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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. form	re: SF-86 Sotomayor (22 pages)	04/15/1997	P6/b(6)
001b. form	re: Waiver - Sotomayor (2 pages)	04/15/1997	P6/b(6)
001c. form	re: Fingerprints - Sotomayor (1 page)	04/15/1997	P6/b(6)
001d. form	re: Waiver - Sotomayor (1 page)	02/28/1997	P6/b(6)

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Doug Band
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FOLDER TITLE:
Sotomayor - ABA Final [2]

2009-1007-F
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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SOTOMAYOR RESPONSE TO
PERSONAL DATA QUESTIONNAIRE
QUESTION 22

Attached is a copy of the complaint in the only pending action against my former law firm, Pavia & Harcourt.

LINTON LIBRARY PHOTOCOPY

Index No. 30139/91 *Year 19*

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

STANLEY WEST,

Plaintiff,

-against-

PAVIA & HARCOURT, ESQS.,
a New York Partnership,

Defendants.

AMENDED VERIFIED COMPLAINT

LEWIS and FIORE
Attorneys for Plaintiff

225 BROADWAY
NEW YORK, N. Y. 10007-3001
(212) 285-2290

To:

Attorney(s) for

Service of a copy of the within *is hereby admitted.*

Dated:

Attorney(s) for

PLEASE TAKE NOTICE

☐ NOTICE OF ENTRY *that the within is a (certified) true copy of a entered in the office of the clerk of the within named Court on* 19

☐ NOTICE OF SETTLEMENT *that an Order of which the within is a true copy will be presented for settlement to the Hon. one of the judges of the within named Court, at on* 19 *, at* M.

Dated:

LEWIS and FIORE
Attorneys for
225 BROADWAY
NEW YORK, N. Y. 10007-3001

To:

Attorney(s) for

Check Applicable Box

CLINTON LIBRARY PHOTOCOPY

mail 10/5/92

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK
----------X

STANLEY WEST,

Plaintiff,

AMENDED
VERIFIED COMPLAINT

-against-

PAVIA & HARCOURT, ESQS.,
a New York Partnership,

Index #: 30139/91

Defendants.

----------X

Plaintiff, by his attorneys, Lewis & Fiore, complaining of the defendant, does hereby allege as follows:

AS AND FOR A FIRST CAUSE OF ACTION

1. Plaintiff, Stanley West (hereinafter West), is a resident of the State of New York, City of New York, and a former client of the defendant.

2. Defendant is and was for all times mentioned herein, upon information and belief, a New York partnership engaged in the practice of law with offices at 600 Madison Avenue, and is made up of a number of attorneys who are together engaged in the practice of law under the firm name of Pavia & Harcourt.

3. Defendant was the attorney for Marcar Restaurant and Catering Corp. d/b/a L'Hostaria del Bongustaio (hereinafter referred to as Marcar), from January 13, 1983 through and including November of 1988.

4. In 1988, defendant was retained by plaintiff and

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Gennaro Picone (hereinafter referred to as Picone), to represent them in the formation of a new business with the intention of forming a new corporation, acquiring a location to conduct a restaurant business and performing all other necessary legal services to protect the rights of Picone and West.

5. Defendant accepted employment on behalf of West and Picone and was paid for its services and performed a number of services for West and Picone.

6. The defendants drafted and filed a Certificate of Incorporation for the formation of a new business corporation known as Malvasia, Inc.

7. The defendants drafted a shareholders' agreement between West and Picone.

8. The defendants drafted and accepted by-laws for Malvasia, Inc.

9. The defendants served as incorporators of Malvasia, Inc.

10. The defendants prepared a Waiver of Notice of the first meeting of the Board of Directors.

11. The defendants prepared the Minutes of the first meeting of the Board of Directors of Malvasia, Inc.

12. The defendants served as an interim secretary of Malvasia, Inc.

13. The defendants prepared written consent of the Board of Directors, accepting the resignation of one of the defendant's members as secretary and appointing West as secretary of Malvasia, Inc.

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14. The defendants prepared a corporate resolution providing that Picone be the one and only signatory on the corporate bank account, and be authorized to conduct all banking business on behalf of the corporation.

15. The defendants prepared a written consent of the Board of Directors, authorizing Picone, and Picone alone, to negotiate and bind the corporation in all respects, for the purchase of the business of Marcar.

16. The defendants prepared a document indicating unanimous consent of the Board of Directors, for Picone to be the sole signatory on the Corporate bank account and to conduct all corporate business, including the obtaining of loans on behalf of the Corporation.

17. The interests of Picone and West, by virtue of their proposed roles in the Corporation, were, from the outset, different and adverse.

18. Picone was a professional chef who was intended, by the parties, to be a full time employee of the Corporation.

19. West was a novice to the restaurant business who was intended by the parties, to supply the necessary funds to form and operate the Corporation.

20. Defendant knew, or should have known, of the conflicting and diverse interests of West and Picone.

21. Defendants should not have undertaken the tasks of representing both West and Picone.

22. In any event, defendant should have made full disclosure of the actual and potential conflicts between the

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diversity of interest between West and Picone, to West, and should have advised West to retain counsel to represent his interest, as opposed to the interest of Picone.

23. Defendant failed to make disclosures of the actual and potential conflict between the interest of Picone and West, to West, and failed to advise West to seek independent counsel to represent his interest.

24. Defendants were negligent in their representation of West, failed to exercise reasonable care in their representation of West and caused West to suffer damages.

25. Defendants knew, or should have known that their professional judgment in representing both West and Picone would, by the nature of the transaction, be compromised and that they would be incapable of the proper level of independent professional judgment in their representation of West.

26. Defendant represented to West that his rights were protected by virtue of the legal services rendered and the representation rendered by the defendants.

27. West relied upon the representations of the defendant, that his rights were protected by virtue of the legal services provided by the defendants.

28. West reasonably relied upon the representations of the defendant, as described above.

29. In reasonable reliance upon the representations of the defendant, West invested substantial sums of money, by virtue of capital contribution and loans to Malvasia, Inc.

30. Defendant's failure to advise West to retain

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independent counsel to represent his interest, was grossly negligent in that West was in the process of investing substantial sums of money in Malvasia, Inc, so that independent counsel could have been retained at a relatively small cost in comparison to the large sums of money being risked by West.

31. Defendant knowingly and intentionally acting on behalf of the interest of others, failed to advise West to retain independent counsel, failed to represent West's interest in the preparation of legal documents while representing to West that his interests were protected.

32. Defendant represented Malvasia, Inc. and Picone against West in a legal action known as Stanley West v. Malvasia, Inc. and Gennaro Picone, in the Supreme Court of New York County.

33. As a result of the foregoing, West has suffered damages in the amount of $700,000.00.

AS AND FOR A SECOND CAUSE OF ACTION

34. Plaintiff repeats each and every one of the above allegations with the same force and effect as if restated in full here.

35. The defendants performed the above described acts intentionally, for the benefit of another and against the interest of West.

36. As a result of the foregoing, Plaintiff has suffered special damages, in that his entire investment of $700,000.00 in the business venture has been lost to him because the business has closed and is no longer functioning.

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AS AND FOR A THIRD CAUSE OF ACTION

37. Plaintiff repeats and realizes each and every allegation contained in the above paragraphs as if restated in full here.

38. As outlined above, defendant made negligent misrepresentations to West.

39. As a result of the foregoing, plaintiff has been damaged in the sum of $700,000.00.

WHEREFORE, it is respectfully requested that plaintiff be granted judgment for damages in the amount of $700,000.00 upon the first, second and third causes of action.

DATED: New York, New York
August 24, 1992

LEWIS & FIORE, ESQS.
Attorneys for Plaintiff
Office and P.O. Address:
225 Broadway, Suite 3300
New York, New York 10007
(212) 285-2290

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INDIVIDUAL VERIFICATION

STATE OF NEW YORK)
: ss.:
COUNTY OF ~~KINGS~~ New York)

STANLEY WEST, being duly sworn, deposes and says: deponent is the plaintiff in the within action; deponent has read the foregoing Amended Verified Complaint and knows the contents thereof; the same is true to deponent's own knowledge, except to those matters therein stated to the alleged upon information and belief, and as to those matters deponent believes it to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows:

Stanley West
STANLEY WEST

Sworn to before
me this 18 day
of Sept , 1992.

Violet Faith Squires
NOTARY PUBLIC

VIOLET SQUIRES
COMMISSIONER OF DEEDS
CITY OF NEW YORK - No. 1662
CERTIFICATE FILED IN NY COUNTY
COMMISSION EXPIRES 1st 1993

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AFFIDAVIT OF SERVICE

STATE OF NEW YORK)
ss:
COUNTY OF NEW YORK)

Jody Harris, being sworn says: I am not a party to the action, am over 18 years of age and reside at 225 Broadway, Suite 3300, New York, New York 10007.

On October 2, 1992, I served a true copy of the Amended Verified Complaint by mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service within the State of New York, addressed to the last known address of the addressee(s) as indicated below:

D'Amato & Lynch
70 Pine Street
New York, New York 10270

JODY J. HARRIS

Sworn to before me this
2nd day of October, 1992.

Notary Public

CHARLES G. MORE
Notary Public, State of New York
No. 24-4709463
Qualified in Kings County
Commission Expires May 31, 1993

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[These are the page proofs of a forthcoming article for publication in the Suffolk University Law Review.]

FILE:A:\SOTOMAYO Oct 10/21/96 Mon 11:59pm

Returning Majesty To The Law and Politics: A Modern Approach*

Hon. Sonia Sotomayor† and Nicole A. Gordon††

Even after participating in many different aspects of the practice of law, it is still possible to retain an enthusiasm and love for the law and its practice. It is also exciting to address future lawyers about the practice of law. This is not easy to do, unfortunately, in the context of recurring public criticism about the judicial process.[1]

The public expects the law to be static and predictable. The law, however, is uncertain and responds to changing circumstances. To the public, justice means that an obviously correct conclusion will be reached in every case. But what is "correct" is often difficult to discern when the law is attempting to balance competing interests and principles, such as the need to protect society from drugs as opposed to the need to enforce our constitutional right to be free from illegal searches and seizures.[2] A con-

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* This Article is based upon a speech that Judge Sotomayor delivered in February 1996 as part of the Donahue Lecture Series. The Donahue Lecture Series is a program instituted by the *Suffolk University Law Review* to commemorate the Honorable Frank J. Donahue, former faculty member, trustee, and treasurer of Suffolk University. The Lecture Series serves as a tribute to Judge Donahue's accomplishments in encouraging academic excellence at Suffolk University Law School. Each lecture in the series is designed to address contemporary legal issues and expose the Suffolk University community to outstanding authorities in various fields of law.

† Judge, United States District Court, Southern District of New York; A.B. 1976, Princeton University; J.D. 1979, Yale Law School. Judge Sotomayor previously practiced as a commercial litigation partner at Pavia & Harcourt, a New York City law firm, and served as a member of the New York City Campaign Finance Board, the New York State Mortgage Agency, and the Puerto Rican Legal Defense and Education Fund. Prior to entering private practice, Judge Sotomayor was an Assistant District Attorney in New York County.

†† Executive Director, New York City Campaign Finance Board; A.B. 1974, Barnard College; J.D. 1977, Columbia University School of Law. Ms. Gordon has previously served in other private and government positions, including Counsel to the Chairman of the New York State Commission on Government Integrity. She is also the current President of the Council on Governmental Ethics Laws (COGEL), the umbrella organization for ethics, lobbying, campaign finance, and freedom of information agencies in the United States and Canada. The views expressed in this article are not necessarily those of the New York City Campaign Finance Board or COGEL.

1. *See, e.g.*, Katharine Q. Seelye, *Dole, Citing 'Crisis' in the Courts, Attacks Appointments by Clinton*, N.Y. TIMES, Apr. 20, 1996, at A1 (describing Senator Dole's criticism of liberal ideology of Clinton judicial appointments and American Bar Association); John Stossel, *Protect Us From Legal Vultures*, WALL ST. J., Jan. 2, 1996, at 8 (asserting damage manufacturers have done to society "trivial" compared with harm lawyers do); Don Van Natta Jr., *Group Urges More Scrutiny For Lawyers*, N.Y. TIMES, Nov. 10, 1995, at B1 (discussing New York State committee's recommendations for improving legal system and combatting public criticism).

2. *See generally* 5 WAYNE R. LAFAVE, SEARCH AND SEIZURE: A TREATISE ON THE FOURTH AMENDMENT (3d ed. 1996) (explaining exclusionary rule protects constitutional right to be secure against unreasonable searches and seizures).

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fused public, finding itself at odds with the results of particular judicial decisions, experiences increased cynicism about the law.[3]

Unfortunately, lawyers themselves sometimes feed that cynicism by joining a chorus of critics of the system, instead of helping to reform it or helping the public to understand the conflicting factual claims and legal principles involved in particular cases.[4] Similarly, instead of attempting to control criminal or unethical conduct occurring in our profession, and promoting the honorable work of most of us, many lawyers respond by denigrating the professionals in certain practice areas, like personal injury law. Further, many neglect to focus on the core issues that rightly trouble the public, such as whether there is fraud and deceit in the prosecution of claims, and if so, what we should do about it.

