered in violation of a click licensing agreement, the enforceability of which might be a question of Norwegian law.

[AA713] The trial court noted that it was "not well-positioned to interpret Norwegian law." [AA714]

These conclusions are inadequate to support the issuance of a prior restraint.³⁶

3. DVDCCA is Unlikely to Prove That Bunner Would Be Found Liable for Misappropriating Trade Secrets Because No Evidence Supports Bunner Having Knowledge of or Involvement with **the Alleged Misappropriation**

DVDCCA did not allege that Bunner was involved in the asserted misappropriation that led to the writing of DeCSS, knew those who did it, induced their actions or otherwise aided and abetted them. DVDCCA's sole claim is that Bunner should have known of the alleged misappropriation. More specifically, Bunner should have known that DeCSS contains or was derived from trade secrets

³⁶That a single consumer can violate a click-licensing agreement, distribute her findings and terminate a trade secret is a fact of life for informational businesses. The same technologies that create the wealth of opportunity carry corresponding threats. The solution is for businesses to find ways to minimize the risks. Neither legal fictions about "secrecy" nor a less potent reading of the First Amendment are the answer.

gained from the reverse engineering of CSS and that such reverse engineering was validly barred by an enforceable license.³⁷

³⁷Thus although the trial court was not well positioned to interpret Norwegian law, Bunner purportedly was.

The only evidence before the trial court that Bunner “knew or should have known” was Bunner’s admission that he occasionally visited the Internet news website *slashdot.org*. DVDCCA claimed that because a few persons posting comments on *slashdot.org* opined that DeCCS was improperly derived, and because others boasted of their disrespect for the law in connection with their dissemination of DeCSS, Bunner should have known of the misappropriation.³⁸ There was no evidence, however, that Bunner participated or even read these specific discussions. Bunner declared that when he republished DeCSS, he had no information suggesting that DeCSS involved the misappropriation of trade secrets. [AA288]

The trial court abused its discretion in imputing knowledge to Bunner based on the comments of unknown, pseudonymous persons. Not only does the evidence fail to meet the Nebraska Press evidentiary standard, but attaching liability to Bunner in this way offends basic principles of justice. One cannot be held to share the motives or knowledge of others merely because they read the same books or websites or are members of the same organization.

‘Under our traditions beliefs are personal and not a matter of mere association, and . . . men in adhering to a political party or other organization . . . do not subscribe unqualifiedly to all of its platforms or asserted principles.’ ‘A law which applies to membership without the 'specific intent' to further the illegal aims of the organization infringes unnecessarily on protected freedoms. It rests on the doctrine of 'guilt by association' which has no place here.’

³⁸The vast majority of the *slashdot.org* comments entered into the record by DVDCCA opined that DeCSS involved no improper misappropriation of the CSS trade secrets. [AA348-66]

Keyishian v. Board of Regents, 385 U.S. 589 (1967). “[M]ere association with [a] group--absent a specific intent to further an unlawful aim embraced by that group--is an insufficient predicate for liability.” NAACP v. Claiborne Hardware Co., 458 U.S. 886, 927 (1982). Even if one is an organizer of an enterprise, there must be specific evidence that the individual authorized or directed the improper conduct of the group’s members before liability for those actions will attach. Id.

Under any evidentiary standard, liability of those who “should have known” should not extend to someone as far down the chain of republication as Bunner. The “should have known” category contemplates those who induce or aid and abet others to breach their contractual or fiduciary obligations, or at a minimum some relationship between the two parties. Compare PMC, Inc. v. Kadisha, 78 Cal. App. 4th 1368, 1385 (2000) (extending liability to third part investors because they knew that company’s sole asset was stolen trade secrets). Misappropriation of trade secrets is an *intentional* tort. Id. at 1382.

DVDCCA has not carried its heavy evidentiary burden of proving that it is likely to prevail on its claim that Bunner misappropriated trade secrets.

1. THE PRELIMINARY INJUNCTION, BY RESTRAINING THE REPUBLICATION OF IDEAS PREVIOUSLY DISCLOSED TO THE PUBLIC, VIOLATES THE INTELLECTUAL PROPERTY CLAUSE OF THE U.S. CONSTITUTION

Independent of its First Amendment defects, the preliminary injunction at issue here is also unconstitutional under the Intellectual Property Clause of the U.S. Constitution. The Intellectual Property Clause authorizes Congress: “To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.” U.S.

