Appeal No. 03-3802

# *United States Court of Appeals*
## For the Eighth Circuit

THE RECORDING INDUSTRY ASSOCIATION OF AMERICA,

*Appellee,*

v.

CHARTER COMMUNICATIONS, INC.,

*Appellant.*

Appeal from the United States District Court for the Eastern District of Missouri
Hon. Carol E. Jackson, Chief United States District Judge

APPELLANT CHARTER COMMUNICATIONS' MOTION TO SUMMARILY REVERSE AND VACATE ORDER ENFORCING SUBPOENAS AND FOR IMMEDIATE REMAND


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## *INTRODUCTION*

The Recording Industry Association of American ("RIAA") subpoenaed Charter Communications, Inc. for the name, address, telephone number and e-mail addresses of nearly 200 subscribers to Charter's Internet services. Over Charter's objections, the district court compelled it to provide all of the information except the subscribers' telephone number.

However, as is now clear from last week's decision of the United States Court of Appeals for the District of Columbia Circuit, the district court lacked the power to issue or enforce these subpoenas. The statute on which the RIAA relied, Section 512(h) of the Digital Millenium Copyright Act of 1998 ("DMCA"), does not authorize the issuance of a subpoena to an Internet service provider that acts solely as a conduit for the transmission of allegedly infringing files between Internet users. *See Recording Industry Association of American v. Verizon Internet Services, Inc.*, __ F.3d __, No. 03-7053, 2003 WL 22970995 (D.C. Cir., Dec. 19, 2003). Accordingly, the district court lacked subject matter jurisdiction to issue or enforce the subpoenas.

The RIAA is in possession, through invalid subpoenas, of sensitive private information relating to hundreds of Charter subscribers. Moreover, the RIAA has not relented in seeking additional subpoenas for similar information on other Charter subscribers. Since the district court entered its Order enforcing the

subpoenas, the RIAA has had the court issue 30 additional subpoenas relating to 64 Charter subscribers.

Not only the subpoenas at issue here, but also all of the subsequent subpoenas that were issued by the clerk of court at the behest of the RIAA, pertain only to subscribers suspected of using Charter's Internet services to share software that allegedly infringes RIAA members' copyrights. All of the subpoenas are invalid.

Accordingly, Charter requests the Court: (1) to summarily reverse and vacate the district court's November 17, 2003 Order enforcing various subpoenas for personal information about Charter's subscribers; (2) to remand the case to the district court, with direction to grant Charter's Motion to Quash; (3) to instruct the clerk not to issue further subpoenas for the RIAA to obtain personal information concerning Charter's subscribers under Section 512(h); and (4) to instruct the district court to require the RIAA to return all subpoenaed subscriber data to Charter and to make no further use of such subscriber data.

## *BACKGROUND*

This case concerns the issue of whether the DMCA, specifically Section 512(h), 17 U.S.C. § 512(h), permits copyright owners and their representatives to obtain and serve subpoenas on ISPs to obtain information about the ISPs' subscribers, such as names, addresses, e-mail addresses, phone numbers, and other

data, who are alleged to be trading copyrighted works through the Internet using so-called "peer-to-peer" or "P2P" file sharing computer programs. Many people in this country and around the world share digital files using P2P computer programs with names such as KaZaA, Morpheus, and Grokster. Unlike centralized file-sharing programs, such as Napster, that rely upon a single facility for storing files, P2P file sharing programs allow an individual Internet user to access through the Internet the files located on other individuals' own computers.

In recent years, the RIAA has sought to identify individuals whom it claims are trading copyrighted works of music through P2P file sharing programs. As part of its effort to identify computer users it believes are infringing copyrights, the RIAA has employed tracking programs to identify the Internet Protocol (IP) addresses of computer users suspected of trading copyrighted music files. With an IP address, the RIAA can identify the ISP providing Internet access to an alleged infringing party. Only the ISP, however, can link a particular IP address with an individual's name and physical address. The RIAA does not claim that Charter itself is storing allegedly infringing material on its servers. Rather, at issue here is whether, under Section 512(h), the RIAA may obtain and serve subpoenas on ISPs requiring them to provide data about individual subscribers when the ISP functions solely as a conduit for the transmission of information by its subscribers.

