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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

AUG -2 2004

MICHAEL D. SCHENK
CLERK, U. S. DISTRICT COURT

JOHN F. TAMBURO,)
D/B/A MAN'S BEST FRIEND SOFTWARE,)

Plaintiff,)

v.)

STEVEN DWORKIN, KRISTEN HENRY,)
ROXANNE HAYES, KAREN MILLS,)
WILD SYSTEMS PTY. LTD., an AUSTRALIAN)
CORPORATION,)

Defendants.)

DEFENDANTS' MEMORANDUM
IN SUPPORT OF THEIR MOTION
TO DISMISS PLAINTIFF'S
THIRD AMENDED COMPLAINT

Case No. 04 C 3317


Hon. Joan B. Gottschall

NOTICE OF FILING

To:

Please take notice that I have this 2nd day of August 2004 filed with the Clerk of the above Court the **DEFENDANTS' MEMORANDUM IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS PLAINTIFF'S THIRD AMENDED COMPLAINT**, a copy of which is herewith served upon you.

Dated this 2nd day of August 2004.


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MEMORANDUM IN SUPPORT OF DEFENDANTS'
MOTION TO DISMISS PLAINTIFF'S THIRD AMENDED COMPLAINT

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DEFENDANTS' JOINT MOTION TO
DISMISS PLAINTIFF'S THIRD AMENDED COMPLAINT

NOW COME Defendants Steven Dworkin, Kristen Henry, Roxy Hayes, Karen Mills, and Wild Systems Pty. Ltd, an Australian Corporation, (collectively, the "Defendants") pursuant to Rule 12(b)(2) and 12(b)(6) of the Federal Rules of Civil Procedure and respectfully submit this Memorandum in Support of Their Motion to Dismiss Plaintiff's Third Amended Complaint. In support of their motion to dismiss, Defendants state as follows:

OPENING STATEMENT

By this action, the Plaintiff has sought to harass and pursue unnecessarily in bad faith meritless claims against the Defendants for comments made and/or allowed to be published by the Defendants in reaction to admitted conduct by the Plaintiff and his corporation, Versity Corporation, (collectively "MBFS") in acquiring through devious means the fruits of the Defendants' labor. MBFS antagonized Defendants Steven Dworkin, Kristin Henry, Roxy Hayes, and Karen Mills ("Database Defendants") by surreptitiously acquiring information and raw data from proprietary electronic databases the Database Defendants had created through their time, money and effort.¹ While the Database Defendants kindly permitted individuals to search their databases as a courtesy, this did not include access to the information and raw data within these proprietary databases. MBFS then incorporated the Database Defendants' work into its commercial product and advertised the additional data. In response to this offensive conduct, the Defendants publicly complained of MBFS. Defendant Wild Systems Pty. Ltd ("Defendant Wild") allowed individuals to publicly communicate their frustration with MBFS on its online

¹ Interestingly, MBFS prohibits this same conduct on its site and expressly forbids this as noted on its website. See <http://www.mbfs.com/copyright.asp> ("The following activity on the Site is expressly prohibited: Any non-personal or commercial use of any robot, spider, other automatic device, or manual process to monitor or copy portions of the Site or the content contained herein without prior written permission by MBFS").

message board. Plaintiff John Tamburo then filed this meritless lawsuit against the Defendants for their failure to enjoy and remain silent over MBFS' perceived unethical and tortious commercial activity. Indeed, Plaintiff John Tamburo has alleged broad claims of conspiracy and unfair competition because the Defendants, brought together through MBFS' conduct, share dismay and anger of the conduct of MBFS and its use of their information and raw data. This action and the Plaintiff's 3rd Amended Complaint should be dismissed in its entirety.

BACKGROUND

This controversy involves dogs and dog enthusiasts. All of the parties have some involvement with dog pedigrees. See 3rd Am. Compl., ¶¶ 11, 15, 18. The Database Defendants operate websites on which individuals may search for pedigrees of dogs at no charge. They are noncommercial websites. See id. at ¶ 18. Although individuals may conduct individual searches for pedigrees, individuals do not have access to the complete database; that is, the information and raw data contained therein. Defendant Wild operates a commercial website selling its product Breedmate.² At the time of the incidents giving rise to this action, Man's Best Friend Software ("MBFS") served as a "Doing Business As" for Versity Corporation, an Illinois corporation with which Plaintiff Tamburo is associated. MBFS operated a commercial website that sold a commercial database of dog pedigrees, among other products. See 3rd Am. Compl., ¶¶ 16, 17.

Early in 2004, MBFS created a computer program that surreptitiously acquires the information and raw data from databases. See 3rd Am. Compl., ¶ 21. In this case, MBFS used this computer program, often referred to as robots or spiders,³ to successfully acquire the

² The sale of Breedmate in and of itself and Wild's website are not at issue in this action.

³ For a discussion of these computer programs, see discussion in the following cases: Register.com, Inc. v. Verio, Inc., 126 F. Supp.2d 238 (S.D.N.Y. 2000) (the court issued an injunction preventing Verio from using spiders to search Register's database ("spidering") for customer names and contact information and sending them

information and raw data from the databases owned by the Database Defendants. MBFS then incorporated the raw data into its commercial product and advertised these additional pedigrees.

See 3rd Am. Compl., ¶¶ 21-24.

MBFS' conduct obviously and understandably upset the Database Defendants. In response to the unauthorized acquisition of the information and raw data from their databases, the Database Defendants complained of MBFS' conduct on some of their websites, on a limited number of mailing lists, and on a Yahoo! Group operated by Defendant Wild during late Spring 2004.

All of this occurred prior to May 11, 2004. On May 11, 2004, Plaintiff Tamburo filed the first Complaint in this action in response to the Defendants' complaints about MBFS' conduct. See Compl., (Doc. #1). On May 25, 2004, Versity Corporation voluntarily dissolved itself. Presumably, on May 25, 2004, Plaintiff Tamburo personally began using the name MBFS and Man's Best Friend Software. Since then, Plaintiff Tamburo has filed three amended complaints.⁴ The Defendants now move to dismiss Plaintiff Tamburo's 3rd Amended Complaint in its entirety.

ARGUMENT

The Defendants seek to dismiss the Plaintiff's 3rd Amended Complaint in its entirety. First, this Court does not have personal jurisdiction over any of the Defendants. Consequently, the 3rd Amended Complaint should be dismissed pursuant to Rule 12(b)(2) of the Federal Rules of Civil Procedure. Alternatively, should the Court chose not to dismiss the 3rd Amended Complaint on this basis alone, Plaintiff Tamburo's claims should be dismissed pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure because Plaintiff Tamburo does not represent

advertisements); eBay, Inc. v. Bidder's Edge, Inc., 100 F. Supp.2d 1058 (N.D. Cal. 2000) (the court enjoined Bidder's Edge from spidering eBay's site to report pricing information).

the true party in interest. Alternatively, Plaintiff Tamburo has failed to sufficiently state claims as a matter of law. Finally, the Defendants have immunity against any liability for allowing co-Defendants and/or third parties to post messages on their mailing lists or message boards regarding Plaintiff Tamburo.

I. Rule 12(b)(2) – Lack of Personal Jurisdiction

This Court lacks personal jurisdiction over the Defendants. The statements and communications at issue (and from which the Plaintiff has conjured so many claims) all have been made on Internet websites, through a small number of electronic message boards and mailing lists, or private electronic mail.⁵ In Illinois and in this federal district, online statements do not by themselves provide sufficient minimal contacts for the exercise of personal jurisdiction. The Defendants, two of which are domiciled in foreign countries, have no other contacts with the State of Illinois. Thus, this Court lacks personal jurisdiction over the Defendants and the 3rd Amended Complaint should be dismissed in its entirety.

A. Standard

Rule 12(b)(2) of the Federal Rules of Civil Procedure provides for the dismissal of actions and claims where the Court lacks personal jurisdiction over the defendants. See Fed. R. Civ. P. 12(b)(2). To survive such a motion, the Plaintiff must make a prima facie case for personal jurisdiction over the defendants. See RAR, Inc. v. Turner Diesel, Ltd., 107 F.3d 1272, 1276 (7th Cir. 1997); see also Nelson ex rel. Carson v. Park Indus., Inc., 717 F.2d 1120, 1123 (7th Cir.1983). Although a court must resolve all factual conflicts in favor of the Plaintiff, the court may consider affidavits from the Defendants in deciding such a motion. See Nelson, 717

⁴ Although the Plaintiff has filed three Amended Complaints (four pleadings total), the terms Complaint, Amended Complaint, and Third (or 3rd) Amended Complaint all refer to the most recent pleading, Plaintiff's Third Amended Complaint.

F.2d at 1123. A court in diversity must determine whether an Illinois court would have jurisdiction over non-resident defendants. See McIlwee v. ADM Indus., Inc., 17 F.3d 222, 223 (7th Cir. 1999). Personal jurisdiction may be general or specific.

B. General Jurisdiction

General jurisdiction occurs in suits that do not arise out of or are related to the defendants' contacts with the forum state. See Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 414 n. 8, 104 S.Ct. 1868, 1872 n. 8 (1984). General jurisdiction can only occur where the defendant is either domiciled in the forum state or has "continuous and systematic general business contacts" with the forum. Id. at 414-416, 104 S.Ct. at 1873. These contacts must be extensive and persuasive. See LaSalle Nat'l Bank v. Vitro, Sociedad Anonima, 85 F. Supp.2d 857, 861 (N.D. Ill. 2000) (quoting Reliance Steel Prods. v. Watson, Ess. Marshall, 675 F.2d 587, 589 (3rd Cir. 1982)).