Const., art. I, § 8. The clause is both a positive grant of authority to Congress to enact the patent and copyright laws and a preemption of any attempt by the states to create any rights in ideas that have been publicly disclosed. Publicly disclosed ideas become part of the public domain, and a state may not restrain their dissemination or use. See Feist Publications v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991); Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 155-56, 158 (1989).³⁹ Compare Feist, 499 U.S. at 347-351 (copyright protection is constitutionally limited to original forms of expression, and cannot be extended to the ideas expressed); Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 164-65 (1995) (trademark law cannot be used to monopolize functional features of unpatented products).

In enacting the California UTSA, the Legislature adhered to these constitutional limitations. As discussed above, for information to qualify as a protectable trade secret under California law, it is an essential requirement that the information be secret, something not generally known. Civil Code § 3426.1(d)(1). The UTSA prohibits injunctive relief once a trade secret ceases to be a secret. Civil Code § 3426.2(a).⁴⁰

2. SUBJECTING THE PRELIMINARY INJUNCTION TO A FIRST AMENDMENT ANALYSIS DOES NOT REQUIRE THIS COURT TO

³⁹State trade secret law lacks the federal constitutional status that patent and copyright law possess. The holder of a federal copyright or a patent is granted a constitutionally-sanctioned exclusive right enforceable against the world at large. State trade secret law does not, and cannot, provide the holder of a trade secret with an exclusive right in an idea, enforceable against the world. Kewanee Oil, 416 U.S. at 490 (explaining that patent rights operate ““against the world”” while trade secret rights do not).

⁴⁰Bunner currently has a summary judgment motion pending in the trial court on the basis that the trade secrets are no longer secret.

MODIFY EXISTING TRADE SECRET LAW

DVDCCA contends that this Court must overturn centuries of trade secret law in order to affirm the Court of Appeal. This is simply false.

An understanding of trade secret law and its limitations explains why many trade secret injunctions easily survive First Amendment scrutiny but this one cannot. As noted, trade secret injunctions are issued against persons who have breached consensual duties of nondisclosure, who have violated a generally applicable prohibition against theft, trespass, or the like, or who have assisted another in doing so. When a person has voluntarily assumed a restriction on his or her speech rights as part of a contract or consensual relationship, enforcing that self-imposed restriction raises no free-speech concerns, *see, e.g., Cohen v. Cowles Media Co.*, 501 U.S. 663, 669-672 (1991); nor does the enforcement of generally applicable laws not directed at speech, such as theft and conspiracy laws.

DVDCCA also ignores the substantial constitutional difference between an injunction suppressing a *never*-published trade secret and one suppressing a *previously*-published trade secret.

It is for these reasons that the cases cited by DVDCCA approving trade secret injunctions are irrelevant here. They are *all* cases in which the disclosers were ex-employees or ex-partners who breached contractual duties of nondisclosure. None of them involved an attempt to enjoin the republication of publicly disclosed information by someone unconnected with either the trade secret owner or the initial discloser of the trade secret.

Nor do the federal copyright and trademark injunction cases cited by DVDCCA have any persuasive relevance in validating the preliminary injunction at issue here. Although copyright, trademark, and patent are often

lumped together under the rubric of “intellectual property,” there are fundamental differences between trade secret rights and other forms of intellectual property rights. The authorization of exclusive rights in “writings” in the Intellectual Property Clause and the prohibition against laws restricting speech in the First Amendment are coequal provisions of the Constitution. Trade secret law has no similar claim to equality with the First Amendment; to the contrary, it is subordinate not only to the First Amendment but also to the preemptive effect of the Intellectual Property clause, as discussed above. Indeed, “intellectual property” is an ill-fitting label for trade secret law, whose obligations remain founded on duties arising out private consensual relationships or generally applicable criminal or tort sanctions. Robert G. Bone, *A New Look at Trade Secret Law: Doctrine in Search of Justification*, 86 Cal. L. Rev. 241, 303 (1998) (“Although treated as a branch of intellectual property, trade secret law, with its relational focus, fits poorly with other intellectual property theories, such as copyright, patent, and trademark, that grant property rights against the world.”).

