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Cases of Note

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LEGAL ISSUES

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Cases of Note

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For this issue your editor decided to throw caution to the wind and bring to your attention a copyright case which DOES NOT deal with the usual issues of fair use or factual versus creatively presented data. For this excursion we travel to the British Isles. Buckle your seatbelts! — AJ

Murray v. British Broadcasting Corporation and BBC Lionheart Television International, 81 F.3d 287 (1996)

In an interesting action which calls to reference the Berne Convention, the Doctrine of Forum Non Conveniens, and attorney contingency fee agreements, Dominic Murray, a costume designer and British national brought action against the British Broadcasting Corporation and its American subsidiary for copyright infringement, false designation of origin, and unfair competition. Judge Louis L. Stanton of The United States District Court for the Southern District of New York, dismissed the action on grounds of forum non conveniens (see 906 F.Supp. 858), and plaintiff appealed. The Second Circuit Court of Appeals affirmed the lower court ruling, holding that:

(1) plaintiff was not entitled to same deference given to domestic plaintiffs; (2) plaintiff's alleged financial hardships but were one factor to be weighed in determining balance of convenience; and (3) public and private interests weighed in favor of trial in England rather than the United States.

Briefly, Murray is a self-employed designer and manufacturer of costumes and props in London, England. In July 1992, the BBC engaged Murray to produce a disguise costume for Noel Edmonds, the host of a BBC television program styled "Noel's House Party." The costume, named Mr. Blobby, was to be worn by Edmonds in order to surprise celebrity guests on the program. Subsequently, the British public began identifying Mr. Blobby as a character rather than a costume and, as a consequence, the Mr. Blobby costume, now worn by an actor instead of Mr. Edmonds,

became an unexpected success. In 1993, the BBC began authorizing and licensing products bearing the likeness of Mr. Blobby in the United Kingdom. According to Murray, he consulted with English counsel concerning an action for infringement of his copyright in the Mr. Blobby costume but he allegedly declined to pursue his claim because he could neither pay the 100,000 to 200,000 pounds necessary to bring his case to trial nor post the security necessary to obtain a loan for that amount. In June 1994, the defendants brought Mr. Blobby to New York for his American debut at the International Licensing and Merchandising Conference and Exposition and began actively marketing Mr. Blobby in the United States. Shortly thereafter, Murray obtained American counsel under a contingency fee arrangement and this action ensued. (You've seen the commercials: "I don't get paid unless you prevail." They don't allow this system in the U.K., undoubtedly to discourage frivolous lawsuits.) Although the Mr. Blobby products have not yet been produced for the American market, Murray has also filed a separate suit against several alleged licensees: Murray v. The Beanstalk Group, et al., 95-Civ-5358 (S.D.N.Y. filed July 18, 1995), which is still pending in the Southern District.

1. Doctrine of Forum Non Conveniens

The doctrine of forum non conveniens permits a court to "resist imposition upon its jurisdiction even when jurisdiction is authorized by the letter of a general venue statute." In other words, it is within the court's discretion to determine if suit has been brought in the appropriate jurisdiction. The Supreme Court has emphasized that this rule is not based on a desire to disadvantage foreign plaintiffs but rather on a realistic prediction concerning the ultimate convenience of the forum.

Murray asserted that his choice of an American forum must, as a matter of law, be accorded the deference given domestic plaintiffs because of the Berne Convention for the Protection of Literary and Artistic Works, to which both the United States and the United

Kingdom are signatories. Under Berne, Murray argued, he is deemed to be in the shoes of an American plaintiff and entitled to greater deference in his choice of forum than the district court believed. Further, the principle of national treatment contained in the Berne Convention mandates procedural opportunities identical to those accorded American plaintiffs alleging copyright infringement. To support his claim, he relied on Irish Nat'l Ins. Co. v. Aer Lingus Teoranta, 739 F.2d 90 (2d Cir.1984), in which the Second Circuit held that the Treaty of Friendship, Commerce and Navigation between the United States and Ireland required the application of the same forum non conveniens standards to the Irish plaintiff as a court would have applied to a United States citizen.

In the case at hand, the Second Circuit did not agree with Murray that Aer Lingus applied and stated that The Treaty of Friendship, Commerce and Navigation between the United States and Ireland provided for "national treatment with respect to ... having access to the courts of justice" while the national treatment provision of the Berne Convention contains no such language. The court further allowed that when drafters of international agreements seek to provide equal access to national courts, the long-established practice is to do so explicitly (emphasis added). In the absence of such an explicit provision in the Berne Convention, it cannot be construed that a simple declaration of "national treatment" imply such a principle. They found, therefore, little support for Murray's position and concluded that the district court correctly accorded Murray's choice of forum less deference than that given to domestic plaintiffs.

2. Existence of an Alternative Forum

When addressing a motion to dismiss for forum non conveniens, a court must also determine whether an alternative forum is available. In this case, the BBC could obviously be sued in the United Kingdom. However, Murray argued that he was financially unable to litigate this dispute in England because a contin-

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civil liberties issues, such as a discussion of masturbation in the context of the firing of former Surgeon General Jocelyn Elders; the content of Howard Stern's best-selling book, *Private Parts*; and a discussion of why the word "f***" has such expressive power.

The ACLU argues that, in order to comply with the statute, it would have to censor its interactive services and that "such editing or censorship would be antithetical to the ACLU's belief in freedom of speech." Furthermore, the ACLU "considers minors to be an important audience for its online resources." In their view, it is "particularly important that minors be able to access information about their rights and to learn about and debate controversial issues."

