04-1462

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

STORAGE TECHNOLOGY CORPORATION,
Plaintiff-Appellee,

v.

CUSTOM HARDWARE ENGINEERING & CONSULTING, INC.,
Defendant-Appellant,

and

DAVID YORK,
Defendant-Appellant.

On Petition for Rehearing or Rehearing *En Banc* of the
Panel Decision of Circuit Judges Rader, Schall, and Bryson

BRIEF OF AMICI CURIAE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION (SIIA), ASSOCIATION OF AMERICAN PUBLISHERS (AAP), ENTERTAINMENT SOFTWARE ASSOCIATION (ESA), MOTION PICTURE ASSOCIATION OF AMERICA (MPAA), NATIONAL MUSIC PUBLISHERS' ASSOCIATION (NMPA), AND RECORDING INDUSTRY ASSOCIATION OF AMERICA (RIAA), IN SUPPORT OF PETITION FOR REHEARING OR REHEARING *EN BANC*

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CERTIFICATE OF INTEREST

Counsel for the Amici SIIA, AAP, ESA, MPAA, NMPA and RIAA certifies the following:

1. The full name of every party or amicus represented by me is:

Software & Information Industry Association (SIIA), Association of American Publishers (AAP), Entertainment Software Association (ESA), Motion Picture Association of America (MPAA), National Music Publishers' Association (NMPA), and Recording Industry Association of America (RIAA).

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

N/A

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

N/A

4. √ There is no such corporation as listed in paragraph 3.

5. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Smith & Metalitz LLP, through Steven J. Metalitz, partner, is expected to appear for these amici in this court. These amici did not participate in the trial court.

Oct 12, 2005
Date

Steven J. Metalitz

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BRIEF OF AMICI CURIAE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION (SIIA), ASSOCIATION OF AMERICAN PUBLISHERS (AAP), ENTERTAINMENT SOFTWARE ASSOCIATION (ESA), MOTION PICTURE ASSOCIATION OF AMERICA (MPAA), NATIONAL MUSIC PUBLISHERS' ASSOCIATION (NMPA), AND RECORDING INDUSTRY ASSOCIATION OF AMERICA (RIAA), IN SUPPORT OF PETITION FOR REHEARING OR REHEARING *EN BANC*

Amici SIIA, AAP, ESA, MPAA, NMPA, RIAA file this brief in support of appellee StorageTek's petition for re-hearing and re-hearing *en banc*.

Interests of Amici

Amici are trade associations of owners of copyrights in a wide range of commercially distributed materials, from computer programs to text and databases, and from musical compositions to entertainment software to sound recordings. Increasingly, member companies of amici distribute these works in electronic form, protected by access control technologies, and in this way have made more works more available to more consumers and business users than ever before. These companies depend upon strong legal protection for these access controls, as provided by 17 USC § 1201(a), as a key element in their business plans for electronic distribution of copyrighted materials.

The panel decision in this case takes an unjustifiably narrow view of the scope and extent of protection under § 1201(a)(1)(A), one that is inconsistent with the plain language of the statute, and is likely to sow confusion and uncertainty

about the law's reach. Amici urge that the case be re-heard in order to delineate more clearly the proper interpretation of this important statute.

1. Introduction

StorageTek claimed that CHE violated § 1201(a)(1) when it used two different techniques (LEM and ELEM) for circumventing a password protection scheme called GetKey in order to obtain unauthorized access to StorageTek's maintenance code so that it could reconfigure that code. Storage Tech. Corp. v. Custom Hardware Eng'g & Consulting, Inc., No. 04-1462, slip op. at 4 (Fed Cir. Aug. 24, 2005) (hereafter Panel). There seems to be no dispute at this stage that GetKey is an access control within the meaning of § 1201(a)(3)(B); that the maintenance code is a work protected under Title 17; that CHE used the techniques to circumvent GetKey; and that it was not authorized by StorageTek to do so. Nonetheless, the panel reversed the preliminary injunction under § 1201(a)(1) entered by the District Court, on the grounds that "CHE's activities do not constitute copyright infringement or facilitate copyright infringement." Id. at 19. In so doing, the panel relied upon the earlier decision in Chamberlain Group v. Skylink Technologies, 381 F.3d 1178 (Fed. Cir. 2004). The Chamberlain panel, considering a different cause of action under § 1201(a)(2), read into the statute a requirement that the plaintiff prove that a circumvention product enables users to

obtain unauthorized access to a work "in a manner that infringes or facilitates infringing a right protected by the Copyright Act." Id. at 1204.