Here, the Defendants are not domiciled in Illinois. See 3rd Am. Compl., ¶¶ 2-6. Plaintiff Tamburo has not alleged that the Database Defendants have such systematic contacts with Illinois to make general jurisdiction applicable. Consequently, with respect to the Database Defendants, Mr. Tamburo has waived any general jurisdiction argument. See RAR, Inc., 107 F.3d at 1277. Although Mr. Tamburo alleges that Defendant Wild "regularly conducts business within Illinois by marketing Breedmate into Illinois and selling the program to Illinois citizens," Defendant Wild does not specifically target Breedmate to Illinois citizens. See Affidavit of Ronald de Jong (attached as Exhibit A). Rather, Defendant Wild merely operates a website from which individuals may purchase its products and obtain other useful information. Although the possibility of sales by Illinois citizens exists through its website, this alone is insufficient to

⁵ Plaintiff Tamburo's claim that communications by the Defendants have been posted to hundreds of lists is unsupported by his allegations and blatantly false.

warrant general jurisdiction. See LaSalle National Bank, 85 F. Supp.2d at 862 (citing and quoting Molnlycke Health Care AB v. Dumex Medical Surgical Products Ltd., 64 F. Supp.2d 448, 451 (E.D. Pa. 1999) (“[t]o hold that the possibility of ordering products from a website establishes general jurisdiction would effectively hold that any corporation with such a website is subject to general jurisdiction in every state. The court is not willing to take such a step.”) and IDS Life Ins. Co. v. SunAmerica, Inc., 958 F. Supp. 1258, 1268 (N.D. Ill. 1997) (“Plaintiffs ask this court to hold that any defendant who advertises nationally or on the Internet is subject to its jurisdiction. It cannot plausibly be argued that any defendant who advertises nationally could expect to be haled into court in any state, *for a cause of action that does not relate to the advertisements.*”) (emphasis in quoted citation, not in original), aff’d in part, vacated in part on other grounds, 136 F.3d 57 (7th Cir. 1998)). Therefore, general jurisdiction is inapplicable to the determination of whether this Court has personal jurisdiction over Defendant Wild. See Euromarket Designs, Inc. v. Crate & Barrel Ltd., 96 F. Supp.2d 824, 833 (N.D. Ill. 2000); RAR, Inc., 107 F.3d at 1277; LaSalle National Bank, 85 F. Supp.2d at 862; Molnlycke Health Care AB, 64 F. Supp.2d at 451; IDS Life Ins. Co., 958 F. Supp. at 1268.

Because the Defendants do not have the "continuous and systematic general business contacts" necessary for general jurisdiction, see id., the Defendants cannot be subject to personal jurisdiction based on the principle of general jurisdiction. See id.; Helicopteros Nacionales de Colombia, S.A., 466 U.S. at 414-416, 104 S.Ct. at 1873. Therefore, the inquiry must focus on whether the Court can exercise personal jurisdiction over the Defendants based on the principle of specific jurisdiction. The Defendants contend the Court cannot.

C. Specific Jurisdiction

The Defendants do not have sufficient minimal contacts with the State of Illinois for this Court to exercise specific personal jurisdiction. Even were the Court to find sufficient minimal contacts as to any of the Defendants, the exercise of specific personal jurisdiction would not comport with due process and the notions of substantial justice and fair play.

1. *Standard*

To demonstrate specific personal jurisdiction, a Plaintiff must show that each defendant has sustained sufficient minimum contacts with the forum to fall within the framework of International Shoe Co. v. Washington, 326 U.S. 310, 66 S.Ct. 154 (1945). See Euromarket Designs, Inc., 96 F. Supp.2d at 833. This inquiry involves two elements. First, the Plaintiff must demonstrate that a defendant is amenable to service of process. Second, the Plaintiff must demonstrate that “bringing the defendant into court is consistent with the Fifth Amendment’s due process guarantees.” See id. at 833-834. Service becomes sufficient on a defendant under Rule 4(k) of the Federal Rules of Civil Procedure when service is provided for by a United States statute or “when the defendant could be subjected to the jurisdiction of a court in the forum state through that state’s long-arm statute.”⁶ See id. The Illinois long-arm statute “provides that a defendant submits to the jurisdiction of the Illinois courts if it commits a tortious act within the state and ‘the cause of action arises from the doing of such act.’” See id. at 834 (quoting Clipp Designs, Inc. v. Tag Bags, Inc., 996 F. Supp. 766, 768 (N.D. Ill. 1998)). It also provides that jurisdiction may be exercised to the fullest extent permitted by the state and federal constitutions. As such, the analysis under the Illinois long-arm statute collapses into one of a constitutional due process analysis. See Euromarket Designs, Inc., 96 F. Supp.2d at 834. This due process analysis

involves the examination of three principles. First, the Court must examine whether sufficient minimal contacts exist with the forum. See id. Second, the Court must ensure that the claims asserted arise from forum related activities. See id. Finally, the Court must ensure that the exercise of jurisdiction would be reasonable. See id.

2. *Electronic Mails from Defendant Dworkin to MBFS*

In Count Two, Plaintiff Tamburo alleges that Defendant Dworkin committed an act of extortion by sending Plaintiff Tamburo emails requesting that MBFS cease and desist the use of information and raw data from his database.⁷ Email alone, without additional substantial contacts, will not amount to personal availment. See Machulsky v. Hall, et al., 210 F. Supp.2d 531, 539-540 (D. N.J. 2002) (citing Barrett v. Catacombs Press, 44 F. Supp.2d 717, 729 (E.D. Pa. 1999) (holding that an exchange of three emails regarding defendant’s web site did not “amount to the level of purposeful targeting required under the minimum contacts analysis”)). Indeed, in this case, the electronic mails sent by Defendant Dworkin amounted to the equivalent of “cease and desist” letters. A cease and desist letter sent into a forum is not sufficient to create jurisdiction. See Trost v. Bauer, No. 01 C 2038, 2001 WL 845477, * 7 (N.D. Ill. Jul. 24, 2001); E.J. McGowan & Associates, Inc. v. Biotechnologies, Inc., et al., 736 F. Supp. 808, 812 (N.D. Ill. 1990) (although sending infringement letters constitutes business within district, sending of infringement letters does not in and of itself satisfy due process clause for purposes of exercising personal jurisdiction); Modern Computer Corp. v. Ma, 862 F. Supp. 938, 945 (E.D.N.Y.1994) (sending a cease and desist letter in his forum alone is insufficient to establish the minimum contacts necessary for personal jurisdiction). Consequently, Defendant Dworkin’s electronic

⁶ In his 3rd Amended Complaint, Plaintiff Tamburo brings claims for anti-trust and alleges this court has jurisdiction pursuant to 15 U.S.C. § 4. However, Plaintiff Tamburo fails to indicate how personal jurisdiction is proper against the Defendants pursuant to 15 U.S.C. § 4.

⁷ Defendants argue below that extortion is not a private right of action or a civil remedy.

mails seeking to make MBFS cease and desist from the use of Defendant Dworkin's proprietary information and raw data do not constitute sufficient contacts with Illinois to meet the minimal contacts necessary to exercise specific general jurisdiction on this basis. See Machulsky, 210 F. Supp.2d at 539-540; Trost, 2001 WL 845477 at *7; E.J. McGowan & Associates, Inc., 736 F. Supp. at 812; Modern Computer Corp., 862 F. Supp. at 945.

3. *Message Boards and Mailing Lists*

Most of the remaining claims in Plaintiff Tamburo's 3rd Amended Complaint arise from alleged defamatory communications posted to certain mailing lists, such as the Schipperke List, and Yahoo! message boards, such as Defendant Wild's Breedmate board. See 3rd Am. Compl., Counts Three, Four, Five, Six, Seven, Eight, Thirteen, Fourteen, Seventeen, Eighteen, and Nineteen. These communications do not suffice to meet the minimal contacts necessary to exercise specific personal jurisdiction.

In determining whether jurisdiction exists for alleged intentional torts, the Seventh Circuit has adopted the "effects" test of Calder v. Jones, 465 U.S. 783, 104 S.Ct. 1482 (1984).⁸ See generally Indianapolis Colts, Inc. v. Metro. Baltimore Football Club Ltd. Partnership, 34 F.3d 410 (1994). The effects test

is satisfied when the plaintiff alleges that the defendant committed an intentional tort expressly aimed at the forum state; the actions caused harm, the brunt of which was suffered in the forum state; and the defendant knew that the effects of its actions would be suffered primarily in the forum state.

⁸ Calder v. Jones, 465 U.S. 783 (1984) involved an action that arose from a California state court. Consequently, it did not address an analysis of venue under 28 U.S.C. 1391. As Plaintiff Tamburo has alleged subject matter jurisdiction exists due to diversity, section (1)(a) of 28 U.S.C. 1391 must be met for the Northern District of Illinois to be the proper venue. Absent personal jurisdiction over the Defendants, there does not exist sufficient bases for proper venue in the Northern District of Illinois. None of the defendants reside or are domiciled in Illinois. A substantial part of the events giving rise to the claims occurred outside Illinois. MBFS prompted the communications by engaging in questionable conduct *in the Defendants' forums*. The Defendants made the communications from their respective forums. Consequently, the Northern District of Illinois is not the proper venue. See 28 U.S.C. 1391.