Today, we need to discuss how we can satisfy societal expectations about "The Law" and help create a better atmosphere in which public officials, and especially lawyers and judges, can inspire more confidence and respect for the "majesty of the law" and for the people whose professional lives are devoted to it.

I. THE LAW AS A DYNAMIC SYSTEM

The law that lawyers practice and judges declare is not a definitive, capital "L" law that many would like to think exists. In his classic work, *Law and the Modern Mind*, Jerome Frank aptly summarized the paradox existing in society's attitude towards law and its practitioners:

> The lay attitude towards lawyers is a compound of contradictions, a mingling of respect and derision. Although lawyers occupy leading positions in government and industry, although the public looks to them for guidance in meeting its most vital problems, yet concurrently it sneers at them as tricksters and quibblers.
>
> Respect for the bar is not difficult to explain. Justice, the protection of life, the sanctity of property, the direction of social control—these fundamentals are the business of the law and of its ministers, the lawyers. . . .

3. *See Judge Baer's Mess*, N.Y. TIMES, Apr. 3, 1996, at A14 (criticizing federal judge's reversal of initial exclusion of drugs and confession as unconstitutional seizure); *see also* Bruce D. Collins, *Layman's View of Lawyers Ignores the Bar's Good Deeds*, CORP. LEGAL TIMES, Mar. 1996, at 8 (expressing concern that public may judge entire profession based on mass tort and divorce attorneys). According to one editorial, "[o]ne of the major troubles with most lawyers is that they actually believe their profession is making the United States a better place to live." *Time For Real Legal Reform Is Now, Before Lawyers Bring Nation Down, Series: The Trouble with Lawyers*, FT. LAUDERDALE SUN-SENTINEL, Jan. 4, 1996, at 14A. Further, the newspaper opined that lawyers' "continued assertion that the legal system works in the best interest of the nation demonstrates the immense human capacity for self-delusion." *Id.*

4. *See* Max Boot, *Stop Appeasing the Class Action Monster*, WALL ST. J., May 8, 1996, at A15 (detailing how corporate mass-tort defense lawyers criticize class actions yet offer few alternatives or solutions).

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> But coupled with a deference towards their function there is cynical disdain of the lawyers themselves. . . . The layman, despite the fact that he constantly calls upon lawyers for advice on innumerous questions, public and domestic, regards lawyers as equivocators, artists in double-dealing, masters of chicane.[5]

Frank, a noted judge of the Court of Appeals for the Second Circuit and a founder of the school of "Legal Realism," postulated that the public's distrust of lawyers arises because the law is "uncertain, indefinite, [and] subject to incalculable changes," while the public instead needs and wants certainty and clarity from the law.[6] Because a lawyer's work entails changing factual patterns presented within a continually evolving legal structure, it appears to the public that lawyers obfuscate and distort what should be clear. Frank, however, pointed out that the very nature of our common law is based upon the lack of certainty:

> The constant development of unprecedented problems requires a legal system capable of fluidity and pliancy. Our society would be strait-jacketed were not the courts, with the able assistance of the lawyers, constantly overhauling the law and adapting it to the realities of ever-changing social, industrial and political conditions; although changes cannot be made lightly, yet law must be more or less impermanent, experimental and therefore not nicely calculable. *Much of the uncertainty of law is not an unfortunate accident: it is of immense social value.*[7]

Frank believed that in the complex, fast-paced modern era, lawyers do themselves a disservice by acceding to the public myth that law can be certain and stable. He advocated that lawyers themselves accept the premise that law is not a fixed concept and that change in the law is inevitable and to be welcomed: "Without abating our insistence that the lawyers do the best they can, we can then manfully [sic] endure inevitable short-comings, errors and inconsistencies in the administration of justice because we can realize that perfection is not possible."[8]

Frank's thesis, set forth in 1930, should continue to attract examination today. It supports a pride that lawyers can take in what they do and how they do it. The law can change its direction entirely, as when *Brown v. Board of Education*[9] overturned *Plessy v. Ferguson*,[10] or as the common

5. JEROME FRANK, LAW AND THE MODERN MIND 3 (Anchor Books 1963) (1930).

6. *Id.* at 5. In the preface to the sixth printing of LAW AND THE MODERN MIND, Frank took issue with the notion that his theories and their advocates constituted a school. *Id.* at viii-xii. Instead, Frank preferred to be viewed as a "factual realist" or as he described himself, a "fact skeptic" as opposed to a "rule skeptic." *Id.* at xii.

7. *Id.* at 6-7 (footnotes omitted).

8. *Id.* at 277.

9. 347 U.S. 483 (1954).

10. 163 U.S. 537 (1896).

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law has gradually done by altering the standards of products liability law directly contrary to the originally restricted view that instructed "caveat emptor."[11] As these cases show, change—sometimes radical change—can and does occur in a legal system that serves a society whose social policy itself changes. It is our responsibility to explain to the public how an often unpredictable system of justice is one that serves a productive, civilized, but always evolving, society.

Lawyers must also continually explain various reasons for the law's unpredictability. First, as Frank explains, laws are written generally and then applied to different factual situations.[12] The facts of any given case may not be within the contemplation of the original law.[13] Second, many laws as written give rise to more than one interpretation (or, as happens among the circuit courts, differing or even majority and minority views).[14] Third, a given judge (or judges) may develop a novel approach to a specific set of facts or legal framework that pushes the law in a new direction.[15] Fourth, the function of the law at a trial is not simply to provide a framework to search for the truth, as understood by the public, but it is to do so in a way that protects constitutional rights.[16] Against these and other constraints, including, as Frank observed, an unknown factor—i.e., which version of the facts a judge or jury will credit—competent lawyers are often unable to predict reliably what the outcome of a particular case will be for their clients.[17]

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11. *See* W. PAGE KEETON ET AL., PROSSER AND KEETON ON THE LAW OF TORTS §§ 95-96, at 677-83 (5th ed. 1984) (outlining movement from notion of caveat emptor to liability for losses caused by defective products); RESTATEMENT (SECOND) OF TORTS § 402A cmt. b (1965) (detailing common law evolution of liability for defective products).

12. *See* FRANK, *supra* note 5, at xii (describing how courts apply legal rules to unique cases).

13. *See id.* at 127-28 (criticizing mechanistic approach to law that would treat people like mathematical entities to achieve predictability).

14. *See id.* at 121 (discussing statistical evidence concerning difference between judges).

15. *See* Jeremy Paul, *First Principles*, 25 CONN. L. REV. 923, 936 (1993) (discussing how cases of first impression force judges to create law and affect law's unpredictability).

16. *See* United States v. Filani, 74 F.3d 378, 383-84 (2d Cir. 1996) (discussing varied goals of the trial in American jurisprudence). In *Filani*, the United States Court of Appeals for the Second Circuit considered a drug conviction based on the judge's improper questioning of the defendant. *Id.* at 382-83. In discussing the history and role of trial judges in England and the United States, the court stated:

> One of the reasons for allowing an English judge greater latitude to interrogate witnesses is that a British trial, so it is said, is a search for the truth. In our jurisprudence a search for the truth is only one of the trial's goals; other important values—individual freedom being a good example—are served by an attorney insisting on preserving the accused's right to remain silent or by objecting to incriminating evidence seized in violation of an accused's Fourth Amendment rights. The successful assertion of these rights does not aid—and may actually impede—the search for truth.

Id. at 384.

17. FRANK, *supra* note 5, at xiv-xv. Of course, there are many instances in which lawyers *can* predict reliably what the outcome of a particular case will be. *See* Rodney J. Uphoff, *The Criminal Defense Lawyer as Effective Negotiator: A Systematic Approach*, 2 CLINICAL L. REV. 73, 83-86 (1995)

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This necessary state of flux, as well as our reliance on the adversary system, give rise to a cynicism expressed by Benjamin Franklin in the mid-seventeen hundreds, but equally reflective of the public mood today:

> I know you lawyers can with ease
> Twist words and meanings as you please;
> That language, by your skill made pliant,
> Will bend, to favor every client;
> That 'tis the fee limits the sense
> To make out either side's pretense,
> When you peruse the clearest case,
> You see it with a double face. . . .
> Hence is the Bar with fees supplied;—
> Hence eloquence takes either side. . . .
> And now we're well secured by law,
> *Till the next brother find a flaw.*[18]

This image raises perhaps the greatest fear about the role of law and lawyers: that on the same facts, and presented with the same law, two judges or juries would reach different results in the same case because of a lawyer's presentation.[19] Whether the concern is that only the wealthy can afford the best lawyers, or simply that the more "eloquent" attorney can get a better result, it is an intimidating possibility to a public that seeks certainty and justice from the law. From the vantage of a judge, however, it is not a correct or complete picture of what happens in the courtroom. (In extreme cases, of course, a lawyer (or a judge or jury) can be entirely incompetent or otherwise entirely fail to do a proper job.) To the extent judges and juries reach different results, however, much more, as Frank observed, may be attributable to the reality that judges and juries react differently to facts because their life experiences are different.[20] Working from the same facts and within the confines of the same law, however, it seems that gross disparities in result do not frequently occur.[21] But the law does evolve, and to assist its evolution and at the same

(analyzing systemic pressures to plea bargain in criminal cases). Cases that reach the trial stage do not reflect the multitude of cases resolved early—even before the complaint stage—precisely because the parties have quite a clear expectation of how their case would be decided. *See id.* at 83 (noting some defendants readily admit guilt and acknowledge responsibility for wrongs committed).

18. Benjamin Franklin, *Poor Richard's Opinion*, *in* LAW: A TREASURY OF ART AND LITERATURE 151, 151 (Sara Robbins ed., 1990).

19. *Compare* BMW v. Gore, 116 S. Ct. 1589, 1592-94 (1996) (considering constitutionality of $2 million punitive damages award for undisclosed automobile paint repairs), *with* Yates v. BMW, 642 So. 2d 937, 938 (Ala. Civ. App. 1993) (noting jury in virtually identical Alabama fraudulent car repainting lawsuit awarded no punitive damages), *cert. quashed as improvidently granted by*, 642 So. 2d 937 (Ala. 1993).

20. *See* FRANK, *supra* note 5, at xii-xiii (recognizing judge and juries bring personal prejudices to trials).

21. This conclusion is based both on personal experience as a judge and on the statistically small

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time maintain their own credibility, lawyers must dispel the view that they are dishonest, dissembling, hypocritical, or that Ben Franklin's description is correctly derisive.[22]

Frank's point that the public fails to appreciate the importance of indefiniteness in the law must be addressed through better education of the public by lawyers and others, including government officials.[23] In addition, the public has other needs relating to the law: the need, for example, for lawyers to act honorably, beyond what any law, regulation, or professional rule may require. This need requires a different response.

II. MORALITY IN PUBLIC SERVICE

What are our expectations of lawyers, judges, and of public servants generally? Over the years, the response to scandal and disappointment in lawyers and in our public officials has varied. A history of ethical codes that have apparently not provided sufficient guidance to practitioners has recently led to tighter restrictions. In the public sphere, we have for some time been engaged in passing laws and regulations intended to curb unworthy behavior.[24] This may not always be adequate for public officials or for lawyers. Some would argue that reliance on regulations alone defuses the notion of personal responsibility and accountability.

Charles Dickens on a visit to the United States in the nineteenth century described his sorrow when confronted with the American approach to regulating gifts to public servants:

> The Post Office is a very compact and very beautiful building. In one of the departments, among a collection of rare and curious articles, are deposited the presents which have been made from time to time to the

number of jury verdicts set aside or new trials ordered by judges. Of course, case law principles require that appellate courts give jury verdicts a great deal of deference. *See* Honda Motor Co. v. Oberg, 114 S. Ct. 2331, 2336-38 (1994) (stating civil jury verdicts historically afforded deference on judicial review unless damages too large); United States v. Powell, 469 U.S. 57, 67 (1984) (commenting that deference to jury's collective judgment brings element of finality to criminal process); Binder v. Long Island Lighting Co., 57 F.3d 193, 201-02 (2d Cir. 1995) (finding appellate court grants "strong presumption of correctness" when reviewing whether jury verdict "seriously erroneous"); Piesco v. Koch, 12 F.3d 332, 345 (2d Cir. 1993) (requiring "seriously erroneous" verdict for grant of new trial); Dunlap-McCuller v. Riese Org., 980 F.2d 153, 158 (2d Cir. 1992) (requiring "egregious" jury verdict for new trial); Smith v. Lightning Bolt Prods., Inc., 861 F.2d 363, 370 (2d Cir. 1988) (noting no new trial unless verdict "seriously erroneous" or miscarriage of justice).