Trade secret protection lacks a fundamental characteristic of other forms of intellectual property: the right to exclude others. The protections that patents and copyrights enjoy do not have secrecy as a goal.. What DVDCCA seeks by this injunction is what trade secret law does not, and cannot, provide: a property right in ideas good against all the world. See Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 156, 158 (1989); Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 490 (1974).

Moreover, whatever potential tension may exist between copyright and the First Amendment is largely resolved by the prohibition against copyright protection for ideas and the fair use doctrine. Together, these two

copyright principles protect the free and unsuppressed communication of ideas. SunTrust Bank v. Houghton-Mifflin Co., 268 F.3d 1257, 1263 (11th Cir. 2001).

DVDCCA suggests that because English common law recognized the protection of trade secrets prior to the adoption of the First Amendment, the First Amendment should thus bow to policies favoring trade secrets. Even if DVDCCA's historical characterization were correct,⁴¹ the argument is to no avail. Many aspects of long-standing English common law, sedition, for example, were dramatically altered by the U.S. Constitution. Indeed, the seminal defamation case of New York Times v. Sullivan, 376 U.S. 254 (1964), marked a radical reworking of the common law of defamation as late as 1964. See Brown v. Kelly Broadcasting 48 Cal.3d 711, 721 (1989) ("In recent years, the common and statutory law of defamation has been supplanted in many

⁴¹Trade secret law is a product of the nineteenth and twentieth centuries. "In 1800, trade secret doctrine as such did not exist." Catherine A. Fisk, *Working Knowledge: Trade Secrets, Restrictive Covenants in Employment, and the Rise of Corporate Intellectual Property, 1800-1920*, 52 *Hastings L.J.* 441, 452 (2001). Starting in the nineteenth century, it arose slowly in England and America as a consequence of the industrial revolution. Bone, supra 86 *Cal. L. Rev.* at 251 ("Trade secret law as we know it today began to develop with the rise of industrial capitalism in the early nineteenth century."); Chiappetta, supra, 8 *Geo. Mason L. Rev.* at 70 ("Although a creation of the common law, United States trade secret law's pedigree is relatively short. Glimmerings of trade secret doctrine began to appear in the late 1830s, and the first comprehensive judicial statement came in 1868.").

As of 1902, an equitable remedy for trade secrets misappropriation had only been recognized by five states and one federal court. Stone v. Goss, 65 *N.J.Eq.* 756 (N.J. 1905) (surveying the existing law on trade secrets). See generally Alan Watson, *Trade Secrets and Roman Law: the Myth Exploded* 11 *Tul. Eur. & Civ. L.F.* 19 (contesting the theory that legal protections for trade secrets predate other intellectual property systems.)

respects by decisions of the United States Supreme Court construing the federal Constitution.”).

DVDCCA’s position is an unprecedented and unsupportable invitation to expand state trade secret law far beyond its intended and permissible boundaries. No other case has ever authorized *any* relief under trade secret law against an unconnected republisher for the republication of information that was previously disclosed by widespread publication.

Trade secret law was not intended to reach someone like Bunner. He did not in fact reverse engineer CSS, he did not create DeCSS, and he had no knowledge of the source of DeCSS at the time that the DVDCCA filed this action. Bunner did not engage in any bribery or other form of skulduggery in order to obtain DeCSS. He did not use DeCSS or profit from its use. He was not the first person to post DeCSS on the Internet, did not boast of his disdain for the law and promptly removed DeCSS from his web site the moment that the DVDCCA lawyers first notified him of the action.

This factual setting has never been before this Court. Nor does a single case cited by DVDCCA address these facts. As such this Court need not overturn a single element of established trade secret law in order to affirm the Court of Appeal.

CONCLUSION

The preliminary injunction barring Bunner from publishing publicly available information is a classic restraint on First Amendment rights. As both a content-based restriction and a prior restraint, it must pass strict scrutiny and be founded upon a weighty evidentiary burden to be valid. The trial court abused its discretion in issuing the preliminary injunction without performing any First Amendment analysis. When subjected to

the appropriate scrutiny, the preliminary injunction cannot survive.

Respectfully submitted,

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