Hy Cite Corp. v. Badbusinessbureau.com, L.L.C., 297 F. Supp.2d 1154, 1165, (W.D. Wis. 2004); (citing Calder, 465 U.S. at 788-90, 104 S.Ct. 1482; Wallace v. Herron, 778 F.2d 391, 394 (7th Cir.1985)). In Wallace v. Herron, the Seventh Circuit made clear that the effects test does not supplant traditional due process analysis. See Wallace, 778 F.2d at 394. The Wallace Court explained that "[w]e do not believe that the Supreme Court, in Calder, was saying that any plaintiff may hale any defendant into court in the plaintiff's home state, where the defendant has no contacts, merely by asserting that the defendant has committed an intentional tort against the plaintiff." Id. More recently, the Seventh Circuit held that

[i]n Calder as in all the other cases that have come to our attention in which jurisdiction over a suit involving intellectual property (when broadly defined to include reputation, so that it includes Calder itself) was upheld, *the defendant had done more than brought about an injury to an interest located in a particular state.*

Indianapolis Colts, Inc., 34 F.3d at 412 (emphasis added).

This analysis is particularly applicable to the Internet where a mailing list, bulletin board, Yahoo! message board or other electronic forum can quite literally be accessed by anyone in the world. Any contrary reading would require that anyone communicating anything online might be subject to any jurisdiction. Indeed, recent opinions of the district courts in the Seventh Circuit addressing Internet related issues have adopted the Wallace Court's analysis of Calder.⁹ See Hy Cite Corp., 297 F. Supp.2d at 1165. Consequently, there must be something more than the alleged injury in the forum state. See id.; Imo Indus., Inc. v. Kiekert AG, 155 F.3d 254, 265 (3rd Cir.1998) ("the Calder 'effects test' can only be satisfied if the plaintiff can point to contacts

⁹ Jurisdictional analysis must continue to evolve with the evolution of technology. Nearly a century ago, the Supreme Court made clear that "[a]s technological progress has increased the flow of commerce between States, the need for jurisdiction has undergone a similar increase." Hanson v. Denckla, 357 U.S. 235, 250-251, 78 S.Ct. 1228, 1237-1238 (1958). This principle remains ever so relevant.

which demonstrate that the defendant expressly aimed its tortious conduct at the forum, and thereby made the forum the focal point of the tortious activity").

Here, Plaintiff Tamburo has complained of electronic communications made by the Defendants and posted to varying electronic mailing lists and message boards.¹⁰ Although Plaintiff Tamburo claims that messages have been posted to “hundreds” of mailing lists, Plaintiff Tamburo only refers to three specific lists: the Schipperke List, the Breedmate Yahoo! Group, and COLPedigrees.¹¹ As stated earlier, the Defendants are not domiciled in Illinois. The Defendants operate their mailing lists outside of Illinois. Indeed, Defendant Wild operates the Breedmate Group from Australia. See 3rd Am. Compl., ¶¶ 3, 6, 39, 40, 68. None of the Defendants’ lists target Illinois specifically. Plaintiff Tamburo has not alleged any different. Indeed, a geographic location is not the nexus of the list members’ interest. Rather, the lists are electronic communities where “dog enthusiasts gather.” See 3rd Am. Compl., ¶ 47. Plaintiff Tamburo has not alleged that, apart from his support manager, anyone in Illinois has received the communications. See generally 3rd Am. Compl. None of the Defendants specifically markets products in Illinois. In fact, the only commercial defendant is Defendant Wild. Finally, the communications arose from MBFS’ successful efforts in acquiring the information and raw data from the Database Defendants’ dog pedigree databases without their permission or authorization by using a computer program that extracted the raw data and information *from locations outside Illinois*. Consequently, the Defendants cannot be said to have aimed their communications directly to Illinois or made Illinois the focal point of the dispute. Thus, specific personal

¹⁰ Whether through mailing lists operated by the Defendants through private servers or Yahoo! Message boards operated through Yahoo!’s portal, the analysis remains the same.

¹¹ Plaintiff Tamburo claims that Defendant Dworkin sent a message to all persons who had a free online database of dog pedigrees on the Internet. See 3rd Am. Compl., 44. The exhibit to which Plaintiff Tamburo sites reflects a single recipient, “Aflirin Database.” Aflirin refers to the underlying software used by some to operate their

jurisdiction cannot be exercised over the Defendants for communications posted on electronic mailing lists or message boards that do not target Illinois where the Defendants have no other contacts with Illinois apart from the Plaintiff or his support manager receiving copies of the electronic communications. See Hy Cite Corp., 297 F. Supp.2d at 1165; Imo Indus., Inc., 155 F.3d at 265; Wallace, 778 F.2d at 394.

4. *Websites*

Finally, the noncommercial websites operated by Defendants Hayes, Mills and Henry do not provide the minimal contacts necessary for specific personal jurisdiction.¹² In his 3rd Amended Complaint, Plaintiff Tamburo refers to communications posted to the noncommercial websites owned by Hayes, Mills and Henry.¹³ See 3rd Am. Compl., ¶¶ 45, 52, 55, 76.

In the Seventh Circuit, courts have adopted the “sliding scale” approach formulated in Zippo Mfg. Co. v. Zippo Dot Com, Inc., 952 F. Supp. 1119, 1123-24 (W.D. Pa. 1997) to determine whether a website subjects its operator to personal jurisdiction. See Infosys Inc. v. Billingnetwork.com, Inc., No. 03 C 2047, 2003 WL 22012687, *2 (N.D. Ill. Aug. 27, 2003); Berthold Types Ltd. v. European Mikrograf Corp., 102 F. Supp.2d 928, 932 (N.D. Ill. 2000); Ty Inc. v. Clark, No. 99 C 5532, 2000 WL 51816, *3 (N.D. Ill. Jan 14, 2000). This “sliding scale” approach divides websites into three categories. “Active” websites include those through which commercial business is conducted through the website in an interactive manner. These websites would subject their operators to personal jurisdiction. See Berthold Types Limited, 102 F. Supp.2d at 932. “Passive” websites include those where information has been posted to the

databases. It does not infer what Plaintiff Tamburo alleges. Plaintiff Tamburo does not name any additional databases in paragraphs 47, 48 and 50 of his 3rd Amended Complaint.

¹² Although Defendant Wild operates a commercial website, Plaintiff Tamburo does not allege that defamatory communications appeared on Wild’s website. Consequently, as the claims do not arise from Defendant Wild’s website, the website cannot be used to give rise to specific personal jurisdiction.

Internet but does not provide for further online interaction. These websites would not subject their operators to personal jurisdiction. Indeed, courts may not exercise jurisdiction over defendants who operate such websites “that merely provide information or advertisements without more.” Id. at 933. The third category involves “hybrid” websites that involve some interactivity. In determining whether a “hybrid” website suffices to confer personal jurisdiction over an individual, courts focus on whether a defendant “purposely directed its activities at the residents of the forum.” Infosys Inc., 2003 WL 22012687 at *4.

Here, the websites of the Defendants Hayes, Mills and Henry are noncommercial and predominantly passive. The websites provide links and information related to their various dog breeds and dogs in general. While the websites permit individuals to search dog pedigree databases, sign guestbooks, and communicate with the website operators, the websites are noncommercial, and nothing on the websites specifically targets Illinois residents. Moreover, the Defendants do not operate the websites from Illinois; do not have the websites hosted with an Internet server in Illinois; and, do not have the websites maintained from Illinois. Plaintiff Tamburo has not alleged anything to the contrary. Consequently, the websites cannot reach the level of commercial interactivity required under the standard for personal jurisdiction adopted in this district. See Infosys Inc., 2003 WL 22012687 at *4; Berthold Types Limited, 102 F. Supp.2d at 932-934; see also generally Ty Inc. v. Clark, 2000 WL 51816 (N.D.Ill.2000); School Stuff, Inc. v. School Stuff, Inc., No. 00 C 5593, 2001 WL 558060, *3 (N.D. Ill. May 21, 2001). Therefore, this Court cannot exercise specific personal jurisdiction over the Defendants based on

¹³ It should be noted that Plaintiff Tamburo does not specifically explain how some of the “text” or communications found on the websites can be considered defamatory considering the explanatory text surrounding the statements. See 3rd Am. Complaint, ¶¶ 52, 55, and 76.

their websites.¹⁴ See id.

5. *Due Process Analysis*

Assuming, arguendo, that the Defendants have the minimal contacts necessary to exercise specific personal jurisdiction over them, any such exercise of specific personal jurisdiction over the Defendants would not comport with traditional notions of fair play and substantial justice. See International Shoe Co., 326 U.S. at 316; Euromarket Designs, Inc., 96 F. Supp.2d at 833. If the Plaintiff has succeeded in establishing a prima facie case for the exercise of personal jurisdiction over the Defendants (which the Defendants contend he has not), the Court must have found that the Defendants directed their activities at forum residents. See id. To overcome the exercise of jurisdiction at this juncture, the Defendants “must present a compelling case that the presence of some other considerations would render jurisdiction unreasonable.” Burger King v. Rudzewicz, 471 U.S. 462, 476, 105 S.Ct. 2174, 2184 (1985). The Defendants can successfully satisfy this requirement.