22. *See* Franklin, *supra* note 18, at 151 (expressing cynicism toward attorney's role in courtroom).

23. *See* Roberta Cooper Ramo, *Law Day More Important than Ever for Keeping Strong*, CHI. DAILY L. BULL., Apr. 27, 1996, at 8 (emphasizing importance of legal profession keeping citizenry well informed about Constitution and legal system).

24. *See infra* note 26 and accompanying text (discussing laws designed to prevent and punish public corruption); note 27 and accompanying text (describing laws and regulations applicable to public affairs); note 55 and accompanying text (outlining rule of professional responsibility prohibiting lawyer-client sexual relations).

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> American ambassadors at foreign courts by the various potentates to whom they were the accredited agents of the Republic; gifts which by the law they are not permitted to retain. I confess that I looked upon this as a very painful exhibition, and one by no means flattering to the national standard of honesty and honour. That can scarcely be a high state of moral feeling which imagines a gentleman of repute and station likely to be corrupted, in the discharge of his duty, by the present of a snuff-box, or a richly-mounted sword, or an Eastern shawl; and surely the Nation who reposes confidence in her appointed servants, is likely to be better served, than she who makes them the subject of such very mean and paltry suspicions.[25]

There is indeed a national plethora of legislation at every level of government restricting activities of government officials.[26] This legislation, among other things, controls the receipt of gifts; limits the amounts of fees, and honoraria and outside employment; restricts post-employment contact with government; curbs the extent of political activities; requires the acceptance of the lowest (but not necessarily best) bids on government contracts; and sets prohibitions on the manner and ways in which to address financial and other conflicts.[27] These rules are extremely important, even vital, notwithstanding Dickens' eloquent statement to the contrary. They protect the public from many kinds of inappropriate influences on government officials, and they perform another crucial service in providing guidance to and protecting those they regulate. Public servants have sometimes walked a fine line or walked over the line between gifts and bribes.[28] If specific rules have their place, however, that does not mean that we should limit the standard we apply to public officials to the technical question of whether those rules have been broken, rather than aspiring to the highest in moral behavior. As a "Nation," we have not suffi-

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25. CHARLES DICKENS, AMERICAN NOTES AND PICTURES FROM ITALY 123 (Oxford Univ. Press 1957) (1842). It is interesting that in England there is now a heightened sense that laws or rules are in fact needed to regulate the behavior of public officials. *See* COMMITTEE ON STANDARDS IN PUBLIC LIFE, FIRST REPORT, 1995, Cmnd 2850-I, at 3 (urging remedial legislative action to counter public discontent with ethical standards of public officials).

26. *See, e.g.*, 18 U.S.C. § 201 (1994) (forbidding public official from seeking or receiving bribe to influence performance of official act); 18 U.S.C. § 666 (1994) (prohibiting agent of state, local or Indian tribal government from soliciting or receiving bribe); MASS. GEN. LAWS ch. 268A, §§ 1-25 (1994) (setting forth antibribery and conflict of interest laws for state, county and municipal employees).

27. *See generally* COUNCIL ON GOVERNMENTAL ETHICS LAWS, THE COUNCIL OF STATE GOV'TS, COGEL BLUE BOOK (Joyce Bullock ed., 9th ed. 1993) (compiling information on laws governing campaign finance, ethics, lobbying and judicial conduct nationwide).

28. *See* Jane Fritsch, *The Envelope, Please: A Bribe's Not a Bribe When It's a Donation*, N.Y. TIMES, Jan. 28, 1996, at D1 (revealing subtle distinction between illegal bribes and legal campaign contributions to politicians); Stephen Kurkjian, *Ferber's Conviction Spurs Widening of Probe*, BOSTON GLOBE, Aug. 15, 1996, at B5 (reporting planned investigation of Massachusetts politicians after corruption conviction of former financial advisor to state agencies).

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ciently emphasized the importance of professional morality in public service, whether among our government officials or our lawyers. Instead, we overemphasize social morality, concentrating on personal scandals that we cannot regulate, then pass detailed rules, hoping to elevate professional behavior in that way. If we limit our expectations to what is specifically regulated (and sometimes over-regulated), we may in effect degrade the offices and the people who hold them.

In other countries, public morality is approached differently. In Europe, for example, public officials often have greater discretion, are better paid, and are held to higher standards of behavior, in some instances resigning their office if there is the hint of financial scandal in their work.[29]

The tolerance in this country for questionable behavior by public officials is illustrated by the persistence of extremely troubling—but legal—practices in the public arena. In one of the murkiest and least well-controlled areas, we find ourselves debating what the quid pro quo's are for campaign contributions. Here we have abandoned standards we would surely apply in any other context. We would never condone private gifts to judges about to decide a case implicating the gift-givers' interests.[30] Yet our system of election financing permits extensive private, including corporate, financing of candidates' campaigns, raising again and again the question what the difference is between contributions and bribes and how legislators or other officials can operate objectively on behalf of the electorate.[31] Can elected officials say with credibility that they are carrying out the mandate of a "democratic" society, representing only the general public good, when private money plays such a large role in their campaigns? If they cannot, the public must demand a change in the role of private money or find other ways, such as through strict, well-enforced regulation, to ensure that politicians are not inappropriately influenced in their legislative or executive decision-making by the interests that give them contributions.[32] As Congress revamps many questionable practices, including the receipt of gifts from lobbyists, it must monitor to the public's satisfaction both whether inappropriate activity is being left un-

29. *See generally* Mark Davies, *The Public Administrative Law Context of Ethics Requirements for West German and American Public Officials: A Comparative Analysis*, 18 GA. J. INT'L & COMP. L. 319 (1988) (detailing differences between ethics regulations for American and German public officials).

30. *Cf.* Scott D. Wiener, Note, *Popular Justice: State Judicial Elections and Procedural Due Process*, 31 HARV. C.R.-C.L. L. REV. 187, 194 (1996) (discussing Texas attorney Joe Jamail's $10,000 campaign contribution to judge in Texaco-Pennzoil case).

31. *See* Fritsch, *supra* note 28, at D1 (reporting influence of special interest money as serious political issue).

32. *See* Jamin Raskin & John Bonifaz, *The Constitutional Imperative and Practical Superiority of Democratically Financed Elections*, 94 COLUM. L. REV. 1160, 1160 (1994) (proposing replacement of federal election finance system with total public financing of congressional campaigns).

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regulated and whether laws and regulations that are put in place are actually enforced. The continued failure to do this has greatly damaged public trust in officials and exacerbated the public's sense that no higher morality is in place by which public officials measure their conduct.

Similarly, the public wonders whether lawyers have enforceable rules of self-government or any kind of defined morality. Professional codes tend to speak in terms of ethical presumptions, without prescribing what lawyers should do in specific, troubling situations. For example, almost all professional codes require that a lawyer should represent a client zealously within the bounds of the law and may not suborn perjury or the creation of false documents.[33] But no rule guides a lawyer who is merely left with a firm and abiding conviction that what is being said or proffered by a witness or client is false. Rules might be ill-suited to answer such dilemmas, but moral imperatives, or what Lord Moulton described in 1924 as "Obedience to the Unenforceable," may be more helpful.[34]

Lord Moulton, to be sure a man of his time, spoke of Obedience to the Unenforceable as a standard that people live up to despite the fact that no law can force them to do so.[35] He gave as an example the conduct of the men aboard the Titanic who, facing imminent death, nevertheless adhered to the principle that women and children should be saved first:

> Law did not require it. Force could not have compelled it in the face of almost certain death. It was merely a piece of good Manners. . . . The feeling of obedience to the Unenforceable was so strong that at that terrible moment all behaved as, if they could look back, they would wish to have behaved.[36]

Our public officials and lawyers should also be prepared to adopt a culture that depends upon subjective accountability as well as well-defined, consistent rules and regulations:

> The difference between the true lawyer and those men who consider the law merely a trade is that the latter seek to find ways to permit their clients to violate the moral standards of society without overstepping the letter of the law, while the former look for principles which will persuade their clients to keep within the limits of the spirit of the law in common moral standards.[37]

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33. *See* MODEL RULES OF PROFESSIONAL CONDUCT Rule 3.3 (1995) (noting candor toward tribunal prevents lawyer from offering false evidence); MODEL CODE OF PROFESSIONAL RESPONSIBILITY EC 7-1, 7-6 (1983) (declaring lawyer's duties to client and legal system).

34. Lord Moulton, *Law and Manners*, ATLANTIC MONTHLY, July 1924, at 1, 1. Lord Moulton, a judge and member of the British Parliament, served as Minister of Munitions for Great Britain at the outbreak of World War I. *Id.*

35. *Id.*

36. *Id.* at 4.

37. PIERO CALAMANDREI, EULOGY OF JUDGES 45 (John Clarke Adams & C. Abbott Phillips, Jr.

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III. THE BAR'S RESPONSIBILITY

What is the responsibility of a practicing lawyer, and how could lawyers' behavior be changed in ways to encourage greater respect for the legal profession? To take one example of a tolerated but unacceptable pattern, let us examine the lying and misrepresentation that occurs in court.

Lawyers are not routinely confronted with the clear-cut dilemma that a client proposes to "lie" on the stand. A client presents a version of the facts, and lawyers rarely have independent, first-hand knowledge of them. (In criminal cases, clients frequently choose not to take the stand, often on the advice of an attorney, advice that is given for any number of reasons, including the risk of presenting perjured testimony.) Some number of these witnesses lie, including some for the prosecution and some for the defense, and their lawyers suspect as much. What more commonly occurs is that witnesses, often unconsciously, allow selectivity, prejudice, and emotion to color their perceptions. Even when two witnesses directly contradict one another, both may be "telling the truth" from their own point of view or to the best of their recollection. Real life is complex, and we have chosen to use the adversarial system to sort out the truth as best it can.[38]

To maintain credibility in the system, however, we must study how well we do in fact get at the "truth." Lying is risky in the courtroom, but not generally because of the threat of a perjury indictment. It is risky because each side has the opportunity, through discovery, independent investigation, and cross-examination, to expose falsehood.[39] But the adversarial system may not always be wholly adequate to the task of exposing wrong-doing and false or inflated claims. Empirical studies have been performed, for example, that examine the reliability of witnesses and jurors.[40] Many factors influence witnesses and juries, including subconscious racism and other prejudices. As a profession, we should seek, based

trans., 1942).

38. *See* SISSELA BOK, LYING: MORAL CHOICE IN PUBLIC AND PRIVATE LIFE 158-59 (1978) (analyzing how adversary system sometimes encourages attorneys to argue credibility of knowingly perjurious clients).

39. *See* FED. R. CIV. P. 26-37 (setting forth rules governing depositions and discovery in federal civil cases); FED. R. CRIM. P. 16 (establishing rules of evidentiary disclosure by both government and defendant in criminal cases); FED. R. EVID. 607 (allowing impeachment of witness' credibility).

40. *See generally* JEFFREY T. FREDERICK, THE PSYCHOLOGY OF THE AMERICAN JURY (1987) (presenting social scientific research on jury behavior and persuasion); SAUL M. KASSIN & LAWRENCE S. WRIGHTSMAN, THE AMERICAN JURY ON TRIAL: PSYCHOLOGICAL PERSPECTIVES (1988) (analyzing jury reliability and phases of jury trial); Christopher M. Walters, Note, *Admission of Expert Testimony on Eyewitness Identification*, 73 CAL. L. REV. 1402 (1985) (discussing expert witness reliability in eyewitness identification cases).

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upon empirical evidence, ways in which to improve our ability to arrive at the truth. If we undertake this seriously, we will not only do well by the cause of justice, but we will justifiably improve the public's opinion of our profession.

The adversary system may also be ill-suited to resolve certain types of disputes such as those presented by "battles of the experts" in medical malpractice and many other kinds of cases. There is recurring debate about the ability of jurors to evaluate such evidence. The Supreme Court of the United States, in *Daubert v. Merrell Dow Pharmaceuticals, Inc.*,[41] has reacted to this debate by expanding the judge's function to require that scientific testimony be evaluated more stringently before it can be presented to the jury.[42] Certainly, the battle of the experts undermines public confidence not only in the certainty of the law, but in another desired bedrock, the certainty of science. We must revisit whether other methods of inquiry into specialized areas—such as the use of court-appointed experts or Special Masters who share their conclusions with juries—may be more useful to resolve these kinds of disputes. The current system, in this particular respect, should somehow be made to work better or should be critically evaluated, and if necessary, replaced.

Finally, the adversary system, almost by definition, cannot address the gray area of the "truth" present in most cases because the system tends to produce all-or-nothing winners and losers. This is why settlements and new forms of "alternative dispute resolution" are so important.[43] Dickens' remark that honorable lawyers admonish their clients to "[s]uffer any wrong that can be done you, rather than come here [to the courts]," is still timely for many litigants.[44] The adversary system has its limitations under the best of circumstances, and so we must explain why the benefits of the system outweigh those limitations. If, as has been said of democracy, the adversary system is "the worst form of Government except [for] all those other forms," then that is the way in which the public should understand it: not as a system expected to accomplish more than any system can.[45]

As we ponder how effective our legal system is, we must help create

41. 509 U.S. 579 (1993).