Other organizations that are plaintiffs in the case make similar arguments, such as Human Rights Watch (news stories about torture), Electronic Privacy Information Center (vulgar poems censored by America Online), National Writers Union (articles about censorship, obscenity and indecency law, and gay rights), Stop Prisoner Rape (graphic and uncensored accounts of actual rapes), BiblioBytes (electronic books that are sexually explicit), Wildcat Press, Inc. (electronically publishing classic gay and lesbian literature).

Plaintiffs' legal argument focuses on two principal points: (1) the statutes are impermissibly vague because it is impossible to know how to define the terms "indecent" and "patently offensive;" and (2) the statutes would inevitably require censorship of materials for adults, not just minors. "Even if it may be technically feasible to devise a method to block access to computer communications by some or most minors," plaintiffs argue, "as a practical matter it is economically infeasible." They claim that the "any blocking system would

require advance identification of those seeking access to a web site, chat room, discussion group, or other online forum" and "[i]nitiating age ID and blocking systems would undermine the essential purpose of the plaintiffs' communications—to be disseminated as easily, widely, and quickly as possible, with a minimum of burden and expense."

Within days after the suit was filed, a federal district judge in Philadelphia entered a temporary restraining order (TRO) prohibiting the government from enforcing one part of the Communications Decency Act, but refused to enjoin enforcement of other portions. Judge Ronald Buckwalter held that "plaintiffs have raised serious, substantial, difficult and doubtful questions in their argument that the [Act] is unconstitutionally vague in the use of the undefined term, 'indecent.'" In his view, "[i]t is hard to imagine a set of circumstances where an act proscribing certain conduct could be rendered valid if the description of that conduct, the violation of which is a felony, is vague." See *American Civil Liberties Union v. Reno*, Civil Action No. 96-963, 1996 U.S. Dist. LEXIS 1617 (E.D. Pa., filed Feb. 15, 1996).

On the other hand, he rejected several of plaintiffs' arguments, concluding that "Congress has a compelling interest in protecting the physical and psychological well-being of minors" and that "at least from the evidence before me, plaintiffs have not convinced me that Congress has failed to narrowly tailor the [Act]." *Id.* He further held that the "patently offensive" provision of § 223(d)(1) is not unconstitutionally vague. *Id.*

Following the entry of the TRO, a special three-judge district court was convened to hear the trial of the case. The panel includes Dolores K. Sloviter, chief judge of the U.S. Court of Appeals for the Third Circuit, and U.S. District Judges Buckwalter and Steward Dalzell. A decision on the case is expected in June of this year. Whoever wins, the loser is almost

sure to appeal the case directly to the U.S. Supreme Court. The Court will therefore be confronted with a thorny Constitutional issue. Perhaps more importantly, the Court will have to deal with difficult practical questions that may well affect the future shape of electronic publishing and interactive communications.

Conclusion

The cases discussed here are still in the litigation process and may be drastically altered by the appellate process. Anyone interested in electronic publishing should "stay tuned" to see what happens in the next installment. But, for the meantime, let me summarize my observations by using the music medium. What follows is my version of a "rap" song that should be sung to the tune of, well, a rap song:

If you want to publish on the new Internet,
You better see a lawyer so there'll be no regret.

Messin' with the copyright of some other dude
Can land you in the pokey with the boyz 'n the hood.

Decency's a concept that we all should applaud,

So don't cha send no girlie shots at 14K baud.
Publish or perish is the motto at schools
But rushin' to the I-net are just so many fools.
The stakes are high, the future's grey,
When cruisin' on this superhighway.

Mr. Hannay is a partner in the Chicago-based law firm of Schiff Hardin & Waite and an Adjunct Professor at IIT/Chicago-Kent College of Law in Chicago. He has written and lectured widely about antitrust law and intellectual property law matters, including frequent appearances as a speaker at the Charleston Conference on Issues in Book and Serial Acquisition.

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gent-fee arrangement is not permitted in this kind of case. In his view, this professed inability to bring suit rendered the English forum unavailable as a matter of law. Again the court disagreed, explaining that a plaintiff's financial hardships resulting from the absence of contingent fee arrangements to be only one factor to be weighed in determining the balance of convenience after the court determines that an alternative forum is available. Citing a holding by the Fifth Circuit, "[i]f the lack of a contingent-fee system were held determinative, then a case could almost never be dismissed because contingency fees are not allowed in most foreign forums." It was concluded that Murray's claim of financial hardship could only be considered as it related to the balancing of interests relating to the forum's convenience.

3. The Balancing of Interests

Once the court identified an alternative forum, it must then proceed to balance public and private interests to determine whether the convenience of the parties and the ends of justice would best be served by dismissing the action. Murray argued that two public interest factors weigh strongly in favor of permitting his American action to go forward. First, that American copyright law will apply to his copyright infringement claims arising in the United States, militating in favor of an American forum and second, that the district court erroneously failed to acknowledge that the United States has localized interests in this controversy; i.e. an interest in whether Mr. Blobby merchandise will be available for sale in the United States.

At this point the court acknowledged that it was at a loss to see how this lawsuit had anything but the most attenuated American connection. The central issue in dispute con-

cerned the circumstances surrounding the creation of Mr. Blobby and once that dispute was resolved, the right to exploit the character would be quickly resolved. The United States had virtually no interest in resolving the truly disputed issues.

Finally, the court found that there was no merit in Murray's objections to the district court's balancing of the remaining private interest factors and stated that the district court in no way abused its discretion in finding that the location of witnesses weighed heavily in favor of appellees. With respect to the location of documentary and physical evidence, Judge Stanton concluded that virtually all such evidence was located in England, including telephone records and other documents evidencing Murray's course of dealings with customers other than the BBC. Therefore, the court ruled that all of the relevant private interest factors favored appellees and affirmed the district court ruling.