It must be remembered that the communications made and/or published by the Defendants arose from MBFS sending a nefarious computer program to surreptitiously obtain information from the noncommercial databases owned and operated by the Database Defendants in *their* jurisdictions.¹⁵ Consequently, MBFS initiated the contact by engaging in conduct in *foreign* jurisdictions. This tortious conduct caused the Defendants substantial concern that MBFS exacerbated by incorporating the raw data from the work product into its commercial product. The Defendants had invested substantial amount of time, money, and expense in creating and maintaining these databases. The acquisition of this work product by MBFS

¹⁴ Even considering the alleged conduct collectively as to each individual defendant, the posting of communications online and operation of a website not targeted to Illinois cannot provide sufficient minimal contacts to exercise specific personal jurisdiction.

¹⁵ MBFS also attempted to surreptitiously obtain information from the database held by Defendant Wild Systems. These attempts were unsuccessful.

amounted to theft. Theft is defined as “[t]he taking of property without the owner’s consent.” BLACK’S LAW DICTIONARY 1324 (5th ed. 1979) (citing People v. Sims, 29 Ill.App.3d 815, 331 N.E.2d 178, 179) (Ill. App. 1975)). MBFS took the Defendants’ property without their consent.¹⁶ In response, the Database Defendants complained of the conduct online within their dog pedigree communities. MBFS and Plaintiff Tamburo disagreed with the Database Defendants’ characterization of the conduct at issue and, as a penalty, filed suit in Illinois against three noncommercial, nonresident individuals; one noncommercial, nonresident, Canadian individual; and, one Australian commercial company.

Plainly stated, the Defendants could not have expected to be haled into court in the Northern District of Illinois. To subject them to personal jurisdiction in this Court would not do substantial justice and fair play. As the Illinois Constitution teaches, "jurisdiction is to be asserted only when it is fair, just, and reasonable to require a nonresident defendant to defend an action in Illinois, considering the quality and nature of the defendant's acts which occur in Illinois or which affect interests located in Illinois." RAR, Inc., 107 F.3d at 1276. Specific personal jurisdiction over the Defendants in this action would not be fair, just or reasonable. Consequently, this Court must conclude that specific personal jurisdiction cannot be exercised against the Defendants.¹⁷ See id.

D. Defendants Not Subject to Jurisdiction

Plaintiff Tamburo has failed to allege sufficient minimum contacts by each of the Defendants to warrant the exercise of personal jurisdiction. None of the defendants are

¹⁶ There may be some disagreement as to the nature of the “property” taken without authorization. There remains no question that MBFS took the work product and efforts of the Database Defendants without their authorization and employed it for its own commercial gain.

¹⁷ If the Court exercises specific personal jurisdiction over these Defendants in this circumstance, such a ruling would encourage any individual or entity to engage in conduct, whether illegal, unethical, or offensive, in a foreign jurisdiction, wait for the victims to complain publicly, and then file suit against them in the perpetrators forum.

domiciled in Illinois. None of the defendants have continuous and systematic general business contacts with Illinois. Thus, general personal jurisdiction is inapplicable. Plaintiff Tamburo implicitly contends that “cease and desist” emails sent by Defendant Dworkin; communications posted to electronic communication forums by Defendants Dworkin, Henry, Mills and Hayes; and postings to the Defendants’ websites constitute sufficient contacts to exercise personal jurisdiction. These activities do not constitute sufficient minimum contacts for this court to exercise specific personal jurisdiction against the Defendants. Because neither general or specific personal jurisdiction is applicable, the Court does not have personal jurisdiction over the Defendants. Therefore, the Court should dismiss the Plaintiff’s 3rd Amended Complaint in its entirety.

II. Plaintiff’s Third Amended Complaint Should Be Dismissed Pursuant to 12(b)(6)

Should the Court conclude that it does have jurisdiction over one or more of the Defendants, the Court should dismiss the 3rd Amended Complaint in its entirety because the Plaintiff is not the true party in interest and has failed to state claims upon which relief can be granted. In deciding a motion to dismiss brought pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, a Court will accept all well-pleaded facts as true and will draw all reasonable inferences in favor of the Plaintiff. See Hernandez v. City of Goshen, 324 F.3d 535, 537 (7th Cir. 2003). However, a Court must dismiss any claim where it appears beyond all doubt that the Plaintiff can prove no set of facts that would entitle him to relief. See id.

A. Plaintiff Tamburo Is Not The True Party in Interest

The Defendants move to dismiss the 3rd Amended Complaint in its entirety on the basis that the Plaintiff does not represent the true party in interest with respect to the claims asserted. Prior to the filing of the Complaint, Mr. Tamburo’s business operated as an Illinois Corporation,

Versity Corporation (“Versity”). Versity Corporation did business as “Man’s Best Friend Software” or “MBFS”. See Pl.’s 3rd Am. Compl., Ex. 11. Mr. Tamburo incorporated Versity in 1999. Mr. Tamburo voluntarily dissolved Versity Corporation on May 25, 2004, fourteen days after having filed the initial Complaint in this action.¹⁸ All of the actions alleged in the Complaint, as well as the subsequent amended Complaints, arise from conduct initiated by Versity Corporation and that occurred while Versity Corporation existed as an Illinois corporation. See generally 3rd Am. Compl. Most, if not all, of the statements complained of by the Plaintiff referred to “MBFS.” See Pl.’s 3rd Am. Compl., Ex. 4, p. 1; Ex. 5, p. 1; Ex. 6. Consequently, Versity Corporation is the true party in interest to bring any claims as alleged by Plaintiff Tamburo. Therefore, the Court should dismiss the 3rd Amended Complaint for failure to name the real party in interest, Versity Corporation.¹⁹

In the alternative, should the Court conclude that Mr. Tamburo is a real party in interest, the Court must order the joinder of Versity Corporation pursuant to Federal Rule of Civil Procedure 19(a). Under Rule 19(a) of the Federal Rules of Civil Procedure, a party shall be joined if joinder will not divest the court of subject matter jurisdiction (eg diversity between the parties) and

if (1) in the person's absence complete relief cannot be accorded among those already parties, or (2) the person claims an interest relating to the subject of the action and is so situated that the disposition of the action in the person's absence may (i) as a practical matter impair or impede the person's ability to protect that interest or (ii) leave any of the persons already parties subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations by reason of the claimed interest.

¹⁸ Since filing the Complaint, Mr. Tamburo has proceeded *pro se*, a privilege not permitted by corporations. Scandia Down Corp. v. Euroguilt, Inc., 772 F.2d 1423, 1427 (7th Cir. 1985).

¹⁹ At the very minimum, the Court should order that the 3rd Amended Complaint be amended to reflect the real party in interest, Versity Corporation, as Plaintiff within a reasonable amount of time and, failing such amendment, order that the 3rd Amended Complaint be dismissed. See Fed. R. Civ. P. 17(a).

Fed. R. Civ. P. 19(a). Here, the statements at issue in the 3rd Party Complaint involved Versity Corporation, doing business as MBFS. Consequently, without Versity Corporation as a party, complete relief cannot be accorded among those already parties because Versity Corporation may have claims relating to the same statements. Should this action be resolved in favor of the Defendants against Mr. Tamburo, Versity Corporation could attempt a subsequent suit under its own name for a different result. Because the statements at issue do involve Versity Corporation, it has an interest relating to the subject of the action. Furthermore, without Versity Corporation being a named party, the Defendants run the real substantial risk of being subjected to double, multiple, or otherwise inconsistent obligations by reason of this interest. Consequently, Versity Corporation should be joined. See id.

B. Extortion Not A Private Right of Action

Defendant Dworkin next moves to dismiss Count Two because Illinois does not recognize a private right of action for extortion. Plaintiff claims that Defendant Dworkin “committed extortion at the common law and in violation of 720 ILCS 5/12-6.” See 3rd Am. Compl., ¶ 105. The common law does not recognize extortion as an independent tort. See 31A Am.Jur.2d, Extortion, Blackmail, & Threats § 1 n. 1 (2001) (“Under the common law, extortion is a crime alone, and not a tort.”) (citing Myers v. Cohen, 687 P.2d 6, 16 (Haw.Ct.App.1984), rev'd on other grounds, 688 P.2d 1145 (Haw.1984)). In fact, common law recognized extortion as an act that could only be committed by a public official who obtained property to which she was not due under the pretense that her office entitled her to such property. See Scheidler v. National Organization of Women, Inc., 537 U.S. 393, 401-403, 123 S.Ct. 1057, 1064 (2003). Although the Hobbs Act expanded this to include private individuals, the Hobbs Act and 720 ILCS 5/12-6 represent criminal counts of extortion and do not provide for a civil or private right

of action. See Wisdom v. First Midwest Bank of Poplar Bluff, 167 F.3d 402, 408-409 (8th Cir. 1999), reh'g and reh'g en banc denied (Mar. 5, 1999); John's Insulation, Inc. v. Siska Const. Co., Inc., 774 F. Supp. 156, 163 (S.D.N.Y. 1991); Peterson v. Philadelphia Stock Exchange, 717 F. Supp. 332, 335 (E.D. Pa. 1989); 720 ILCS 5/12-6. Accordingly, this claim should be dismissed. See id.