42. *See id.* at 597 (acknowledging Federal Rules of Evidence require judge to ensure scientifically valid principles support expert testimony).

43. *See* Abraham Lincoln, Notes for a Law Lecture, *in* THE OXFORD DICTIONARY OF AMERICAN LEGAL QUOTATIONS 302 (Fred R. Shapiro ed., 1993) ("As a peacemaker the lawyer has a superior opportunity of being a good man. There will still be business enough."); Joshua A. Darrell, *For Many, Litigation Retains Important Practical Benefits*, NAT'L L. J., Apr. 11, 1994, at C11 (discussing benefits of alternative dispute resolution).

44. CHARLES DICKENS, BLEAK HOUSE 51 (Norman Page ed., Penguin Books 1971) (1853) (quotation marks omitted).

45. Winston Churchill, Speech (Nov. 11, 1947), *in* THE OXFORD DICTIONARY OF QUOTATIONS 202 (Angela Partington ed., 4th ed. 1992).

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greater credibility in existing, useful mechanisms. A number of years ago, Judge Harold Rothwax of the Supreme Court of the State of New York noted his concern that illegal activities occur in the judicial system sometimes for years and that lawyers do not report them.[46] In a heartening exception to this generalization, insurance kick-backs were recently exposed by a lawyer who was offered one in New York.[47] Similarly, we recently have heard much about the police practice of tailoring testimony to avoid the suppression of evidence, an apparently common practice that must be known to, or at least suspected by, some prosecuting attorneys.[48] Often, however, lawyers, instead of engaging in genuinely useful projects to ferret out fraud, tend to denigrate either the law itself or the role and quality of work performed by lawyers in the fields, for example, of personal injury or criminal defense.

The response that can give the public confidence in our profession is our own leadership in weeding out the fraudulent and wrongful conduct that the public rightly condemns at the same time as we challenge overreactions that undermine the principles of our judicial system.[49] Lawyers have unfortunately joined the public outcry over excessive verdicts and seemingly ridiculous results reached in some cases.[50] Legislators have introduced bills that place arbitrary limits on jury verdicts in personal injury cases.[51] But to do this is inconsistent with the premise of the jury system. The focus must be shifted back to monitoring frivolous claims, uncovering pervasive misrepresentation in court, and educating the public that no system of justice is perfect. Despite occasional disappointing re-

46. *See Symposium: Ethics in Government*, CITY ALMANAC, Winter 1987, at 20, 20 (noting corruption in legal system succeeds when a few good people do nothing).

47. *See* Matthew Goldstein, *23 Lawyers Arrested in Insurance Scheme: Inflating of Settlements in Tort Cases Charged*, N.Y. L.J., Sept. 22, 1995, at 1 (reporting praise of whistleblowing attorney who stated he "did what any honest citizen would do"); George James, *47 Accused in an Insurance Claim Scheme*, N.Y. TIMES, Sept. 22, 1995, at B3 (describing district attorney's praising lawyer as "credit to the legal profession and the general public").

48. *See* HAROLD J. ROTHWAX, GUILTY: THE COLLAPSE OF CRIMINAL JUSTICE 63-65 (1996) (discussing problems exclusionary rule creates for law enforcement officers); *see also And What About Justice?*, WALL ST. J., Sept. 1, 1995, at A6 (discussing perjury by law enforcement officers in O.J. Simpson trial and on Philadelphia police force).

49. *Cf. supra* note 47 and accompanying text (describing efforts of New York attorney exposing fraudulent practices by plaintiff's personal injury attorneys).

50. *See Was Justice Served?*, WALL ST. J., Oct. 4, 1995, at A14 (publishing attorney's criticism of criminal trials as "indistinguishable from Roman circuses" and civil justice system as "equally demented").

51. *See* Common Sense Product Liability Legal Reform Act of 1996, H.R. 481, 104th Cong. (limiting punitive damages in certain cases); Richard B. Schmitt, *As Clinton Vows to Veto Products-Liability Bill, Some Ask if He's Too Beholden to Trial Lawyers*, WALL ST. J., Mar. 22, 1996, at A14 (discussing political opposition to tort reform legislation limiting manufacturers' liability in suits over defective products); Glenn R. Simpson, *Trial Lawyers, After Flirting With GOP in 1995, Are Sitting at Democratic Party's Table Again*, WALL ST. J., July 16, 1996, at A12 (reporting presidential veto of congressional legislation limiting product liability damages).

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sults, our system does have mechanisms in place that moderate jury verdicts (such as judges' discretion to set aside or reduce unreasonable verdicts), that allow for the discipline of lawyers, and that can result in punishment of perjurers.[52]

Criminal law is the most challenging arena in which to satisfy the public that our system adequately addresses problems of apparently wrong verdicts. This is largely because the public either does not understand or does not accept the necessity for safeguards against overzealous prosecution and the protection of certain civil liberties. The role of criminal defense lawyers in particular is not well understood or sufficiently appreciated by many lawyers, much less the public. Prosecutors and government officials should be especially sensitive to and publicly supportive of the fundamental place constitutional safeguards and the defense bar have in our system. We must take an aggressive role in cleaning our own house by educating ourselves and publicly supporting our colleagues who perform essential functions in asserting and protecting the constitutional rights ~~of defendants~~.[53]

If we can persuade the public that the system we have in place and the roles played by lawyers within that system are the best available, there remain ancillary issues of an ethical nature that do not necessarily involve what happens in the courtroom. We have an obligation, for example, to address professional conduct perceived by the public to be wrong even if it is not necessarily illegal. For example, in New York State, a recent study of the matrimonial bar concluded that a very significant negative sense exists of matrimonial practice, based on the perception that matrimonial lawyers often take unfair financial advantage of emotionally fragile clients.[54] Similarly, California found that sexual exploitation of clients

52. *See* Gasperini v. Center for Humanities, Inc., 116 S. Ct. 2211, 2214 (1996) (applying New York check on excessive damages to federal court); Bender v. City of New York, 78 F.3d 787, 794-95 (2d Cir. 1996) (finding verdict of $300,700 excessive in civil rights action); Scala v. Moore McCormack Lines, Inc., 985 F.2d 680, 684 (2d Cir. 1993) (finding $1.5 million verdict for pain and suffering excessive); *see also* 18 U.S.C. §§ 401-02 (granting courts power to punish contempt of courts' authority, including obstruction of justice); FED. R. CIV. P. 11(c) (providing for sanctions of lawyers who pursue frivolous claims and needless litigation); FED. R. CIV. P. 59 (empowering judges to grant new trials and amend judgments in nonjury trials).

53. *See* Miranda v. Arizona, 384 U.S. 436, 480 (1966) (noting attorney carries out sworn duty by advising client to remain silent during police questioning). The *Miranda* Court emphasized that an attorney's advice of silence in the face of criminal investigation is an exercise of "good professional judgment," not a reason "for considering the attorney a menace to law enforcement." *Id.*; *see also* United States v. Filani, 74 F.3d 378, 384 (2d Cir. 1996) (noting that "fulfilling professional responsibilities 'of necessity may become an obstacle to truthfinding.'") (quoting *Miranda*, 384 U.S. at 514 (Harlan, J., dissenting)).

54. *See* COMMITTEE TO EXAMINE LAWYER CONDUCT IN MATRIMONIAL ACTIONS, ADMINISTRATIVE BD. OF THE COURTS OF N.Y., REPORT 1-5 (1993) (identifying criticism of divorce law system and proposing reforms and improvements for lawyers and courts); *see also Carpe Diem*, N.Y. L.J., Mar. 12, 1993, at 2 (citing report critical of divorce lawyers by New York City Department of Con-

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was a pervasive enough problem in divorce and other areas of legal practice that the California Supreme Court passed a very hotly debated professional rule setting forth a lawyer's professional obligations in these situations.[55]

Whether the rule will have an effect in California on the public's perception of lawyers depends largely on how vigilantly their colleagues and others hold lawyers to the rule: Will lawyers actually be reported to the bar association when they are suspected of having inappropriate sexual relations with a client? How aggressively will they be investigated? And will they be held accountable if they continue to represent a client with whom they are having an impermissible sexual relationship?

Failure to enforce such a rule will again feed the public's mistrust, which arises in part from the sense that lawyers (and public officials), whose conduct is generally self-policed, protect themselves from proper regulation. In New York, for example, disciplinary proceedings have until recently been closed to protect lawyers from unjust criticism and harm to their reputations. Despite a recommendation by its Task Force on the Profession that these proceedings be made public, the House of Delegates of the New York State Bar Association is opposing the measure.[56] Unquestionably, unjust criticism of a professional can be devastating. But it is worth examining whether that concern is better addressed by creating a quick, fair process for determining whether a charge is unfounded than by continuing a practice of not airing complaints publicly.[57] Alternatively, we must find other ways to assure the public that closed proceedings are effective in disciplining lawyers, and we must do more to monitor them. One way or another, there must be convincing public justification for the manner in which discipline and performance is regulated.

In the political sphere, the sense that elected officials fail to police themselves is equally prevalent. Partisanship is the accepted "adversarial" mechanism that is supposed to maintain checks and balances and protect the public in various contexts, including in the fields of elections and campaign finance.[58] Bipartisan commissions, such as boards of elections

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sumer Affairs commissioner).

55. CALIFORNIA RULES OF PROFESSIONAL CONDUCT Rule 3-120 (1995).

56. *See* Gary Spencer, *State Bar Opposes Any Public Discipline Procedures*, N.Y. L.J., June 27, 1995, at 1 (reporting bar association refused to endorse "even the smallest step toward opening" disciplinary process to public). The Association of the Bar of the City of New York has endorsed opening up these proceedings. *See* Committee on Professional Discipline, *The Confidentiality of Disciplinary Proceedings*, 47 REC. ASS'N B. CITY N.Y. 48, 60 (1992) (advocating opening process to public after determination that proceedings should begin).

57. Arguably, lawyers do not exhibit the same heightened sensitivity to the plight their clients suffer when unfair or embarrassing information becomes public through legal proceedings.

58. The Federal Election Commission is, for example, bipartisan by law. *See* 2 U.S.C. § 437c(a)(1) (1994) (providing that only three of six members appointed to Commission "may be affili-

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or most campaign finance agencies, often reflect a close relationship between commissioners and party politics.[59] The result is often votes on individual matters along party lines rather than on the merits, and policies and procedures that favor the established parties over independent or alternative groups.[60] By contrast, the experience of New York City's Campaign Finance Board—a pioneer agency regulating New York City's program of optional public financing of political campaigns—has been that of a deliberative, non-partisan board that nearly always acts unanimously and certainly always without regard to party affiliation. The non-partisan culture of that board is a model for decision-making in the political sphere. But few legislators—including the federal Congress—are prepared to have their campaign finances monitored by a genuinely non-partisan, objective body. As a result, there are areas of activity—including campaign finance—regulation of which is vital to the health of our democracy. Yet bipartisan agencies with weak claim to the public's trust largely administer that regulation. The legislators' failure to submit themselves to meaningful scrutiny heightens cynicism about our elected officials, many of whom, as we all know, are lawyers.

In short, we must find ways to re-evaluate and, if necessary, alter our methods of concluding legal and political conflicts. Next, we must find effective, confidence-building mechanisms for policing ourselves. Further, we must be prepared to entrust judgments on our own professional fitness not only to our colleagues, but to the public.

IV. THE RESPONSIBILITY OF OTHERS

The changing nature of the law and the conduct of lawyers give the public understandable pause. We must not, however, fall prey to the public's cynicism. We must instead expect more of our profession. There is a limit to how far an individual lawyer can elevate the bar as a whole. What a lawyer can do, as argued above, is educate the public—at the very least in the person of his or her clients—and personally raise standards by living up to a code of conduct beyond what is "enforceable." This responsibility is not confined to attorneys in private practice. The others who operate in or around the legal framework—judges, prosecutors, juries, witnesses, public officials, and the press—must also educate themselves, and others, and apply higher standards of conduct to their own behavior.

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ated with the same political party").

59. *See* Jan Hoffman, *Pataki Names Close Adviser to Judicial Screening Panel*, N.Y. TIMES, Sept. 14, 1996, at 25 (reporting bar associations' criticism of governor's appointing closest legal adviser to commission on judicial nominations).

60. *See id.* (reporting criticism that appointee would serve as stand-in for governor on commission recommending candidates to state's highest court).

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Much distrust arises from a lack of understanding, whether about the purpose and role of the adversary system, the presumption of innocence, the right of every party to be represented by an attorney, or the facts and proceedings of a specific case—even a case as highly publicized as the O.J. Simpson trial. The limitations of the law are also poorly understood. We need the help of the schools, our media, and our public officials to communicate the values and limitations of our system of justice and to free us from simplistic analysis that breeds contempt.