Amici submit that the Chamberlain opinion's interpretation of § 1201(a) is manifestly contrary to Congress' purpose and intent. But to whatever extent it was properly applicable to this case, the panel clearly may have read Chamberlain too broadly. Since future panels within this Circuit may confront similar claims, the court should take this opportunity to clarify the proper scope and application of this aspect of the Chamberlain opinion.

2. Chamberlain misread the DMCA.

The Chamberlain analysis fundamentally misread the statute and should not control this case. Chamberlain imported into § 1201(a) a requirement that Congress deliberately chose not to put there. It ignored other provisions of the same statute, enacted at the same time, that make its interpolation of an additional requirement untenable. And, it misapplied the copyright savings provision – § 1201(c)(1) – which was enacted in part to prevent precisely the misreading to which the Chamberlain panel succumbed. By following this aspect of the Chamberlain opinion and applying it to a § 1201(a)(1) claim, the panel in this case compounded the earlier panel's error.[1]

[1] The panel relied upon a portion of the Chamberlain opinion that it certainly was not constrained to follow. As pointed out in the petition for re-hearing, Plaintiff-Appellee's Petition at 12, n. 3, the trial court in Chamberlain had denied the §

Perhaps the clearest evidence that the panels in both Chamberlain and this case misread the DMCA can be found in the very provision that CHE was accused of violating.[2] Section 1201(a)(1)(A) prohibits the act of circumventing "a technological measure that effectively controls access to a work protected under this title." But the four subsequent paragraphs of § 1201(a)(1) – which neither decision mentions – describe a process for recognizing temporary exceptions to this prohibition under certain narrowly defined circumstances in which the prohibition is having or is likely to have an adverse impact on noninfringing uses of works.

Pursuant to the statutory mandate in these subparagraphs, the Copyright Office has conducted two nearly year-long rulemaking proceedings, in which

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1201(a) claim on a completely separate ground – the plaintiff's failure to carry its burden of proof on lack of authorization of circumvention – and the panel affirmed that conclusion. See Chamberlain Group, Inc. v. Skylink Technologies, Inc., 292 F. Supp. 2d 1023, 1039-40 (N.D. Ill. 2003); aff'd, 381 F.3d at 1204. This should have disposed of the case; the entire discussion in the panel opinion regarding a link to proof of infringement was thus *obiter dicta*. Even if somehow not dicta as to § 1201(a)(2), the only DMCA cause of action at issue in *that* case, this discussion certainly was not controlling as to § 1201(a)(1)(A), the only DMCA cause of action at issue in *this* case. The two causes of action are completely distinct and independent. One who circumvents an access control without authorization may be liable under section 1201(a)(1)(A) even if the tool he employs to do so does not violate section 1201(a)(2). The opposite is also true: one who produces or distributes a condemned device cannot escape liability by pleading that it could be used in a way that does not violate § 1201(a)(1)(A).

[2] Because the Chamberlain panel's approach conflicts with the plain language of the DMCA, amici will refrain (in the limited space available in this brief) from citing to the ample legislative history materials which buttress this argument.

hundreds of individuals and organizations have made submissions and given public testimony, arguing for or against the recognition of "particular classes of works," for which circumvention of access controls would be temporarily permitted because of the adverse impact of the prohibition on non-infringing use.[3] § 1201(a)(1)(B). The Register of Copyrights, after consultation with the Department of Commerce, has issued two detailed recommendations, urging that some exemptions be recognized and others denied. § 1201(a)(1)(C). The Librarian of Congress, acting upon the Register's recommendations, has twice discharged his statutory duty by publishing those classes of works to which the prohibition shall not apply for the next three years. § 1201(a)(1)(D).[4] All of these actions were mandated by the statute. But none of them would make any sense if the reading of § 1201(a) advanced in Chamberlain, and adopted by the panel in this case, were correct.

If no one could be liable for violating § 1201(a)(1)(A) "to the extent that [their] activities do not constitute copyright infringement or facilitate copyright infringement," Panel at 19, then there would be no need to provide the "fail-safe

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[3] The Copyright Office commenced the third triennial rulemaking proceeding last week. See Exemption to Prohibition on Circumvention, 70 Fed. Reg. 57,526 (Oct. 3, 2005).