C. Illinois Anti-Trust Claims Insufficient As Matter of Law

Defendants next move to dismiss Counts Fifteen and Sixteen because the Plaintiff has failed to sufficiently set forth a claim for violation of the Illinois Anti-Trust Act. The Plaintiff claims that the Defendants violated 740 ILCS 10/3(a)(1)(b). Defendants presume the Plaintiff intends to cite 740 ILCS 10/3(1)(b). Section 3(1) of the Illinois Anti-Trust Act provides that:

Every person shall be deemed to have committed a violation of this Act who shall:

(1) Make any contract with, or engage in any combination or conspiracy with, any other person who is, or but for a prior agreement would be, a competitor of such person:

- a. for the purpose or with the effect of fixing, controlling, or maintaining the price or rate charged for any commodity sold or bought by the parties thereto, or the fee charged or paid for any service performed or received by the parties thereto;
- b. fixing, controlling, maintaining, limiting, or discontinuing the production, manufacture, mining, sale or supply of any commodity, or the sale or supply of any service, for the purpose or with the effect stated in paragraph a. of subsection (1);

740 ILCS 10/3(1). This section requires the persons involved in the alleged contract or conspiracy to be competitors *of one another*. See id. The Plaintiff has claimed that the noncommercial Defendants are competitors of the Plaintiff.²⁰ See 3rd Am. Compl., ¶¶ 18, 137,

²⁰ Plaintiff Tamburo relies upon an email from Mr. Dworkin in which a statement is made that an attorney believed all parties to be competitors. See 3rd Am. Compl. ¶ 124. Because of this statement, Plaintiff Tamburo concludes

143. However, as the Plaintiff admits, the Defendants possessed information distinct from one another for distinct breeds of dogs. See 3rd Am. Compl., ¶ 142. Consequently, the Defendants cannot be competitors. See BLACK'S LAW DICTIONARY 257 (5th ed. 1979) (competitors are “[p]ersons endeavoring to do the same thing and each offering to perform the act, furnish the merchandise, or render the service better or cheaper than his rival”). Thus, the Defendants cannot have violated Section 3(1) of the Illinois Anti-Trust Act. Further, the Plaintiff's allegations become nonsensical and completely devoid of any allegation that the Defendants fixed, controlled, maintained, limited or discontinued the production, manufacture, mining, sale or supply of any commodity or service for the purpose or effect of “fixing, controlling, or maintaining the price or rate charged” for their respective databases. Therefore, the Plaintiff's claims for violating the Illinois Anti-Trust Act should be dismissed.²¹ See 740 ILCS 10/3(1).

D. Plaintiff's Claims of Libel Insufficient As A Matter of Law

Plaintiff Tamburo claims that the Defendants are liable for libel because they made statements accusing MBFS of “stealing” their information and raw data from their proprietary databases. These claims, counts Three, Eight, Thirteen, and Seventeen, should be dismissed based on the defense of substantial truth.

Truth is a defense to a defamation action that may be raised by a motion to dismiss. See Emery v. Kimball Hill, Inc., 112 Ill.App.3d 109, 112, 445 N.E.2d 59, 61 (Ill. App. 1983); American Int'l Hosp. v. Chicago Tribune Co., 136 Ill.App.3d 1019, 1022-23, 483 N.E.2d 965, 968 (Ill. App. 1985). While ordinarily the determination of whether substantial truth exists

that “[t]he defendants therefore compete with John.” See id. at ¶ 125. This alone does not suffice to make the Defendants competitors among themselves or with MBFS.

²¹ For the same reasons, the Plaintiff's claims under the federal antitrust acts (Counts Six and Seven) and unfair competition (Counts Five) should be dismissed. Moreover, the Defendants cannot be considered to be monopolies. Plaintiff Tamburo, or MBFS or Versity, arguably could have searched through the databases by viewing pedigrees online and manually entered the facts into their own databases.

remains a question for a jury to decide, the question becomes one of law where no reasonable jury could find that substantial truth had not been established. See Parker v. House O'Lite Corp., 324 Ill.App.3d 1014, 1026, 756 N.E.2d 286, 296 (Ill. App. 2001). In raising truth as a defense, a defendant need only demonstrate the "substantial truth" of the allegedly defamatory material. See Lemons v. Chronicle Publishing Co., 253 Ill.App.3d 888, 890, 625 N.E.2d 789, 791 (Ill. App. 1993); Farnsworth v. Tribune Co., 43 Ill.2d 286, 293-94, 253 N.E.2d 408, 412 (Ill. 1969). "Substantial truth" requires only that a defendant demonstrate the truth of the "gist" or "sting" of the defamatory material. See Kilbane v. Sabonjian, 38 Ill.App.3d 172, 175, 347 N.E.2d 757, 761 (Ill. App. 1976); American Int'l Hosp., 136 Ill.App.3d at 1022. Further, allegedly defamatory statements need not be technically accurate in every detail to avoid being actionable. See Parker, 324 Ill.App.3d at 1026.

Here, MBFS used a computer program to surreptitiously obtain the raw data and information from the Defendants' noncommercial databases without their authorization and incorporated this raw data and information into its commercial product. See 3rd Am. Compl., ¶¶ 22-24. The Defendants viewed this conduct as theft. Theft is defined as "[t]he taking of property without the owner's consent." BLACK'S LAW DICTIONARY 1324 (5th ed. 1979). The word "steal" or its derivative "stolen" denote "theft." See id. MBFS took their property without their authorization. Plaintiff Tamburo admits as much in his 3rd Amended Complaint. See 3rd Am. Compl., ¶¶ 22-24, 94. Consequently, the Defendants should be protected from any claims of defamation because their statements are substantially true. See Emery, 112 Ill.App.3d at 112, 445 N.E.2d 59; American Int'l Hosp., 136 Ill.App.3d at 1022-23, 483 N.E.2d at 968.

Providing Plaintiff Tamburo with arguably more breadth than is deserved, Plaintiff Tamburo argues in his 3rd Amended Complaint that databases are not subject to intellectual

property protection and focuses on the fact that “raw data may be copied at will.” See 3rd Am. Compl., ¶ 82 (quoting Feist Publications v. Rural Telephone Service, Co., 499 U.S. 340 (1991)). He suggests then that MBFS did not, in fact, take the Defendants’ property. By inference, the Defendants would then be incorrect in their opinion and perspective and liable for defamation. Plaintiff Tamburo adumbrates the issue of database protection. While arguably raw data may be copied at will (the Defendants do not here suggest that MBFS or Plaintiff Tamburo would be precluded from manually searching their databases and manually inserting the data obtained as intended into his database), the work product or “sweat of the brow” invested in creating and maintaining a database *is protectable*. In fact, the General Counsel for the United States Copyright Office has stated that the Copyright Office believes that “legislation should be enacted that would provide appropriate levels of protection for producers of databases” See “Statement of David O. Carson, General Counsel, United States Copyright Office,” September 23, 2003 (attached as Exhibit B). In the absence of this protection, claims have been brought under the theory of misappropriation.²² And, while this motion is not the location to argue the Defendants’ potential claims against MBFS, it certainly supports the premise that MBFS wronged the Defendants by “stealing” or misappropriating their data.²³ It conveys the “gist” of the material alleged to be defamatory. See Kilbane, 38 Ill.App.3d at 175; American Int’l Hosp., 136 Ill.App.3d at 1022. Thus, the Defendants have a substantial truth defense to Plaintiff Tamburo’s claims of libel. See id. Therefore, Plaintiff’s claims of libel should be dismissed, as

²² As David O. Carson explains, the Second Circuit established standards for analyzing such claims in National Basketball Ass’n v. Motorola, Inc., 105 F.3d 841 (2nd Cir. 1997).

²³ Moreover, Plaintiff Tamburo overlooks the fact that two of the Defendants reside in foreign jurisdictions where databases receive more copyright protection than in the United States. See Desktop Marketing Systems Pty Ltd v Telstra Corporation Limited [2002] FCAFC 11 (Australia).

should his claim for trade libel.²⁴ Lemons, 253 Ill.App.3d at 890, 625 N.E.2d 789; Farnsworth, 43 Ill.2d at 293-94, 253 N.E.2d 408; Parker, 324 Ill.App.3d at 1026, 756 N.E.2d 286; Emery, 112 Ill.App.3d at 112, 445 N.E.2d 59.

E. Conclusion on 12(b)(6)

Based on the foregoing, this Court should dismiss the Plaintiff's claims pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure. Particularly, should the Court dismiss the claims for libel *per se* and tortious interference with business, this Court should also dismiss Plaintiff Tamburo's claim for civil conspiracy. See McClure v. Owens Corning Fiberglas Corp., 188 Ill.2d 102, 133, 720 N.E.2d 242, 258 (Ill. 1999) (holding that a claim for civil conspiracy requires allegations of an agreement between two or more people and a tortious act committed in furtherance of that agreement and that the Plaintiff must prove that the conspirators knowingly and voluntarily participated in a common scheme to commit an unlawful act or a lawful act in an unlawful manner). Thus, the 3rd Amended Complaint should be dismissed in its entirety.