What we should also acknowledge, to broaden the true reach of the law's majesty, is the role that many influences, including the press and the lay public, play in contributing to our intricate legal system.

What we propose is as follows:

> *First*, lawyers must make a greater effort at educating themselves, their clients, and the public about the key underpinnings of our legal system: the reasons for the law's uncertainty; the values and limitations of the adversary system; and the importance of respecting every kind of legal practice and the role it plays in helping our society to achieve its goals and progress.
>
> *Second*; we must re-examine what does and does not work to bring about justice and consider whether we can improve aspects of our system. Is the adversary process the best way of determining whether witnesses are telling the truth or for dealing with the "battle of the experts"? If not, let us improve what we have, or find a better way, recognizing that we cannot achieve perfection.
>
> *Third*, we must instill among ourselves and our public officials a culture of a high morality, as best we can. We must determine what ethical guidelines are appropriate and then enforce them seriously. We must adopt concrete ways to recognize those among us who practice law at the highest moral levels. We must combine to act more honorably both within our own sphere and collectively as a profession, supporting each other in the inevitable controversies that arise when lawyers properly carry out responsibilities that are ill-understood by the public.
>
> *Finally*, we must enlist not only every group of our profession, including judges, lawyers, legislators, and other public officials, to adhere to higher standards. We must also enlist clients, jurors, journalists, and all our fellow citizens, because we are all touched by the law, and we can all have an influence on how it evolves.[61]

61. Judges generally receive criticism if they ask, or let juries ask, too many questions to witnesses. *See* United States v. Filani, 74 F.3d 378, 384 (2d Cir. 1996) (commenting on popular notion that limited questioning by trial judge guards against bias); United States v. Ajmal, 67 F.3d 12, 14-15 (2d Cir. 1995) (discussing dangers of prejudice and compromise of juror neutrality in juror questioning of witnesses); *see also* Bill Alden, *Juror Inquiries Require Retrial for Defendant*, N.Y. L.J., Sept. 22, 1995, at 1 (reporting how improper juror questioning in *Ajmal* case led to reversal and new trial). In today's media-dominated world, jurors are more informed about legal issues than ever before. More explanation by judges why certain legal principles are important or why certain evidentiary rulings

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We cannot delay in addressing these moral issues of professional conduct. We are faced with on-going instances of erosion in public confidence. The O.J. Simpson trial and the constantly recurring investigations of public officials continue to subject our profession and government officials to public scorn and ridicule. The response, if we do not act, will be an increasing amount of legislation criminalizing and otherwise regulating conduct and a demoralization in the practice of law and public service. We are losing many fine elected officials to retirement who no longer care to operate in a bitterly partisan and hostile atmosphere governed by few meaningful rules of conduct and subject to heightened and unrelenting personal scrutiny by the press. Among our own ranks, senior practitioners complain bitterly of the loss even of professional courtesy among lawyers and office holders.

In Boston, lawyers call their adversaries "brother" or "sister" in court. Anyone who experiences the practice appreciates the grace it adds to the proceedings. This grace is created by the aura of respect the titles seek to convey. In light of the increasing call by lawyers to return to greater professional civility, it is clear we ourselves feel and regret the loss of professional courtesy and respect.[62] We must first give respect to each other and to the profession—in word and in deed—before we can expect the public to do so.

If we act in these areas, the public discourse, the behavior of our lawyers and public officials as well as their reputations, and, ultimately, confidence in our legal system as a whole will be greatly enhanced.

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have been made may be helpful to contain speculation that can lead juries astray. Similarly, if jurors ask questions that seek to clarify evidence, and if the practice is properly controlled, this may preserve rather than interfere with a jury's impartiality.

62. *See* Louis P. DiLorenzo, *Civility and Professionalism*, N.Y. ST. B.J., Jan. 1996, at 8, 8-10, 25 (exploring scope of decline in professionalism among attorneys, uncovering its cause and suggesting possible solutions); *see generally* NEW YORK STATE BAR ASS'N, CIVILITY IN LITIGATION: A VOLUNTARY COMMITMENT (1995) (explaining suggested guidelines for behavior of all participants in litigation process).

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Statehood and the Equal Footing Doctrine: The Case for Puerto Rican Seabed Rights

by

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Notes

Statehood and the Equal Footing Doctrine: The Case for Puerto Rican Seabed Rights

In the near future, negotiations between Puerto Rico and the United States will probably explore statehood as an alternative to the island's current "commonwealth" status.[1] The island's dearth of land-

1. Commonwealth status means the island enjoys self-government in local affairs under its own constitution and association with the United States under the Puerto Rican Federal Relations Act of 1950, §§ 1, 4, 48 U.S.C. §§ 731(b), 731(c) (1970). For a discussion of the continuing debate concerning the nature of commonwealth status, see Cabranes, *Puerto Rico: Out of the Colonial Closet*, FOREIGN POL'Y, Winter 1978, at 66.

The island's ongoing economic difficulties have exacerbated dissatisfaction with the commonwealth arrangement and the island's political parties are voicing demands for a status change. *See, e.g.*, Garcia Passalacqua, *20 Years of Anticolonialism*, San Juan Star, Apr. 23, 1977, at 27, col. 2 (attacks on commonwealth status have brought "[c]olonialism in Puerto Rico" to "its deathbed"); *Puerto Rican Factions Hit Island Status*, Wash. Post, Aug. 19, 1977, at A1, col. 6 ("For the first time, virtually the whole spectrum of political opinion in Puerto Rico appeared before a U.N. committee . . . and criticized the island's commonwealth status.")

Statehood is currently the foremost alternative to the "fast collaps[ing]" commonwealth. Garcia Passalacqua, *Hispanic State or La Republica—IV*, San Juan Star, Mar. 3, 1977, at 27, col. 2. The island's statehood parties since 1952 have received increasingly larger percentages of the vote, culminating in the 48.3% that they received in 1976. *See* Letter from Michael E. Veve, Director, Legal Counsel Section of the Office of the Commonwealth of Puerto Rico to José A. Cabranes, Lecturer in Law, Yale Law School (Mar. 28, 1978) (on file with *Yale Law Journal*). Although this percentage partly reflected protests against the island's economic state under the commonwealth party, the trend toward statehood is clear. *Puerto Rico: the oil issue*, 11 LATIN AMERICA POLITICAL REP., Feb. 4, 1977, at 38.

President Ford's New Year's Eve statehood proposal suggests some United States support for the statehood alternative. *See President Proposes Puerto Rican State; Urges U.S. Initiative*, N.Y. Times, Jan. 1, 1977, at 1, col. 6. President-elect Carter indicated his willingness to support statehood "'if the people who live there prefer that.'" *Carter Weighing Personnel to Fill Sub-Cabinet Jobs*, N.Y. Times, Jan. 2, 1977, at 1, col. 5 & 44, col. 5. A Gallup poll conducted in December 1976 found three out of every five Americans in favor of statehood for Puerto Rico. *59% on Mainland Favor State in Gallup Inc. Poll*, San Juan Star, Jan. 5, 1977, at 1, col. 1.

A bid for statehood by Puerto Rico has increasingly been viewed as inevitable. *See, e.g.*, *Puerto Rico Turnabout*, Wash. Post, Aug. 20, 1977, at A14, col. 1 (editorial) (although mainland has focused little attention on issue of statehood for Puerto Rico, "question is coming"); Ramos, *Has P.R. Passed The Point Of No Return?* San Juan Star, Jan. 15, 1977, at 19, col. 2 ("island's economic absorption by the U.S. will inevitably result in its complete political absorption through statehood"). *But see* Nordheimer, *Puerto Rico Is Torn by Dispute Over Seeking Statehood Status*, N.Y. Times, Apr. 30, 1978, at 1, col. 4 (statehood will not receive more than simple majority in plebiscite and Congress likely to reject statehood petition).

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based resources and its ongoing economic stagnation and poverty,[2] coupled with the possibility of offshore oil and mineral wealth,[3] will create political pressures for Puerto Rico to demand exclusive rights to exploit its surrounding seabed[4] in an area ranging from nine to 200

2. *See, e.g.*, Hoyt, *The Mineral Industry of Puerto Rico*, 2 MIN. Y.B. 623, 624 (1974) (island's mineral production includes only cement, clay, lime, salt, sand and gravel, and stone); Lens, *Puerto Rico could become the United States' next Vietnam*, Dallas Times Herald, Aug. 14, 1977, at 1-1, col. 1 & 1-8, col. 1 (discovery of copper and nickel deposits may allay but will not cure island's economic problems).

Since the increase in oil prices in 1972, the island has been beset by serious economic difficulties. *See, e.g.*, Nordheimer, *supra* note 1, at 56, col. 1 (Puerto Rico has become "'welfare state', with 63 percent of the population qualifying for Federal food stamps"); *60% of Puerto Ricans' Income Below Poverty Level*, N.Y. Times, Jan. 1, 1977, at 5, col. 2 ("[u]nemployment [over 30%], inflation and high taxes . . . have seriously crippled Puerto Rico's economy").

3. Studies have shown the possibility of oil and gas deposits from two to nine miles off the northern coasts of the island. The deposits could yield an estimated 200,000 barrels of oil per day, an amount sufficient to supply the island's current daily consumption of 140,000 barrels. Letter from Michael E. Veve, Director, Legal Counsel Section of the Office of the Commonwealth of Puerto Rico (Mar. 31, 1977) (on file with *Yale Law Journal*). Other reports have indicated strong possibilities of limestone or dolomite off the northern coasts. Western Geophysical Company, Evaluation of Hydrocarbon Prospects of the Island of Puerto Rico, Final Report 12 (Feb. 1975) (report to Puerto Rico Water Resources Authority) (on file with *Yale Law Journal*). Mobil Oil Corporation has offered to explore for oil in three northern coast locations. Licha, *Exploracion en Tres Puntos*, El Nuevo Dia, Feb. 5, 1977, at 2, col. 1. The discovery of manganese nodules, potato-shaped pellets each containing a wealth of cobalt, nickel, copper, and manganese, have reportedly been made within 200 miles of Puerto Rico's southern coast. Pamalacqua Christian, *Romero's miraculous fish oil—II*, San Juan Star, Mar. 19, 1977, at 24, col. 1.

4. Puerto Rico might also seek rights to conserve and manage fishing in a 200-mile economic zone, *see* note 116 *infra* (defining economic zone), off its coasts. The United States has recently declared such a zone. Fishery Conservation and Management Act of 1976, Pub. L. No. 94-265, § 101, 90 Stat. 336 (codified at 16 U.S.C. § 1811 (1976)); *cf.* Informal Composite Negotiating Text of the Third United Nations Conference on the Law of the Sea, arts. 56, 57, U.N. Doc. A/CONF. 62/W.P.10 (July 15, 1977) (recognizing 200-mile exclusive economic zone over living and nonliving natural resources) [hereinafter cited as Composite Text]. Although Puerto Rico's demands for rights over the seabed and over fishing management might involve a similar 200-mile limit, the two demands would involve different rights, responsibilities, and duties. *Compare* Convention on the Continental Shelf of the United Nations Conference on the Law of the Sea, art. 2, U.N. Doc. A/CONF. 13/L.55 (Apr. 29, 1958) (declaring rights to exploit continental shelf exclusive to coastal state) [hereinafter cited as Continental Shelf Convention] *with* Convention on Fishing and Conservation of the Living Resources of the High Seas of the United Nations Conference on the Law of the Sea, art. 7, U.N. Doc. A/CONF. 13/L.54 (Apr. 28, 1958) (recognizing coastal state's right to impose regulations to conserve fish but prohibiting discrimination against foreign fishermen) [hereinafter cited as Fishing Convention].

Puerto Rico would likely seek the exclusive right to explore and exploit the natural resources of the seabed. *See* p. 845 *infra*. The federal government currently authorizes the Secretary of the Interior "to grant to the highest responsible qualified bidder" leases for the exploration and development of the submerged lands under national control. *See* Outer Continental Shelf Lands Act of 1953, § 205(a), 43 U.S.C.A. § 1337(a) (West Supp. 1978). A payment of royalty is required. *Id.* § 1337(b). Similarly, Texas authorizes a School Land Board to lease to the highest bidder the exploration and exploitation rights to its submerged lands. *See* TEX. NAT. RES. CODE ANN. tit. 11, §§ 52.011, .019 (Vernon 1977). Louisiana, on the other hand, authorizes its State Mineral Board to issue leases to the bidder making the "bid most advantageous to the state." *See* LA. REV. STAT. ANN. § 30:127(a) (West Supp. 1978). In the Mining Law of 1975, P.R. LAWS ANN. tit.

miles into the sea.[5] The inclusion of such a provision in Puerto Rico's compact of admission could be politically necessary and practically essential.[6]

Nevertheless, because such an agreement would grant the island

28, § 117(A) (Supp. 1977), the Secretary of Natural Resources of Puerto Rico is directed to obtain from leases of submerged lands "the highest financial return possible, consistent, however, with the widest possible exploitation or extraction of the commercial mineral." This history of exploitation of submerged lands indicates that the island would follow a leasing program if it were to secure the right to explore its seabed as a state.