## *PROCEDURAL HISTORY*

In this case, the RIAA issued subpoenas to Charter, pursuant to Section 512, to produce the names, physical addresses, telephone numbers, and e-mail addresses of approximately 200 of Charter's subscribers. *See* Subpoenas, Exhibit 1. On October 3, 2003, Charter filed a Motion to Quash the subpoenas on several grounds, including that "the DMCA does not authorize issuance of subpoenas to service providers where the service providers are involved solely in the transmission of peer-to-peer communications." *See* Charter Communications' Motion to Quash Subpoena Served by Recording Industry Association of America at 3, Exhibit 2.

In a hearing held on November 17, 2003, the district court denied Charter's Motion to Quash. *See Minute Order*, Nov. 17, 2002, Exhibit 3. The district court ordered Charter to give the RIAA by November 21 the names, addresses, and e-mail addresses of 150 subscribers who had received notice of the subpoenas, and to produce the same information by December 1 for another 50 to 70 subscribers who had not yet received notice. The district court declined to order Charter to provide the telephone numbers of subscribers.

On November 20, 2003, Charter filed a Notice of Appeal and a Motion to Stay the District Court's Order. The district court declined to act on the motion to stay its Order before the compliance deadline of November 21, 2003. On

November 21, 2003, Charter filed with this Court its Emergency Motion to Stay Order of Enforcement of Subpoena Pending Appeal. The Court denied a stay that same day. As a result, Charter turned over the subpoenaed names and addresses of its subscribers to the RIAA.

## *STANDARD OF REVIEW*

The district court's Order, enforcing the RIAA's subpoenas over Charter's objection, necessarily concluded that the subpoenas were authorized by 17 U.S.C. § 512 and therefore constituted a ruling of law. This Court reviews *de novo* a district court's rulings on issues of law. *See, e.g., National Union Fire Insurance Co. v. Terra Industries*, 346 F.3d 1160, 1164 (8th Cir. 2003).

## *ARGUMENT*

### *The District Court Lacked Jurisdiction Of The Subject Matter Because Section 512(h) Applies Only To ISPs Engaged In Storing Copyrighted Material And Not To ISPs, Such As Charter, Who Are Engaged Solely As A Conduit For The Transmission Of Information By Others*

When a district court lacks the statutory authority to issue a subpoena, it lacks jurisdiction of the subject matter in any enforcement proceeding. *See e.g. In Re Marc Rich & Co., A.G.*, 707 F.2d 663, 669 (2nd Cir. 1983)("A federal court's jurisdiction is not determined by its power to issue a subpoena; its power to issue a subpoena is determined by its jurisdiction.") Even though there is no actual case or controversy between the RIAA and Charter's subscribers in the Article III sense,

Charter may nevertheless raise the lack of subject matter jurisdiction in a subpoena enforcement proceeding directed to it, even on appeal. *See United States Catholic Conference v. Abortion Rights Mobilization, Inc.*, 487 U.S. 72 (1988); *Bueford v. Resolution Trust Corp.*, 991 F.2d 481, 485 (8th Cir. 1993).

Section 512(h) only permits a copyright owner to issue a subpoena to an ISP for identifying information about an alleged infringer if the ISP is provided statutory notification under Section 512(c)(3)(A), which requires that the ISP be able to both locate and remove the allegedly infringing material. *See Verizon*, Slip Op. at 11. When an ISP such as Charter is engaged solely as a conduit for the transmission of material by others, as occurs with subscribers using P2P file sharing software to exchange files stored on their personal computers, the ISP cannot locate such material on, or remove it from, others' computers, such that the required notification under Section 512(c)(3)(A) cannot take place, and, accordingly, a subpoena may not be issued under Section 512(h). *Id*. at 12.

The D.C. Circuit's conclusion flows inexorably from the language and structure of the DCMA provisions at issue. Section 512(h)(1) provides:

> A copyright owner or a person authorized to act on the owner's behalf may request the clerk of any United States district court to issue a subpoena to a service provider for identification of an alleged infringer in accordance with this subsection.