III. Immunity For Publication of Content By Third-Parties

Plaintiff Tamburo suggests that the Defendants, particularly Defendant Wild, should be held liable for the comments posted to their mailing lists and message boards by co-Defendants and other third-parties. However, section 230 of the Communications Decency Act, codified as 47 U.S.C. § 230, "creates a federal immunity to any cause of action that would make service providers liable for information originating from a third-party user of the service." Section 230 states: "No provider or user of an interactive computer service shall be treated as the publisher or

²⁴ To succeed on a claim for trade libel, a plaintiff must demonstrate that the statements were false. See Krasinski v. United Parcel Service, Inc., 124 Ill.2d 483, 490, 530 N.E.2d 468, 471 (Ill. 1988). In fact, the requirements for trade libel require the Plaintiff to demonstrate actual malice which, in this context, would involve a showing that the defendants published the defamatory statements with knowledge of their falsity or with where the Defendants published the statements while entertaining serious doubts as to their veracity. See Linn v. United Plant Guard Workers of America, Local 114, 383 U.S. 53, 65, 86 S.Ct. 657, 664 (1966); Pease v. International Union of Operating Engineers Local 150, 208 Ill.App.3d 863, 872, 567 N.E.2d 614, 620 (Ill. App. 1991).

speaker of any information provided by another information content provider." 47 U.S.C. § 230(c)(1). Section 230 further defines an "interactive computer service" as "any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server" 47 U.S.C. § 230(f)(2). This statute has consistently been held to preclude liability for interactive computer services that make available or publish third-party content. "Specifically, § 230 precludes courts from entertaining claims that would place a computer service provider in a publisher's role. Thus, lawsuits seeking to hold a service provider liable for its exercise of a publisher's traditional editorial functions--such as deciding whether to publish, withdraw, postpone or alter content—are barred." Zeran v. America Online, Inc., 129 F.3d 327, 328 (4th Cir. 1997), cert. denied, 524 U.S. 937 (1998).

Since Zeran, courts have consistently adopted and applied this approach to Section 230's immunity provision. See e.g. Doe v. GTE Corp., 347 F.3d 655, 656 (7th Cir. 2003) (voyeur videos of college athletes available on website hosted by ISP server); Green v. America Online, Inc., 318 F.3d 465, 469 (3rd Cir. 2003) (allegations of sexual orientation and delivery of "punter" program); Batzel v. Smith, 333 F.3d 1018, 1030 (9th Cir. 2003); Ben Ezra, Weinstein and Co., Inc. v. America Online, Inc., 206 F.3d 980, 983 (10th Cir. 2000), cert. denied, 531 U.S. 824 (2000) (stock information made available on AOL's "Quotes & Portfolios" service); Morrison v. America Online, Inc., 153 F. Supp. 2d 930, 933-34 (N.D. Ind. 2001) (threats directed at physician, distributed by e-mail); PatentWizard, Inc. v. Kinko's, Inc., 163 F. Supp. 2d 1069, 1071-72 (D.S.D. 2001) (statements about patent service made in chat room by user of defendant's computers); Blumenthal v. Drudge, 992 F. Supp. 44, 46 (D.D.C. 1998) (allegation of wife-beating in on-line magazine); Doe v. America Online, Inc., 783 So.2d 1010, 1017 (Fla.), cert. denied, 122 S. Ct. 208 (2001) (use of chat rooms to market obscene photos); Gentry v. eBay, Inc., 99 Cal. App. 4th 816, 832, 121 Cal. Rptr. 2d 703 (Cal. App. 2002) (offers to sell

counterfeit sports memorabilia on Internet auction site); Schneider v. Amazon.com, Inc., 31 P.3d 37, 41-42 (Wash. Ct. App. 2001) (allegation in reader book review that author was a felon). Consequently, Plaintiff Tamburo cannot succeed in alleging liability against the Defendants, particularly Defendant Wild, for comments posted on their message boards and mailing lists by third parties. See id. Further, the Defendants, particularly Defendant Wild, cannot be held liable for refusing to remove communications by third parties from their mailing lists and message boards. See id.

CONCLUSION

For the foregoing reasons, Defendants respectfully move this Court to dismiss Plaintiff's 3rd Amended Complaint in its entirety as to each of the Defendants.

Dated: Chicago, IL
August 2, 2004

Respectfully submitted,

DEFENDANTS,
STEVEN DWORKIN
KRISTEN HENRY
ROXANNE HAYES
KAREN MILLS
WILD SYSTEMS PTY, INC.

By: 

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CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing MEMORANDUM IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS PLAINTIFF'S THIRD AMENDED COMPLAINT has been sent by facsimile and First Class Mail, postage prepaid, this 2nd day of August, 2003, to Plaintiff, pro se litigant, to wit:

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Dated: August 2, 2003
Chicago, Illinois

The logo consists of the word "Copyright" in a white serif font, centered within a dark rectangular box with a thin white border.

**Statement of David O. Carson
General Counsel, United States Copyright Office
before the
Subcommittee on Courts, the Internet, and Intellectual Property
Committee on the Judiciary
and the
Subcommittee on Commerce, Trade and Consumer Protection
Committee on Energy and Commerce**

United States House of Representatives
108th Congress, 1st Session

September 23, 2003

Database and Collections of Information Misappropriation Act of 2003

Good afternoon. Chairman Smith, Chairman Stearns, Congressman Berman, Congressman Schakowsky, Members of both Subcommittees, it is a pleasure to appear before you today. Thank you for giving the Copyright Office the opportunity to testify at this hearing on the discussion draft of the Database and Collections of Information Misappropriation Act.

The Copyright Office has testified twice in recent years before the Subcommittee on Courts and Intellectual Property on legislation to protect databases. In the 105th and 106th Congresses, the Register of Copyrights testified in connection with the proposed Collections of Information Antipiracy Act. That bill was passed by the House in the 105th Congress but no action was taken in the Senate. In her testimony on that legislation and on a later version, the Register testified that there was a need to preserve adequate incentives for the production and dissemination of databases, which are increasingly important to the U.S. economy and culture, both as a component in the development of electronic commerce and as a tool for facilitating scientific, educational and technological advancement. She stated that there was a gap in existing legal protection, which could not be satisfactorily filled through the use of technology alone. This legal gap was compounded by the ease and speed with which a database can be copied and disseminated, using today's digital and scanning capabilities. Without legislation to fill the gap, publishers were likely to react to the lack of security by investing less in the production of databases, or disseminating them less broadly. The result would be an overall loss to the public of the benefits of access to the information that would otherwise have been made available.

At the same time, the Register cautioned that the risks of over-protection were equally serious, because (as already noted) the free flow of information is essential to the advancement of knowledge, technology and culture. She testified in support of legislation that would ensure adequate incentives for investment, without inhibiting access for appropriate purposes and in appropriate circumstances.

Accordingly, the Register recommended the restoration of the general level of protection provided in the past under copyright "sweat of the brow" theories, but under a suitable constitutional power, with flexibility built in for uses in the public interest in a manner similar to the function played by fair use in copyright law. Such balanced legislation could optimize the availability of reliable information to the public.

In the intervening years, nothing has occurred to change the views of the Copyright Office. We continue to believe that balanced legislation should be enacted that would provide appropriate levels of protection for producers of databases, without unnecessarily impeding the free flow of knowledge and information.

The discussion draft represents a continuing evolution of the legislation addressing the protection of databases toward a pure misappropriation approach. In our previous testimony we expressed the view that misappropriation is the best approach to this issue and we commend the leadership of all of those who have worked so hard on this issue for their commitment to craft legislation that takes into account the needs of producers of databases as well as users and members of the educational, scientific and research communities. While we have not had sufficient opportunity to study the discussion draft to permit us to offer any definitive views on this particular draft, we believe in general that it represents a major step in the direction of enactment of the type of balanced legislation the Office has long recommended.

Much of what I say today will be based on the research and findings of the Register in her August 1997 Report on Legal Protection for Databases, which was prepared at the request of Senator Hatch, Chairman of the Senate Committee on the Judiciary. We are aware of no major developments since the time of that Report that have significantly altered the landscape with respect to legal protection for databases.

My testimony today will provide a historical perspective concerning the protection of databases in the United States, briefly review the approach taken in the discussion draft and address some of the concerns that critics of database legislation have voiced.

I. The History of Database Protection in the United States

In the terminology of the copyright law, a database is a "compilation." The Copyright Act defines a compilation as "a work formed by the collection and assembling of preexisting materials or of data...."⁽¹⁾ Compilations were protected as "books" as early as the Copyright Act of 1790.

Over the course of the nineteenth century, two rationales developed for protecting compilations under copyright. The earliest cases identified the compiler's effort - "his own expense, or skill, or labor, or money"⁽²⁾ - as the critical contribution justifying protection. This type of analysis came to be known as the "sweat of the brow" doctrine. Analyses under sweat of the brow emphasized both the compilers' efforts and the copiers' "unfair use of the copyrighted work, in order to save themselves the time and labor of original investigation."⁽³⁾

During the late nineteenth century, courts began to articulate another basis for copyright protection that generally differed from the labor/investment approach taken in cases involving compilations. In a series of decisions from 1879 to 1903, the Supreme Court held that the "writings" that could be protected under the Copyright Clause of the Constitution included "only such as are original,"⁽⁴⁾ and indicated that creativity is a component of originality.⁽⁵⁾

The evolving doctrine of originality was applied by some courts in compilation cases, particularly cases involving compilations of textual materials such as law books. These cases identified the author's critical contribution justifying protection as his judgment in selecting and arranging materials.⁽⁶⁾

This approach coexisted with, rather than supplanted, sweat of the brow cases. Sweat of the brow was applied to cases involving purely factual compilations, such as catalogs and directories.