5. There is presently considerable disagreement about whether Puerto Rico or the United States has the right to exploit the island's seabed resources. *See Puerto Rico: the oil issue*, *supra* note 1, at 37 (United States and Puerto Rico "waging a quiet but persistent struggle . . . over the island's title to offshore mineral rights"); Agrait, Puerto Rico y la Tercera Conferencia de las Naciones Unidas Sobre el Derecho Del Mar (unpublished paper) (on file with *Yale Law Journal*) (history of island's efforts to secure rights over seabed at Third United Nations Conference on the Law of the Sea). In its Mining Law of 1975, P.R. LAWS ANN. tit. 28, § 111 (Supp. 1977), the island claimed ownership of all exploitable commercial minerals in its continental shelf, which at present extend about 12 miles into the sea. Pamalacqua Christian, *Romero's miraculous fish oil*, San Juan Star, Mar. 9, 1977, at 16, col. 1. The United States failed to recognize this claim and Puerto Rico submitted a bill to Congress, H.R. 7827, 95th Cong., 1st Sess. (1977), still in committee, seeking jurisdiction, like that exercised by Texas and Florida, over three marine leagues (nine nautical miles). Pamalacqua Christian, *Island 'adrift in a leaky canoe'*, San Juan Star, Mar. 6, 1978, at 15, col. 2.

Commonwealth supporters have been lobbying for Puerto Rico to claim control over the 200-mile economic zone recognized in the Composite Text, *supra* note 4, arts. 56, 57. *See*, Bryan, *Copaken Cree la Isla Está Perdiendo Oportunidad Para Que se Establezca Límite Sobre sus Aguas Territoriales*, El Mundo, Feb. 21, 1977, at 11-B, col. 5; *RHC calls for pressure on U.S. to obtain rights to offshore oil*, San Juan Star, July 1, 1977, at 3, col. 1.

The United States has declared its rights over the continental shelf to the limits of its exploitability. Outer Continental Shelf Lands Act of 1953, § 202, 43 U.S.C.A. § 1332 (West Supp. 1978). In the Third Law of the Sea Conference, the United States proposed the recognition of a 200-mile economic zone, *see* note 116 *infra* (defining economic zone), in which coastal nations could exclusively exploit the natural resources of the seabed. Documents of the Second Committee, United States Draft Articles, 3(2) Third U.N. Conference on the Law of the Sea (Caracas, Venez.) 222, arts. 1, 2, U.N. SALES No. E.75, V.5 (Aug. 8, 1974). Thus by the time the question of statehood for Puerto Rico is faced by Congress, the United States may well recognize a 200-mile shelf zone. Therefore Puerto Rico could at a minimum ask for control to the limit of exploitability, 12 miles, and at the maximum request the 200 miles being recognized by the international community. *See* Composite Text, *supra* note 4, art. 57.

6. It is unlikely that opposing political parties of the island would allow statehood negotiators to concede to the federal government Puerto Rican resources as valuable as those of the seabed. *See, e.g.*, Pamalacqua Christian, *supra* note 5 (seabed resources have potential of "reducing and ending . . . dependence on Federal Aid Programs . . . [and it] would not look good for [Governor] to be accused of giving away to the Federal Government Puerto Rico's natural resources and thus binding us over in the bondage of Federal dole forever"); *RHC Calls for Pressure on U.S. to Obtain Rights to Offshore Oil*, *supra* note 5 (former Governor calls on statehood government to demand 200-mile zone).

Seabed resources would aid Puerto Rico in solving the economic difficulties exacerbated by its mineral deficiencies, especially in oil, *see* note 2 *supra*, and may be necessary to compensate for the increased economic burdens imposed by statehood. *See* UNITED STATES—PUERTO RICO COMMISION ON THE STATUS OF PUERTO RICO, HEARINGS ON THE STATUS OF PUERTO RICO, S. Doc. No. 108, 89th Cong., 2d Sess. 593-602 (1966) (Dr. Alvin Mayne) (statehood would require greater contribution to federal purse, and labor costs would increase prohibitively if federal minimum wage laws applied to island). *But see id.* at 623-35 (Arthur Burns) (statehood for Puerto Rico is economically feasible).

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seabed rights denied to any of the fifty states at their admission to the Union,[7] it would probably meet with opposition based on the "equal footing doctrine."[8] That doctrine "prevents extension of the sovereignty of a State into a domain of political and sovereign power of the United States from which the other States have been excluded" when the state enters the Union.[9] Although the Supreme Court in *Alabama v. Texas*[10] held that Congress has the power under the property clause of the Constitution to grant existing states unequal seabed rights,[11]

7. *See* pp. 832-33 *infra* (discussing United States v. Texas, 339 U.S. 707 (1950), which vested seabed rights in federal government at state's admission because of equal footing doctrine).

8. *See* note 9 *infra*.

Another objection involves a possibility that the Puerto Rican government might seek to favor its citizens in granting rights to exploit the seabed. *See* Mining Law of 1975, P.R. LAWS ANN. tit. 28, § 117(14) (Supp. 1977) (requiring every person who leases right to extract commercial minerals to agree that "insofar as economically possible, persons residing in Puerto Rico be employed for the works originating and carried out under such lease, and that such persons be trained in such operations as require technical skills"). Puerto Rico as a state, however, would be subject to challenges of such actions based on the privileges-and-immunities and equal protection clauses. U.S. CONST. amend. XIV, § 1; *see, e.g.*, Toomer v. Witsell, 334 U.S. 385, 395-403 (1948) (South Carolina licensing scheme discriminating against nonresident fishermen declared invalid under privileges-and-immunities clause); Alexandria Scrap Corp. v. Hughes, 391 F. Supp. 46, 56-58 (D. Md. 1975) (Maryland statute requiring processors to have office in state contrary to equal protection clause). It is beyond the scope of this Note to discuss the propriety of such favoritism by a state toward its own citizens.

9. United States v. Texas, 339 U.S. 707, 719-20 (1950) (plurality opinion). The equal footing requirement first appeared in the Northwest Ordinance of 1787, *see* 1 THE DOCUMENTARY HISTORY OF THE RATIFICATION OF THE CONSTITUTION 168 (M. Jensen ed. 1976) (quoting Ordinance in full), as a condition demanded by Virginia for its cession of western lands to the Union, *see* Hanna, *Equal Footing in the Admission of States*, 3 BAYLOR L. REV. 519, 523 (1951) (history of equal footing clause). Beginning with the admission of Tennessee in 1796, all states were admitted using the equal footing clause. *Id.*

Congressional concern and belief in the necessity for "equality" of states was quite evident when Hawaii attempted, during its statehood negotiations, to secure control over the seabed between its islands and was rebuffed by equal footing arguments. *See Statehood for Hawaii: Hearings on S. 49, S. 51 & H.R. 3575 Before the Senate Comm. on Interior and Insular Affairs*, 83d Cong., 1st & 2d Sess. pt. 2, at 40-53 (1954) (history of Hawaii's demands and their resolution). Hawaii finally agreed to accept a condition in its act of admission that the Submerged Lands Act of 1953 "shall be applicable to the State of Hawaii, and the said State shall have the same rights as do existing states thereunder." *Id.* pt. 3, at 725.

It seems probable that similar equal footing arguments will arise during Puerto Rico's negotiations over statehood because it is so often assumed that entering the Union would automatically require relinquishment to the federal government by the island of its rights to seabed resources. *See, e.g.*, O'Toole, *Offshore Oil Issue Raised in P.R. Proposal*, Wash. Post, Jan. 2, 1977, at A2, col. 3 (President Ford's statehood proposal may have been motivated by desire to federalize island's offshore resources); Passalacqua Christian, *supra* note 3 (island's rights over seabed would disappear if it became state; under statehood it would be entitled to only three miles under United States laws). Finally, precedent indicates that opposition by existing states or the executive might arise if the island were granted disproportionate rights. *See* notes 101 & 102 *infra*.

10. 347 U.S. 272 (1954) (per curiam).

11. *Id.* at 273; *see* U.S. CONST. art. IV, § 3, cl. 2 ("The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States . . . .")

the Court has not directly addressed the question whether the equal footing doctrine permits Congress to grant rights to an incoming state that exceed those granted to any existing state at its admission.[12]

This Note suggests a new historical analysis of the equal footing doctrine that demonstrates that the doctrine poses no barrier to such an extensive seabed grant upon Puerto Rico's admission into the Union. The Note defines the submerged lands issues left unsettled by the case law, and derives a framework for the equal footing doctrine from a historical analysis of submerged lands and equal footing cases. It then applies this framework to Puerto Rico's claims and demonstrates that Congress may, without violating the equal footing doctrine, cede seabed rights to the island on admission.[13] Finally, the Note suggests considerations for the language of such an agreement and defines its limitations.

I. The Allocation of Seabed Rights

In a long line of cases,[14] the Supreme Court has invoked the equal footing doctrine to vest control over the seabed in the federal government.[15] Although their reasoning and results have been subjected to numerous criticisms,[16] the cases retain their precedential value.[17] The

12. *See* pp. 832-33, 838 *infra*.

A mere expectancy or even a promise of seabed control after admission would not be a sufficient guarantee for Puerto Rico as it commits itself to the irrevocable status of statehood. Seabed rights are inextricably tied to the other economic and political issues surrounding Puerto Rican statehood. *See* note 6 *supra*. The grant of seabed rights must be simultaneous with admission. *See* Passalacqua Christian, *supra* note 3 (admission to Union without full seabed rights would be "cruel jest" on Puerto Rican people).

13. The present Governor of Puerto Rico, Carlos Romero Barcelo, has declared that if his party is returned to power in 1980, he will pursue a plebiscite for statehood the next year. NEWSWEEK, Sept. 11, 1978, at 55. In order to make an objective and informed decision concerning their future, the Puerto Rican people need to understand the difference between the constitutional and the political prices that statehood would require. The equal footing framework developed in this Note can be applied to test the constitutional basis of any condition for admission demanded by Congress or by Puerto Rico.

14. *See, e.g.*, United States v. Texas, 339 U.S. 707 (1950); United States v. Louisiana, 339 U.S. 699 (1950); United States v. California, 332 U.S. 19 (1947).

15. *See* pp. 831-33 *infra*.

16. *See, e.g.*, Hanna, *The Submerged Land Cases*, 3 BAYLOR L. REV. 201, 204 (1951) ("few judicial decisions . . . contrary to the expressed views of more well-informed lawyers"); Naujoks, *Title to Lands Under Navigable Waters*, 32 MARQ. L. REV. 7, 37 (1948) ("United States Supreme Court is wrong . . . in holding that the Federal Government has paramount rights to the tidelands"). *But see* Clark, *National Sovereignty and Dominion Over Lands Underlying the Ocean*, 27 TEX. L. REV. 140, 141 (1948) ("historical, political and practical" reasons exist for federal dominion over seabed).

17. *See* United States v. Maine, 420 U.S. 515, 519, 524 (1975) (reaffirming reasoning and results of cases vesting rights over seabed in federal government). A Special Master appointed by the Court to take and review evidence in *Maine* found that the historical conclusions of the submerged lands cases were correct. Report of Albert B. Maris, Special Master, at 75-81, United States v. Maine, 420 U.S. 515 (1975) [hereinafter cited as Special Master's Report]. The Court in *Maine* accepted the Master's findings. 420 U.S. at 522-25.

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cases merit careful analysis, because the Court has never explicitly decided whether the equal footing doctrine is a constitutional limitation on the power of Congress to set the terms for admission into the Union and, if so, whether this limitation precludes Congress from granting disproportionate seabed rights to an incoming state.

Until the 1940s, the leading authority concerning states' rights to control over the seabed was the 1845 case of *Pollard's Lessee v. Hagan*.[18] *Pollard* held that because Alabama had been admitted to the Union on an "equal footing" with the other states, it was entitled to the same rights of sovereignty and jurisdiction over shorelands as were possessed by the original states.[19] For over a century *Pollard* stood for the broad proposition that states owned title to all "navigable waters, and the soils under them"[20] within their historic boundaries.[21] A series of Supreme Court decisions from 1947 to 1950, the *Tidelands Cases*,[22]

18. 44 U.S. (3 How.) 212 (1845). In *Pollard*, the Court rejected plaintiff's claim to certain shorelands based on a federal patent issued after Alabama's admission into the Union. Plaintiff had argued that the United States in Alabama's compact of admission retained ownership of the lands. *Id.* at 220-21.