[4] See Exemption to Prohibition on Circumvention, 68 Fed. Reg. 2,011 (Oct. 31, 2003) (codified at 37 C.F.R. pt. 201); see also Exemption to Prohibition on Circumvention, 65 Fed. Reg. 64,555 (October 27, 2000) (codified at 37 C.F.R. pt. 201) (hereafter 2000 Final Rule).

mechanism" of the DMCA rulemaking proceeding to accommodate noninfringing uses enabled by circumvention.[5] Circumvention to make a non-infringing use – like the use made by CHE in this case – would be permanently insulated from liability under § 1201(a)(1) in virtually all cases; a rulemaking procedure to identify which narrow classes of works would benefit from a temporary suspension of liability would be a complete waste of time and resources. It would be impossible to explain the presence in the statute of the rulemaking procedures established by § 1201(a)(1)(B) through (E) – among the most hotly contested provisions of the entire DMCA – or to justify the considerable resources devoted to drafting, negotiating, and implementing them.

This by itself should be enough to establish that, contrary to Chamberlain, Congress meant what the plain words of § 1201(a)(1)(A) state: circumvention of access controls is actionable without proof that the act of circumvention constituted or facilitated a specific infringement.[6] Other provisions of the statute, also

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[5] See 2000 Final Rule at 64,558 (quoting H.R. Rep. No. 105-551, pt. 2 at 36 (1998)).

[6] The Chamberlain panel thought that "Congress could not have intended" to outlaw circumvention without proof of infringement. 381 F.3d at 1192. But Congress had done so long before the DMCA, when it outlawed the act of cable or satellite signal theft, without regard to whether the use made of the intercepted signal was infringing. See 47 USC §§ 553, 605. Congress specifically relied upon these precedents in enacting the DMCA. See House Comm. on the Judiciary, 105th Cong., 2d Sess., Section-By-Section Analysis of H.R. 2281 as Passed by the United States House of Representatives on August 4, 1998, 8-10 (Comm. Print 1998).

addressed by neither the Chamberlain court nor the panel in this case, dictate the same conclusion. For example, § 1201(f)(1) provides a defense to liability for violating § 1201(a)(1)(A) under certain defined circumstances involving reverse engineering, but *only* to the extent that the acts enabled by circumvention of access controls "do not constitute infringement under this title." Here, Congress identified certain factual situations in which circumvention was excused if it was not linked to infringement of copyright. The inescapable corollary is that, when these particular facts are *not* present (and when no other statutory exception, including those recognized through the rulemaking procedure, applies), circumvention is prohibited, even in the absence of proof of a link to a specific infringement.

The Chamberlain panel thought that its interpretation of the statute was dictated by the "copyright savings" provision of the DMCA, § 1201(c)(1).[7] But it misapplied this provision as well, perhaps because of its view that to read § 1201(a)(1) literally would "allow any copyright owner ... to repeal the fair use doctrine with respect to an individual copyrighted work – or even selected copies of that copyrighted work." Chamberlain, 381 F.3d at 1202. This conflation of access and fair use overlooks the fundamental proposition that "fair use has never

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[7] "Nothing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title."

been held to be a guarantee of access to copyrighted material in order to copy it by the fair user's preferred technique or in the format of the original." Universal City Studios, Inc. v. Corley, 273 F.3d 429, 459 (2d Cir. 2001). In its broadest application, the Chamberlain panel's analysis could be read to create a series of new defenses to § 1201(a), by making any defense to infringement – including § 117(c) as well as fair use – a defense to liability for circumvention as well. Not only does nothing in § 1201(c)(1) require this, but in fact the opposite is true: Congress' "decision not to make fair use a defense to a claim under section 1201(a) was quite deliberate," since it provided other means – such as specific defenses for defined noninfringing conduct such as reverse engineering, as well as the § 1201(a)(1) rulemaking procedure—to manage "the risk of preventing lawful as well as unlawful uses of copyrighted material." Universal City Studios, Inc. v. Reimerdes, 111 F. Supp. 2d 294, 322 (S.D.N.Y. 2000), aff'd, Corley, 273 F.3d at 460. The same analysis applies to other copyright defenses, including § 117(c).