On the question of the scope of protection afforded to compilations, there was somewhat greater uniformity in the case law. In compilation cases, regardless of the theoretical framework adopted to justify copyright protection, once the plaintiff's work was determined to be copyrightable, courts generally held a defendant to have infringed whenever material was copied from the plaintiff's work. Typically, there was no inquiry as to whether the particular material copied was protected by the plaintiff's copyright. To avoid infringement, a second-comer was required to go to the original sources and compile the material independently, without reference to the earlier work.⁽⁷⁾ A common thread running through many of these decisions was the court's desire to prevent the copier from competing unfairly with the compiler by appropriating the fruits of the compiler's efforts or creativity. In this sense, courts treated copyright protection for compilations much like a branch of unfair competition law.

In the Copyright Act of 1976, Congress included in the definition of "compilation" the first express statutory link between compilations and original works of authorship "...that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes a work of authorship."⁽⁸⁾ Cases under the 1976 Act were divided about the continuing viability of the sweat of the brow doctrine. Some circuits continued to apply it,⁽⁹⁾ while other circuits rejected it, requiring a showing of sufficient creativity in order to entitle a compilation to copyright protection.⁽¹⁰⁾ The Supreme Court resolved the split in the circuits in *Feist Publications, Inc. v. Rural Tel. Serv. Co.*⁽¹¹⁾ In that case, the Supreme Court held that the white pages of a telephone directory (containing an alphabetical listing of all residents with telephone service in a defined geographic area) was insufficiently creative to merit copyright protection. The Court held that the requirement of creativity was not merely statutory, but rooted in the Copyright Clause itself.⁽¹²⁾ Thus, the sweat of the brow doctrine was laid to rest.

What remains is a thin layer of copyright protection for qualifying databases. In order to qualify, they must exhibit some modicum of creativity in the selection, arrangement, or coordination of the data. The protection is thin in that only the creative elements (selection, arrangement, or coordination of data) are protected by copyright. Explanatory materials such as introductions or footnotes to databases may also be copyrightable. But in no case is the data itself (as distinguished from its selection, coordination or arrangement) copyrightable. The absence of uniform protection for noncreative databases is what has given rise to the calls for this legislation.

II. Discussion Draft of the Database and Collections of Information Misappropriation Act

It is our understanding that the scope and applicability of the prohibitions in the discussion draft are designed to codify the standards set forth in the Second Circuit's decision in *National Basketball Ass'n v. Motorola, Inc.* ("NBA").⁽¹³⁾ That case involved a state law misappropriation claim by the NBA against the maker of a hand-held pager which provided subscribers with scores and statistics of professional basketball games in progress.⁽¹⁴⁾ In analyzing the case, the court concluded that a "hot news" misappropriation claim under the theory of *International News Service v. Associated Press*⁽¹⁵⁾ ("INS") would survive preemption by federal copyright law.⁽¹⁶⁾ The court enumerated five elements "central to an INS claim." Those conditions are:

- (i) the plaintiff generates or collects information at some cost or expense;
- (ii) the value of the information is highly time-sensitive;
- (iii) the defendant's use of the information constitutes free-riding on the plaintiff's costly efforts to generate or collect it;
- (iv) the defendant's use of the information is in direct competition with a product or service offered by the plaintiff; and
- (v) the ability of other parties to free-ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.⁽¹⁷⁾

A. The plaintiff generates or collects information at some cost or expense.

The first condition is codified in subsection 3(a)(1) of the discussion draft, which applies the prohibition against misappropriation only to databases that were "generated, gathered, or maintained through a substantial expenditure of financial resources or time." The term "maintained" does not appear in the court's articulation of the first condition. However, the reference to "quality" in the fifth factor could suggest a recognition that misappropriation applies not only to the initial creation but to the periodic update and verification of the product or service. One other variation from the exact language of the court is the requirement of a "substantial" expense. The court used the arguably less demanding term, "some." The discussion draft also equates "time" with "cost or expense," which we believe is probably a defensible interpretation of the elements set forth in *NBA*.

B. The value of the information is highly time-sensitive.

The second condition is codified in subsection 3(a)(1) of the discussion draft, which requires that the making available occur "in a time sensitive manner." Section 3(c) of the discussion draft states that courts shall consider "the temporal value of the information in the database, within the context of the industry sector involved" in determining whether this condition is met. The discussion draft omits the term "highly," although it is not clear how much difference that makes. The discussion draft appears to take a flexible approach to this condition, requiring consideration of the business context, but also allowing a court to consider whatever other factors it might deem relevant. This approach may well be the subject of initial uncertainty, until courts have provided guidance in applying the standard. In this respect, the discussion draft may go beyond the "hot news" doctrine addressed in *NBA* and *INS*.

In its previous testimony, the Copyright Office noted with approval the application of a definite term of protection, beginning at the time the relevant portion of the collection is first used in commerce. The Office continues to have concerns about protection without a clear end point. However, the time sensitivity provisions of the discussion draft may address that concern, depending upon how they are interpreted. It may be that consideration should be given to clarifying the scope and application of the "time sensitive" component of this discussion draft. To the extent that it goes beyond "hot news" - and in the past the Office has supported protecting more than "hot news" - there may still be reason to consider some specific limitation on the duration of protection.

C. The defendant's use of the information constitutes free-riding on the plaintiff's costly efforts to generate or collect it.

The third condition is codified in subsection 3(a) of the discussion draft, which prohibits the "mak[ing] available in commerce to others a quantitatively substantial part of the information in a database generated, gathered, or maintained by another person..." While the term "free-riding" does not appear in the relevant portion of the text, the conditions described appear to be the practical equivalent. Moreover, the "free-riding" problem is addressed in subsection 3(a)(3).

D. The defendant's use of the information is in direct competition with a product or service offered by the plaintiff.

The fourth condition is codified in subsection 3(a)(2) of the discussion draft, which requires that the making available "inflict[] an injury." That term is defined in subsection 3(b) as "serving as a functional equivalent in the same market as the database in a manner that causes the displacement, or the disruption of the sources, of sales, licenses, advertising, or other revenue." Here the discussion draft expressly provides for direct competition and also requires the showing of at least some disruption in revenue to the compiler.

E. The ability of other parties to free-ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.

The fifth condition is codified verbatim in subsection 3(a)(3) of the discussion draft. Thus, this legislation appears to codify the standards set forth by the Second Circuit.

III. Criticisms of the Discussion Draft

I understand that the discussion draft has been the subject of criticism. I would like to take this opportunity to address some of those arguments.

A. Constitutionality

It has been suggested that this legislation exceeds Congress' authority under Article I, section 8 of the Constitution. As you know, the Constitution provides explicit authority for the protection of copyright.⁽¹⁸⁾ As discussed earlier, the Supreme Court held in *Feist* that the Copyright Clause cannot serve as a basis of authority for the protection of noncreative databases. But *Feist* does not address whether some other basis for protection of such materials may exist. The most likely other basis is the Commerce Clause.⁽¹⁹⁾ At least one critic suggests that the Commerce Clause cannot serve this function. The Copyright Office disagrees.

It has long been accepted that Congress has the power to enact trademark legislation under the Commerce Clause, despite the fact that trademarks may be seen as a form of intellectual property; that trademark law protects material that does not meet standards for copyright and patent protection; and that the protection may last indefinitely. The Supreme Court's opinion

in *The Trademark Cases*⁽²⁰⁾ held unconstitutional an early attempt by Congress to enact a trademark law, based on a lack of Congressional power under either the Copyright Clause or the Commerce Clause. According to the Court, the Copyright Clause did not provide authority for the legislation because trademarks have different "essential characteristics" from inventions or writings, since they are the result of use (often of already-existing material) rather than invention or creation, and do not depend on novelty or originality.⁽²¹⁾ The Commerce Clause did not provide authority because the particular trademark law in question governed all commerce and was not limited to interstate or foreign commerce.⁽²²⁾ The opinion suggested that similar legislation limited as to the type of commerce involved would pass constitutional muster under the Commerce Clause. Indeed, legislation consistent with the Court's interpretation of the Commerce Clause was subsequently enacted and has gone unchallenged since 1905.

The Register's 1997 Report on the Legal Protection of Databases stated that "To the extent that database protection promotes different policies from copyright protection, and does so in a different manner, it is similar to trademark law, and therefore seems likely to survive a constitutional challenge." The prohibition set forth in this discussion draft appears to meet that prescription. It is crafted to protect that which the *NBA* case held to be outside of copyright. Its focus is on unfair competition through the misappropriation of a commercial product that is the result of substantial expenditure of another's financial resources or time, in a way that inflicts commercial injury on that person, elements that are far removed from the core of copyright.