19. *Id.* at 228-29. The Court held that, at the time of the American Revolution, "'the people of each state became themselves sovereign,'" and possessed the absolute right to all navigable waters and soils within the colony. *Id.* at 229 (quoting Martin v. Waddell, 41 U.S. (16 Pet.) 367, 410 (1842)). The independent colonies retained this sovereign right at the formation of the Union. *Id.*

The Court in *Pollard* also invoked the premise that the federal government could not permanently hold or condemn lands within the boundaries of a state without the state's express consent. *Id.* at 223. The Constitution reserved title to "shores of navigable waters, and the soils under them" to the original states. *Id.* at 230. Alabama was admitted on an equal footing, because the Court imputed to the state at the time of its admission ownership of and sovereignty over all lands that it did not explicitly cede to the federal government in its compact of admission. *Id.* at 223. The Court found that a provision reserving for the United States waste and unappropriated lands (public lands) did not include shorelands, and that a condition concerning freedom of navigable waters was only a "regulation of commerce" and did not confer property rights on the United States. *Id.* at 230. Therefore, the federal patent to plaintiff was invalid. *Id.*

It was not until 1875, in Kohl v. United States, 91 U.S. 367 (1875), that the Supreme Court held that the power of eminent domain was inherent in sovereignty and that, consequently, in order to implement its constitutional functions, the United States could condemn lands within a state without the state's consent. *Id.* at 373-74. In United States v. Texas, 339 U.S. 707 (1950), the Court plurality further held that an express state grant at admission was not necessary in order for a state to relinquish title to the United States. *Id.* at 718.

20. 44 U.S. (3 How.) at 230.

21. *Pollard* actually held that states owned title to all "*shores* of navigable waters, and the soils under them." *Id.* (emphasis added). Nevertheless, subsequent cases interpreted *Pollard* to mean that a state owned title to all tide waters and their beds within the state's territorial boundaries. *See, e.g.*, The Abby Dodge, 223 U.S. 166, 175 (1912); McCready v. Virginia, 94 U.S. 391, 394-95 (1876). For a general history of cases relying on the *Pollard* rule, see Naujoks, *supra* note 16, at 21-37.

22. "Tidelands" is a misnomer given to three submerged lands cases—United States v. Texas, 339 U.S. 707 (1950), United States v. Louisiana, 339 U.S. 699 (1950), and United States v. California, 332 U.S. 19 (1947). *See* Hyder, *United States v. California*, 19 Miss. L.J. 265, 265 & nn.2-3 (1948) (*Tidelands Cases* involved lands under tide waters and not tidelands, lands covered and uncovered by ordinary tide).

overturned this broad reading of *Pollard*, but failed to provide a consistent or clear framework for evaluating subsequent equal footing claims.

In the first *Tidelands Case*, *United States v. California*,[23] the Court upheld the federal government's claim to all submerged land rights in the three-mile marginal sea[24] claimed by California.[25] Because the original states had never acquired imperium (regulatory power) or dominium (ownership interest)[26] over the submerged lands of the marginal sea, and because California was admitted to the Union on an equal footing with the original states, the Court held that California had demonstrated no ownership of the claimed area.[27] *Pollard* was distinguished by the fact that acquisition, protection, and control of the three-mile marginal belt "has been and is a function of national external sovereignty."[28] Thus, lands in which "national interests" such as defense, commerce, and foreign affairs were dominant were deemed

23. 332 U.S. 19 (1947).

24. "Marginal sea" and "territorial sea" refer to the three-mile belt of water measured from the seaward edge of inland waters. *See* United States v. Louisiana, 394 U.S. 11, 22 (1969) (defining terms); Manchester v. Massachusetts, 139 U.S. 240, 258 (1891) (recognizing one league as minimum limit).

25. 332 U.S. at 34-36, 39-40. California argued that because the original states acquired title to the three-mile belt from the English Crown and because it had been admitted on an equal footing with the original states, it acceded to the same right of title over the submerged lands. *Id.* at 25. California also pleaded several defenses all of which the Court dismissed summarily. *Id.* at 25-26 & n.2, 39-40.

26. The *California* majority held that national interests required that the federal government have the "powers of dominion and regulation" over the marginal belt. *Id.* at 35. Justice Frankfurter, in dissent, used the terms "dominium" and "imperium," *id.* at 43-44, to refer to what the majority labelled "dominion" and "regulation." He argued that although the majority was right in denying California a proprietary interest or dominium over submerged lands and in asserting that national interests conferred regulatory power on the federal government, the majority failed to explain how the federal government acquired dominium. *Id.* at 44. Justice Frankfurter's "imperium" and "dominium" terminology was later adopted by the plurality in United States v. Texas, 339 U.S. 707, 712-13 (1950).

27. 332 U.S. at 32, 38-39. Without an evidentiary hearing, the Court said that it could not conclude that "the thirteen original colonies separately acquired ownership of the three-mile belt or the soil under it, even if they did acquire elements of the sovereignty of the English Crown by their revolution against it." *Id.* at 31 (footnote omitted). In United States v. Maine, 420 U.S. 515 (1975), a Special Master finally conducted a hearing on historical evidence, *see* Special Master's Report, *supra* note 17, at 25-65, and the Court explicitly found that the colonies had not owned the three-mile belt. 420 U.S. at 522. *But see* Hardwicke, Illig & Patterson, *The Constitution and the Continental Shelf*, 26 Tex. L. Rev. 398, 408-26 (1948) (colonies and original states were landowners of submerged lands).

28. 332 U.S. at 34. The Court limited the *Pollard* rule to cover only state ownership of inland waters and soils under them (land between the lines of the ordinary high and low water marks). *Id.* at 36. The *Pollard* rule had been applied in other cases involving the marginal sea. *See* note 21 *supra* (citing cases). The *California* Court read those cases as involving only the right of states to regulate fishing in the absence of conflicting congressional legislation. 332 U.S. at 37-38.

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to be within the "paramount rights" and powers of the federal government after the admission of a state into the Union.[29]

Three years later, the Court followed *California* "*a fortiori*" in *United States v. Louisiana*,[30] and expanded its reasoning in *United States v. Texas*.[31] Texas, as an independent republic, had claimed and exercised both imperium and dominium over submerged lands three marine leagues (nine nautical miles) from its shore.[32] Texas argued that at its admission it ceded to the United States only imperium, and not dominium, to this area.[33] Justice Douglas, writing for the Court plurality, disagreed, holding that "although *dominium* and *imperium* are normally separable and separate,"[34] "national interests and national responsibilities" compelled federal control of both regulatory and property interests in the seabed.[35] Because it entered the Union on an equal footing with the original states,[36] Texas automatically lost all

29. 332 U.S. at 34-36, 38-39.

30. 339 U.S. 699, 705 (1950). Based on a 1938 state statute, Louisiana claimed control over the seabed within 27 miles of its shores. *Id.* at 703. The United States sought a declaration of its rights to the area. *Id.* at 701. The Court held that the federal government's sovereignty extended to the entire area claimed by Louisiana, even though no federal claim to the seabed beyond three miles had been proven. *Id.* at 704-05. The Truman Proclamation of 1945, Exec. Proclamation No. 2667, 3 C.F.R. 67, 68 (1945), had declared United States "jurisdiction and control" over the continental shelf, but, as was explained in an accompanying release, Exec. Order No. 9633, 3 C.F.R. 437 (1945), the Truman Proclamation did not purport to vest title to the shelf in either the federal or state governments. *But see* Note, *Conflicting State and Federal Claims of Title in Submerged Lands of the Continental Shelf*, 56 YALE L.J. 356, 369 (1947) (Supreme Court could use Truman Proclamation to vest title to shelf in federal government). It was not until three years after *Louisiana* that Congress declared it "to be the policy of the United States that the subsoil and seabed of the [shelf area outside the marginal sea] appertain to the United States." Outer Continental Shelf Lands Act of 1953, Pub. L. No. 83-212, § 5, 67 Stat. 462 (codified at 43 U.S.C.A. § 1332 (West Supp. 1978)). Once again, as in United States v. California, 332 U.S. 19 (1947), the Court in *Louisiana* failed to explain how the federal government acquired dominium over the shelf. *See* note 26 *supra* (discussing *California* Court's failure to explain national acquisition of dominium).

31. 339 U.S. 707 (1950) (plurality opinion). The United States in *Texas* sought a declaration of rights over the submerged lands in the Gulf of Mexico bordering Texas. *Id.* at 709.

32. *Id.* at 712-13. The Court plurality assumed the validity of Texas's claim that it had exercised imperium and dominium over the three marine league belt as a Republic. *Id.* at 717.

33. *Id.* at 712-13. The intention to cede only imperium, Texas argued, was evidenced by the retention of vacant and unappropriated lands in its compact of admission. *Id.* at 714-15; *see* Joint Resolution for annexing Texas to the United States, J. Res. 8, 28th Cong., 2d Sess. 797 (1845). The United States responded by arguing that Texas's grant of all property necessary to the public defense impliedly ceded the marginal belt to the federal government. 339 U.S. at 714-15.

34. 339 U.S. at 719 (footnote omitted).

35. *Id.*

36. Justice Douglas found the equal footing doctrine to control and bind the substance of admission even without the agreement of the state to the terms of the admission declaration. The Justice relied on the equal footing clause of the Joint Resolution for annexing Texas to the United States, J. Res. 8, 28th Cong., 2d Sess. 797 (1845), to dispose

seabed dominium to the federal government.[37]

In 1953, Congress passed the Submerged Lands Act,[38] which vested ownership of the marginal sea and its resources in the states[39] and provided that states could claim a greater seaward boundary to a limit of three marine leagues in the Gulf of Mexico[40] if "it was so provided by its constitution or laws prior to or at the time such State became a member of the Union, or if it has been heretofore approved by Congress."[41] In a per curiam decision in *Alabama v. Texas*,[42] the Court denied the motions of Alabama and Rhode Island for leave to file complaints challenging the constitutionality of the Submerged Lands Act.[43] Alabama and Rhode Island claimed that by granting some Gulf states an extended boundary over the three miles to the three marine league limit, the Submerged Lands Act violated the equal footing guarantees in their acts of admission and resulted in their "inferior sovereignty."[44]

The Court, which included only three members of the majority that had decided the *Tidelands Cases*, summarily upheld the Submerged Lands Act on the ground that Congress, under the property clause of

of the controversy. 339 U.S. at 719. Texas, however, was not admitted under that "Joint Resolution" but under the Joint Resolution for the Admission of Texas into the Union, J. Res. 1, 29th Cong., 1st Sess. 108 (1845). The latter resolution was never "submitted to nor accepted by Texas." Hanna, *supra* note 9, at 520. The Court plurality later ordered the amendment of the *Texas* opinion to make correct reference to the proper document. United States v. Texas, 340 U.S. 848 (1950).

37. 339 U.S. at 718.

38. Pub. L. No. 83-31, 67 Stat. 29 (1953) (codified at 43 U.S.C. §§ 1301-1315 (1970)). The Act was intended to undo the effects of the *Tidelands* triad. *See* S. REP. No. 133, 83d Cong., 1st Sess. 8, *reprinted in* [1953] U.S. CODE CONG. & AD. NEWS 1474, 1481 ("purpose of [Submerged Lands Act] to write the law . . . as the Supreme Court believed it to be in the past—that the States shall own . . . all lands under navigable waters within their territorial jurisdiction"); H.R. REP. No. 695, 82d Cong., 1st Sess. 5, *reprinted in* [1953] U.S. CODE CONG. & AD. NEWS 1395, 1399 (Submerged Lands Act fixed as law that which prior to *California* "believed and accepted to be the law of the land"—that states own submerged lands within their boundaries). The Supreme Court viewed the Act as an exercise of Congress's power to dispose of public property, and not as a mandate to overturn the *Tidelands Cases*. *See* United States v. Louisiana, 363 U.S. 1, 7 (1960).

39. 43 U.S.C. § 1311(a) (1970).

40. *Id.* § 1301(b) ("in no event shall the term 'boundaries' . . . be interpreted as extending from the coast line more than three geographical miles into the Atlantic Ocean or the Pacific Ocean, or more than three marine leagues into the Gulf of Mexico").

41. *Id.* § 1312.

42. 347 U.S. 272 (1954).

43. *Id.* at 273.

44. Complainant Alabama's Brief in Support of Motion for Leave to File Complaint and Complaint at 57-72, Alabama v. Texas, 347 U.S. 272 (1954) (Alabama grant extends only to three-mile belt; any greater grant to other states denies equal footing and results in making Alabama's sovereignty inferior); Brief for Complainant Rhode Island at 10, Alabama v. Texas, 347 U.S. 272 (1954) (Rhode Island claims Submerged Lands Act violates equal footing clause).