3. The correct application of Chamberlain must be clarified

Even if Chamberlain had correctly analyzed § 1201(a), it is far from clear how that analysis should apply in this case. The Chamberlain panel thought it was faced with an "accused device [that] enables only uses that copyright law explicitly authorizes." Chamberlain, 381 F.3d at 1184. Whether or not that formulation was accurate in that case, it may well not apply to this one. Even if the LEM and

ELEM circumvention techniques were used here for noninfringing purposes, Panel at 18, that does not mean these tools could not have enabled infringing activity.[8]

Chamberlain acknowledged the holding in Reimerdes, 111 F. Supp. at 304, that the DMCA allowed copyright owners to use access controls to "prohibit fair uses ... as well as foul." Chamberlain, 381 F.3d at 1196-97. The panel in Chamberlain refused to extend that entitlement to "allow copyright owners to prohibit exclusively fair uses even in the absence of any feared foul use." Id. at 1202. If that is the extent of the applicable holding in Chamberlain, then it does not control this case, if there was a "feared foul use" here which the circumvention would have enabled.[9] A similar scenario could well occur in other cases, in which access controls employed by member companies of amici are circumvented and copies are left "in the clear" by one who cannot himself be proven to have committed a specific infringement, nor assisted someone else to do so.

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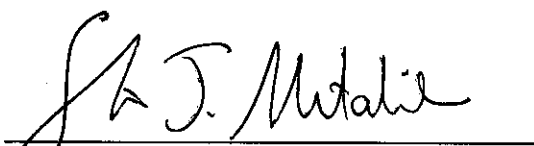
[8] Indeed, under § 117(c) itself, CHE would not have been exculpated of the infringement claim but for the fulfillment of conditions subsequent to the time of circumvention – for instance, the requirement that unauthorized copies be "destroyed immediately after the maintenance or repair is completed." Until that destruction occurs, it cannot even be determined whether CHE's conduct is infringing or not.

[9] The claim advanced and rejected in Chamberlain was that circumventors would be liable for mere access "even if that access enabled *only* rights that the Copyright Act grants to the public." Chamberlain, 381 F.3d at 1200 (emphasis in original). That does not seem to be the claim here.

4. Conclusion

Amici are sympathetic with many of the policy concerns underlying Chamberlain's interpretation of § 1201(a), and do not in this brief address CHE's ultimate liability on the § 1201(a) claim in this case.[10] But the potential for abuse of a statutory claim does not justify a court reading into a statute a hurdle that Congress clearly did not put there. Clarification by this Court of the proper scope of the Chamberlain ruling, and its appropriate application, if any, in this case, would be valuable not only for the litigants at bar, but also for a wide range of business and consumer interests, including amici, that are vitally concerned with carrying out the Congressional purpose in enacting the DMCA. The petition for re-hearing should be granted.

Respectfully submitted,



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[10] As noted above, the relationship between circumvention and infringement is highly relevant to the assertion of various statutory defenses, including but not limited to that provided for reverse engineering under section 1201(f). CHE asserted this defense, but the District Court dismissed it because it found CHE's conduct infringing and thus outside the scope of section 1201(f). Storage Tech. Corp. v. Custom Hardware Eng'g & Consulting, Inc., 2004 U.S. Dist. LEXIS 12391, at *15 (D. Mass., July 2, 2004). If the panel's ruling on infringement stands, but its erroneous interpretation of § 1201 is corrected, CHE will presumably be free to pursue its reverse engineering defense on remand.

CERTIFICATE OF SERVICE

Pursuant to Fed. R. App. P. 25(d), I HEREBY CERTIFY that on this 12th day of October, 2005, I served copies of the foregoing Brief for Amici Curiae in support of Petition for Rehearing or Rehearing *En Banc* via First-Class mail on the following individuals:

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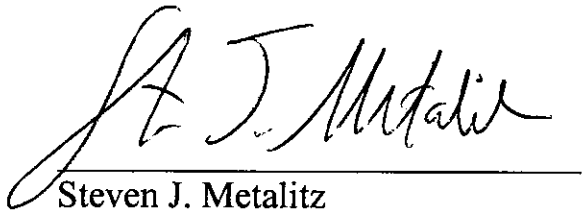

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