B. Subpoena to Identify Violators

The discussion draft includes a procedure similar to that in 17 U.S.C. §512(h) to allow potential plaintiffs to learn the identity of those they believe have violated the provisions in this discussion draft. The Copyright Office believes that the section 512(h) subpoenas are a necessary and appropriate tool in copyright owners' struggle against infringement, particularly in the digital and online environments. However the discussion draft does differ in one significant respect: Section 512(h) requires the person seeking a subpoena to file with the clerk of the court a certain information about the claim of infringement that has given rise to the controversy that requires identification of the alleged infringer. This provision provides assurances that the subpoena is sought in good faith and that there is an objective basis for seeking it. The current discussion draft does not have any analogous safeguards. The Copyright Office recommends the inclusion of such a provision in this discussion draft.

C. Fair Use Exception

We understand that some have suggested that this discussion draft is somehow flawed without the inclusion of a "fair use" exception, similar to the one that appears in the Copyright Act.⁽²³⁾ In the past, the Copyright Office has supported inclusion of provisions similar to fair use in database protection legislation. However, the past legislative proposals provided for broader protection than is provided in this discussion draft. In providing for a narrower prohibition, the discussion draft may well obviate the need for a fair use-type of provision. It may well be that this discussion draft already incorporates most of the principles embodied in copyright fair use. The "purpose and character of the use"⁽²⁴⁾ is addressed by subsection 3(a) of the discussion draft, which prohibits the "making available in commerce," and in subsection 3(b), which makes clear that the prohibition extends only to inflections of injury that serve as a functional equivalent in the same market as the database. The "amount and substantiality of the portion used"⁽²⁵⁾ is also addressed in subsection 3(a), which requires "a quantitatively substantial part of the information." Indeed, this provision is more permissive than fair use, which may not excuse the use of a quantitatively insubstantial portion that is qualitatively vital to the work. The "effect of the use upon the potential market for or value of the copyrighted work"⁽²⁶⁾ is addressed by subsection 3(a)(3), requiring that the ability of others to free-ride threaten the "existence or quality" of the database, as well as subsection 3(b), with its strong requirement of market harm. Of course, the second fair use factor, "the nature of the copyrighted work,"⁽²⁷⁾ is inapplicable to a legal regime specifically designed to protect that which is denied copyright protection for lack of creativity. While we are strong proponents of fair use and understand the desire for such a provision in database protection legislation, we are not persuaded that such a provision is necessarily required when the prohibition itself serves the policies underlying fair use.

D. Internet Service Provider Liability

There has been complaint that the discussion draft would subject internet service providers ("ISPs") to liability unfairly. However, subsection 7(i) of the discussion draft explicitly insulates ISPs from liability unless their employees violate the prohibition while acting within the scope of their duties, actively direct or induce a violation of the prohibition, or receive a financial gain directly attributable to the violative conduct. It is not readily obvious to the Copyright Office how the ordinary use of ISPs' systems by their users could be within the scope of these few exceptions to the general rule that ISPs do not bear liability under this discussion draft. Moreover, it is notable that the discussion draft provides this benefit to ISPs without requiring them to abide by many of the conditions that appear in section 512 of the Copyright Act,⁽²⁸⁾ such as taking down violative material in response to a notice or terminating the account of a repeat offender. Compared to section 512, this provision appears to be generous.

E. Alleged Expansion of Intellectual Property Protection

There is also apparently a somewhat amorphous criticism that this discussion draft would serve in furtherance of an alleged trend of expanding intellectual property protection without counterbalancing other interests. The Copyright Office sees no such trend. Indeed, the last few years have seen expansions of exceptions and limitations. For example, legislation has provided exceptions and limitations for digital distance education,⁽²⁹⁾ use of works by the blind,⁽³⁰⁾ and the aforementioned provisions for ISPs.⁽³¹⁾

A complete analysis of intellectual property protection includes a consideration not only of the provisions of the law, but also of the other factors which affect the incentive to create and the availability for use of protected materials. Most significantly, the dramatic growth of the use of digital technology and the Internet have made more materials available to more people than ever before. However, this technology has also created an avenue for the improper use of materials on a previously unimagined scale. Changes in the law to try to prevent or remedy these improper uses do not necessarily reflect a change in philosophy about the appropriate scope of protection and have not altered the fact that both authorized and unauthorized users of protected materials generally have greater opportunities to use the material of others than they did before these technological developments.

IV. Conclusion

The discussion draft represents the latest in a series of legislative attempts to provide consistent, federal standards of protection for databases. As I noted at the outset, the Copyright Office is sympathetic to these efforts but does not, at this time, take a position on this legislation. As always, the Copyright Office stands ready to assist both Subcommittees and I will be pleased to answer any questions you may have.

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1. 17 U.S.C. §101.
 2. *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845).
 3. *West Pub. Co. v. Lawyers' Co-operative Pub. Co.*, 79 F. 756, 772 (2d Cir. 1897).
 4. *In re The Trademark Cases*, 100 U.S. 82, 94 (1879).
 5. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903).
 6. See e.g., *Edward Thompson Co. v. American Lawbook Co.*, 122 F. 922, 924 (2d Cir. 1903)(focusing on "skill and taste of the [plaintiff] in selecting or arranging" materials); *Lawrence v. Dana*, 15 F. Cas. 26, 28, 4 Cliff. 1 (C.C.D. Mass. 1869)("copyright may justly be claimed by an author of a book who has taken existing materials from sources common to all writers, and arranged and

combined them in a new form, and given them an application unknown before, for the reason that, in so doing, he has exercised skill and discretion in making the selections, arrangement, and combination....").

7. See, e.g., *Williams v. Smythe*, 110 F. 961 (C.C.M.D. Pa. 1901); *List Publishing Co. v. Keller*, 30 F. 772 (C.C.S.D.N.Y. 1887).

8. 17 U.S.C. §101.

9. See, e.g., *Illinois Bell Tel. Co. v. Haines & Co.*, 683 F. Supp. 1204 (N.D. Ill. 1988), *aff'd*, 905 F.2d 1081 (7th Cir. 1990), *vacated and remanded*, 499 U.S. 944 (1991); *Rural Tel. Serv. Co. v. Feist Publications, Inc.*, 916 F.2d 718 (10th Cir. 1990), *reversed*, 499 U.S. 340 (1991).

10. See, e.g., *Financial Info., Inc. v. Moody's Investors Serv., Inc.*, 808 F.2d 204 (2d Cir. 1986), *cert denied*, 484 U.S. 820 (1987); *Eckes v. Card Prices Update*, 736 F.2d 859 (2d Cir. 1984); *Worth v. Selchow & Richter Co.*, 827 F.2d 569, 572-73 (9th Cir. 1987).

11. 499 U.S. 340 (1991).

12. *Id.* at 346.

13. 105 F.3d 841 (2d Cir. 1997).

14. The case also involved a claim of infringement of the copyrights in the broadcasts of the games. That claim was rejected by the court because alleged infringement involved reproduction only of the uncopyrightable facts from the broadcasts, and not of the expression or descriptions of the games that constituted the broadcasts. 105 F.3d at 847.

15. 248 U.S. 215 (1918).

16. See 17 U.S.C. §301.

17. 105 F.3d at 852.

18. "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, sec. 8, cl. 8.

19. "To regulate Commerce with foreign Nations, and among the several States..." U.S. Const., Art. I, sec 8, cl. 3.

20. 100 U.S. 82 (1879).

21. *Id.* at 93-94.

22. *Id.* at 97.

23. See 17 U.S.C. §107.

24. §107(1).

25. §107(3).

26. §107(4).

27. §107(2).

28. See 17 U.S.C. §512 (limiting the liability of qualifying ISPs for copyright infringement).

29. See 17 U.S.C. §110(2).

30. See 17 U.S.C. §121.

31. See 17 U.S.C. §512.

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JOHN F. TAMBURO,)	
D/B/A MAN'S BEST FRIEND SOFTWARE,)	
)	AFFIDAVIT OF
Plaintiff,)	RONALD DE JONG
)	
v.)	
)	
STEVEN DWORKIN, KRISTEN HENRY,)	Case No. 04 C 3317
ROXANNE HAYES, KAREN MILLS,)	
WILD SYSTEMS PTY. LTD., an AUSTRALIAN)	
CORPORATION,)	Hon. Joan B. Gottschall
)	
Defendants.)	
)	

AFFIDAVIT OF RONALD DE JONG

NOW COMES the Ronald de Jong, President of DEFENDANT WILD SYSTEMS PTY.,

LTD, and states as follows:

1. I am a resident of and domiciled in Australia.
2. I am not domiciled in the State of Illinois, United States of America.
3. Wild Systems Pty., Ltd. is an Australian company, that does not have any office in the United States.
4. Neither I nor Wild Systems have had or have systematic and continuous business contacts in the State of Illinois.
5. Neither I nor Wild Systems have had or have specifically targeted any advertising or marketing to the State of Illinois.

Wild Systems Pty., Ltd.
By: Ronald de Jong
Its: Director

STATE OF N.S.W)
) SS:
COUNTY OF Australia)

The foregoing AFFIDAVIT OF RONALD DE JONG has been subscribed and sworn to
me before this 1st ^{August} day of July 2004, by Ronald de Jong.

M. D. Wall JP 9206239
Justice of the Peace

MAXWELL DAVID WALL