17 U.S.C. §512(h)(1). However, a copyright owner may obtain a subpoena from the clerk only if certain statutory requirements are met. One of those requirements is that notification be provided to the ISP under Section 512(c)(3)(A). In particular, three distinct parts of subsection (h) reference the Section 512(c)(3)(A) notification requirement. First, subsection (h)(2), entitled "Contents of request," states, in pertinent part, that "[t]he request may be made by filing with the clerk – (A) a copy of a notification described in subsection (c)(3)(A). Second, subsection (h)(4), entitled "Basis for granting subpoena," authorizes the clerk to issue a subpoena if, *inter alia*, "the notification filed satisfies the provisions of subsection (c)(3)(A)." Third, subsection (h)(5), entitled "Actions of service provider receiving subpoena," provides that an ISP is required to respond to a clerk-issued subpoena that is "either accompanying or subsequent to the receipt of a notification described in subsection (c)(3)(A)." Clearly, a subpoena under Section 512(h) may not be issued without meeting the notification requirements of Section 512(c)(3)(A).

Section 512(c)(3)(A) in turn requires notification to an ISP to include identification of allegedly infringing material sufficient to permit the ISP to "locate" and "remove" it. Specifically, (c)(3)(A) provides:

> To be effective under this subsection, a notification of claimed infringement must be a written communication provided to the designated agent of a service provider

> that includes substantially the following: . . . (iii) Identification of the material that is claimed to be infringing or to be the subject of infringing activity and *that is to be removed or access to which is to be disabled*, and information reasonably sufficient *to permit the service provider to locate the material*.

17 U.S.C. § 512(c)(3)(A)(emphasis added).

Here, as in *Verizon*, the RIAA's subpoenas fail to meet the requirements of Section 512(c)(3)(A)(iii) because the P2P file sharing does not involve the storage of infringing materials on an ISP's own computers, and therefore an ISP such as Charter or Verizon cannot "locate" or "remove" such materials. The *Verizon* Court explained:

> Infringing material obtained or distributed via P2P file sharing is located in the computer (or in an off-line storage device, such as a compact disc) of an individual user. No matter what information the copyright owner may provide, the ISP can neither "remove" nor "disable access to" the infringing material because that material is not stored on the ISP's servers. Verizon can not remove or disable one user's access to infringing material resident on another user's computer because Verizon does not control the content on its subscribers' computers.

*Verizon*, Slip Op. at 9-10.

Significantly, the D.C. Circuit rejected the RIAA's arguments that its subpoenas for identities of alleged P2P infringers should nevertheless be issued and enforced under § 512(h). First, the RIAA argued that the ISP could "disable

access" to infringing material by terminating an offending subscriber's Internet account. *Verizon*, Slip Op. at 10. In response, the D.C. Circuit pointed out that, where Congress wanted to authorize the termination of subscriber accounts, it had done so explicitly, for example, in Section 512(j)(1)(A)(ii), and that such an extreme remedy was not contemplated by Section 512(c)(3)(A)'s reference to removing or disabling access to particular infringing material. *Id*. Second, the RIAA argued that a notification could be "effective" under Section 512(c)(3)(A) if it met the requirements of (A)(i)-(ii) and (A)(iv)-(vi), even if it did not meet the requirements of subsection (A)(iii). *Id*. The Court also rejected this contention, finding that

> [t]he defect in the RIAA's notification is not a mere technical error; nor could it be thought 'insubstantial' even under a more forgiving standard. The RIAA's notification identifies absolutely no material Verizon could remove or access to which it could disable, which indicates to us that § 512(c)(3)(A) concerns means of infringement other than P2P file sharing.

*Id*. at 11. Third, the Court found unpersuasive RIAA's suggestion that the subpoena authority of Section 512(h) was not limited to ISP's engaged in storing copyrighted material. The D.C. Circuit instead agreed with Verizon that

> The presence in § 512(h) of three separate references to § 512(c) and the absence of any reference to § 512(a) [involving "transitory" communications] suggests the subpoena power of § 512(h) applies only to ISPs engaged

> in storing copyrighted material and not to those engaged solely in transmitting it on behalf of others.

*Verizon*, Slip Op. at 12. Finally, the D.C. Circuit found that the RIAA's general references to legislative intent underlying the DMCA could not serve as a basis to contradict the text of the statute itself. Noting that "P2P software was 'not even a glimmer in anyone's eye when the DMCA was enacted,'" *Id*. at 14 (internal citation omitted), the court emphasized that it was the province of Congress, not of the courts, to decide whether to rewrite the DMCA "in order to make it fit a new and unforeseen [I]nternet architecture" and "accommodate fully the varied permutations of competing interests that are inevitably implicated by such new technology." *Id*. at 15 (citing *Sony Corp. v. Universal Studios, Inc.*, 464 U.S. 417, 431 (1984)).

The D.C. Circuit's conclusions that "any notice to an ISP concerning its activity as a mere conduit does not satisfy the condition of § 512(c)(3)(A) and is therefore ineffective" and that "§ 512(h) does not by its terms authorize the subpoenas issued [by the RIAA]," *id*. at 12, apply with equal force to the RIAA's subpoenas obtained from the clerk and served on Charter in this case. Just like Verizon, Charter is an ISP that provides Internet access to its customers but does not have access to any of its subscribers' own computer files and does not have the capability of searching its subscribers' computers. Just like Verizon, Charter

cannot "locate" or "remove" allegedly infringing material on its subscribers' own computers. *See* Verizon, Slip Op. at 9-10. Here, none of the RIAA's subpoenas satisfy the statutory notification requirement of Section 512(c)(3)(A). Accordingly, all of the RIAA's subpoenas served on Charter are invalid. Therefore Court should summarily reverse and vacate the district court's Order enforcing the RIAA's subpoenas immediately.

Charter has already produced confidential personal information about its subscribers (including home and e-mail addresses) pursuant to that Order during the last month, and is being forced to continue responding to similar RIAA subpoenas. Charter therefore requests that this Court enter its order immediately remanding this case to the district court with directions to grant Charter's Motion to Quash and with specific instructions that the clerk not issue any further subpoenas to Charter for the RIAA under Section 512(h). Charter further requests the Court to direct the RIAA to return all subpoenaed subscriber data to Charter immediately and to make no further use of such subscriber data.

Charter has a distinct interest in not only protecting its subscribers' privacy at the outset of the subpoena process, but also retrieving personal data that was obtained by an unlawful subpoena or court order. *See, e.g., Church of Scientology of California v. United States*, 506 U.S. 9, 13 (1992) ("Even though it is now too late to prevent, or to provide a fully satisfactory remedy for, the invasion of

privacy that occurred . . . a court does have the power to effectuate a partial remedy by ordering the [party that obtained personal records] to destroy or return any and all copies it may have in its possession.")

These instructions are especially vital because personally identifiable subscriber information is protected under the Communications Act, and Charter is required to notify its subscribers about the nature, frequency, and purpose of any disclosure of such information. *See* 47 U.S.C. § 551. Even if the RIAA has begun to make use of subscriber data provided by Charter, it should not be allowed to continue doing so, since it is clear, as illustrated by the D.C. Circuit's *Verizon* ruling, that the RIAA had no valid basis under the DMCA to obtain or enforce the subpoenas it served on Charter.

## *CONCLUSION*

WHEREFORE, for the foregoing reasons, Charter requests that the Court enter its order as follows:

(1) summarily reversing and vacating the district court's November 17, 2003 Order enforcing various subpoenas for personal information about Charter's subscribers;

(2) remanding the case to the district court, with direction to grant Charter's Motion to Quash;

(3) instructing the clerk of the district court not to issue further subpoenas for the RIAA to obtain personal information concerning Charter's subscribers under Section 512(h);

(4) instructing the district court to require the RIAA to return all subpoenaed subscriber data to Charter and to make no further use of such subscriber data; and

(5) granting such other relief as the Court deems proper in the circumstances.

Respectfully submitted,

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Dated: December 23, 2003

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was served on this 23d day of December, 2003, in the manner and upon the persons indicated below.

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