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the Constitution, could divest itself of the "public domain."[46] Justice Douglas, the author of *Louisiana* and *Texas*, and Justice Black, the author of *California*, relied on the equal footing doctrine to argue that Congress had no authority to "relinquish elements of national sovereignty over the Oceans."[46] The new Court in *Alabama*, however, overturned *Texas* sub silentio by holding that Congress in a postadmission grant could separate property interests in the seabed from national sovereignty.[47] The Court subsequently confirmed Congress's power to cede federal "property" to states in unequal portions.[48] Recently, in *United States v. Maine*,[49] the Court reaffirmed the results of its *Tidelands Cases* by upholding the paramount rights of the federal government to the continental shelf[50] outside the marginal sea.[51] Thus it remains unclear whether the equal footing doctrine is a constitutional bar to a congressional grant of disproportionate seabed rights to an incoming state. In light of subsequent cases, it cannot be argued that the *Texas* decision settled this question.

45. 347 U.S. at 273.

46. *Id.* at 279 (Black, J., dissenting); *see id.* at 282 (Douglas, J., dissenting). Justice Douglas viewed federal powers over submerged lands as "incidents of national sovereignty" that could not be "abdicated" without undermining the equality of states the equal footing clause required. *Id.* at 282-83.

47. *See* 34 B.U. L. Rev. 504, 507 (1954) (*Alabama* "tacitly repudiated" *Texas*); *cf.* 30 U. Miami L. Rev. 203, 213 (1975) (Submerged Lands Act, granting seabed rights to states, is "de facto repudiation" of prior rationale for vesting control in federal government). *Texas* and *Alabama* indicate that the Court perceived a difference between a grant at admission and a grant after admission. The *Texas* plurality viewed seabed rights as so intertwined with sovereignty as to be inseparable at admission. Otherwise "there is or may be in practical effect a subtraction in favor of Texas from the national sovereignty of the United States." 339 U.S. at 719. A seabed grant after admission, however, "was merely an exercise of" paramount national power. United States v. Maine, 420 U.S. 515, 524 (1975). This reasoning fails to explain the argument in *Texas* that in the case of seabed rights, property rights (dominium) follow and commingle with sovereignty (imperium). 339 U.S. at 719. In effect, the underpinning of *Texas* was overturned because in *Alabama* the Court found property rights separate and separable from national sovereignty. *But cf.* p. 840 *infra* (harmonizing results of *Alabama* and *Texas*).

48. In United States v. Louisiana, 363 U.S. 1 (1960), and United States v. Florida, 363 U.S. 121 (1960), the Court recognized claims under the Submerged Lands Act by Texas and Florida for dominium over three marine leagues in the Gulf of Mexico, but denied similar claims by Louisiana, Mississippi, and Alabama. Texas and Florida showed that it was the intention of Congress to recognize the extended boundaries that existed at the time of Texas's admission to the Union and at the time of Florida's readmission after the Civil War. This showing of congressional intent was the sole element necessary to establish entitlement under the Submerged Lands Act. United States v. Louisiana, 363 U.S. 1, 29-30 (1960).

49. 420 U.S. 515 (1975). The defendants in *Maine* were the 13 states bordering the Atlantic Ocean. *Id.* at 516-17.

50. Continental shelves have typically been defined

> as those slightly submerged portions of the continents that surround all the continental . . . mass that forms the lands above water. They are that part of the continent temporarily (measured in geological time) overlapped by the oceans. The outer boundary of each shelf is marked by a sharp increase in the slope of the sea floor. It is the point where the continental mass drops off steeply toward the ocean deeps.

H.R. Rep. No. 215, 83d Cong., 1st Sess. 6, *reprinted in* [1953] U.S. Code Cong. & Ad. News 1385, 1390.

51. 420 U.S. at 527-28.

II. The Equal Footing Doctrine: A Historical Reinterpretation

One reason the submerged lands cases seem confused or inconsistent is that the Court has never adequately defined the content or sources of the equal footing doctrine. The equal footing doctrine ultimately rests on concepts of federalism: the United States is a "union of political equals."[52] Although superficially derived from a clause common in statehood compacts,[53] equal footing in this century has emerged as an amalgam of constitutional and statutory precepts. Constitutional principles alone act as an affirmative limitation on congressional power to negotiate terms in compacts of admission, but statutory precepts also guide courts as they interpret such compacts.

A. *The Constitutional Component of the Equal Footing Doctrine*

The Constitution provides that "[n]ew States may be admitted by the Congress into this Union."[54] Congress may, on "penalty of denying admission," require any conditions for entry into the Union.[55] Since the admission of Ohio in 1802,[56] Congress has imposed on states a variety of special conditions that have limited the sovereign and political powers that states can exercise after admission.[57] On the other

52. Case v. Toftus, 39 F. 730, 732 (C.C.D. Or. 1889) ("The doctrine that new states must be admitted . . . on an 'equal footing' with the old ones does not rest on any express provision of the constitution . . . but on what is considered . . . to be the general character and purpose of the union of the states . . . —a union of political equals.")

53. *See* p. 836 *infra*.

54. U.S. Const. art. IV, § 3, cl. 1. *See generally* Park, *Admission of States and the Declaration of Independence*, 33 Temp. L.Q. 403, 405 (1960) (five procedural methods by which states have historically been admitted).

55. Coyle v. Smith, 221 U.S. 559, 568 (1911); *cf.* Brittle v. People, 2 Neb. 198, 216 (1872) (how states will be admitted is political question to be settled by territorial residents and Congress—not courts).

56. *See* Enabling Act of Ohio, ch. 40, 2 Stat. 173 (1802). Prior to Ohio's admission, Vermont, Kentucky, and Tennessee, the first three states added to the new union, were admitted without the imposition of conditions. *See* An Act for the admission of Tennessee, ch. 47, 1 Stat. 491 (1796); An Act for the admission of Vermont, ch. 7, 1 Stat. 191 (1791); An Act admitting Kentucky, ch. 4, 1 Stat. 189 (1791). For an explanation of enabling acts and acts of admission, see Park, *supra* note 54, at 405 (enabling act authorizes constitutional convention whereas act of admission ratifies admission of state; act of admission need not be preceded by enabling act).

57. *See* note 60 *infra* (examples of conditions); Dunning, *Are the States Equal Under the Constitution?* 3 Political Sci. Q. 425 (1888) (conditions imposed on incoming states in nineteenth century); Park, *supra* note 54, at 406-10 (conditions imposed in twentieth century).

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hand, since the admission of Tennessee in 1796,[58] Congress has included in each state's act of admission a clause providing that the state would enter the Union "on an equal footing with the original States in all respects whatever."[59] To eliminate the tension between "equal footing" clauses and the conditions limiting the sovereign and political powers of particular states after admission,[60] the Supreme Court in the nineteenth and early twentieth centuries held the conditions to be either valid exercises of Congress's commerce or property powers[61] or state constitutional provisions that could later be removed by the amendment process.[62]

Nevertheless, the Supreme Court struck down one such condition in 1911 in *Coyle v. Smith*.[63] The Court in *Coyle* upheld an Oklahoma statute moving the state capital from Guthrie to Oklahoma City against a challenge that the move violated the state's enabling act. Plaintiff, a property owner in Guthrie, claimed that the statute contravened a condition in the act under which the state had agreed not to move its

58. *See* An Act for the admission of Tennessee, ch. 47, 1 Stat. 491 (1796).

59. *See* Hanna, *supra* note 9, at 523-24. Prior to Tennessee's admission, Vermont and Kentucky were each "received and admitted into this Union, as a new and entire member of the United States of America." An Act for the Admission of Vermont, ch. 7, 1 Stat. 191 (1791); An Act Admitting Kentucky, ch. 4, 1 Stat. 189 (1791). This language is close to the equal footing terminology, although the phrase is not used explicitly.

60. In reviewing the conditions imposed on states, one nineteenth century scholar suggested that "the theory that all states have equal powers must be regarded as finally defunct." Dunning, *supra* note 57, at 452. Many of the conditions commonly imposed upon incoming states, such as the duties to keep navigable rivers toll-free for United States citizens and tax nonresident and resident proprietors equally, *see, e.g.*, Enabling Act of Louisiana, ch. 21, § 3, 2 Stat. 641 (1811), were grounded in Congress's constitutional powers. Other less common conditions, such as requirements that state constitutions provide that government officials be literate in English, *see, e.g.*, Enabling Act of New Mexico and Arizona, Pub. L. No. 61-219, § 2, 20, 36 Stat. 557 (1910), or that polygamous marriages be prohibited, *see, e.g.*, Enabling Act of Utah, ch. 138, § 3, 28 Stat. 107 (1894), did not involve matters that were generally viewed at that time as subject to federal regulation. *See* C. Beard, American Government and Politics 459-72 (4th ed. 1926) (states in eighteenth and nineteenth century differed widely in self-imposed electoral requirements); G. Curtis, Admission of Utah: Limitation of State Sovereignty by Compact with the United States 17 (1887) (opinion pamphlet) (Constitution reserved to states power to control domestic relations, including polygamy; Utah's power limited because of terms of compact of admission).

61. U.S. Const. art. I, § 8, cl. 3 (commerce clause); *id.* art. IV, § 3, cl. 2 (property clause); *see, e.g.*, United States v. Sandoval, 231 U.S. 28, 38 (1913) (conditions relating to regulation of affairs with Indian tribes within commerce power clause); Stearns v. Minnesota, 179 U.S. 223, 250 (1900) (provisions relating to federal property within power to dispose of property).

62. Coyle v. Smith, 221 U.S. 559, 568 (1911) (dictum); *accord*, Brittle v. People, 2 Neb. 198, 218 (1872); *see* Monnet, *Violations by a State of the Conditions of its Enabling Act*, 10 Colum. L. Rev. 591, 605 (1910) (Congress cannot "keep a State in tutelage after it comes into the Union"; state can always amend its constitution).

63. 221 U.S. 559 (1911).

capital before 1913.[64] The Court held that under the equal footing doctrine Congress cannot, as a condition of admission, either place limitations on the powers of a new state or demand the right to exercise powers over a new state not authorized by the Constitution.[65] The Court suggested for the first time that the equal footing doctrine derived its force not merely from the inclusion of an equal footing clause in acts of admission, but also from the constitutional imperative of equality among the states.[66] It asserted that the words "this Union" in Article IV of the Constitution[67] refer to "a union of States, equal in power, dignity and authority, each competent to exert that residuum of sovereignty not delegated to the United States by the Constitution itself."[68]

The holding in *Coyle* rested on notions of "dual federalism." Under this doctrine federal and state governments were viewed as fully independent in their respective spheres of power, with federal powers enumerated by Article I and all other powers reserved to the states by the Tenth Amendment.[69] As a result, Congress cannot in an act of admission diminish or impair the sovereign and political powers of an incoming state, including the power to designate its capital.[70]

64. *Id.* at 563-64; *see* Enabling Act of Oklahoma, Pub. L. No. 59-234, § 2, 34 Stat. 267 (1906). The condition was not included in the state's constitution but was adopted in a separate ordinance. 221 U.S. at 564-65.

65. 221 U.S. at 573.

66. *Id.* at 580.

67. U.S. Const. art. IV, § 3, cl. 1 ("New States may be admitted by the Congress into this Union . . . .")

68. 221 U.S. at 567.

69. The term "dual federalism" was coined by Professor Corwin. *See* E. Corwin, The Twilight of the Supreme Court 1 (1934). He used the term to describe the judicial approach to federalism that prevailed from the Taney Court to the New Deal. *Id.* at 50.

Many of the Supreme Court's decisions before the New Deal reflected dual federalist notions. *See, e.g.*, United States v. Butler, 297 U.S. 1, 77-78 (1936) (Agricultural Adjustment Act unconstitutional because taxing power cannot be used for federal regulation in area reserved to states); Hammer v. Dagenhart, 247 U.S. 251, 273-76 (1918), *overruled*, United States v. Darby, 312 U.S. 100, 116 (1941) (Act of 1916 to prevent interstate commerce in products of child labor unconstitutional as federal intrusion into state matters). *See generally* M. Vile, The Structure of American Federalism 68 (1961) (under dual federalism, exercise of federal government's constitutional powers limited by state sovereignty; Tenth Amendment frequently invoked to curtail express congressional power); Corwin, *The Passing of Dual Federalism*, 36 Va. L. Rev. 1, 4 (1950) (federal and state governments are co-ordinate with and equal to one another).

70. 221 U.S. at 573 (sovereign and political powers of incoming states cannot be "constitutionally diminished, impaired or shorn away by any conditions, compacts or stipulations" in acts of admission).

The equal footing doctrine, however, does not require the equality of states in the manner in which they exercise sovereign and political powers. For example, in such matters as powers delegated to the three branches of government or to local governments, the arrangements of the states vary substantially. *Compare* Cal. Const. arts. IV, V (delegating general powers to autonomous executive branch; relying extensively on ref-

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Conversely, the equal footing doctrine, based on notions of sovereign equality, might also prohibit the enlargement of the powers of particular states into areas granted by the Constitution to the national government. This inversion of the constitutional equal footing doctrine formed the basis for the Court's 1950 plurality decision in *United States v. Texas*.[71] Although it did not explicitly hold that Congress could not expand the sovereign and political powers of an incoming state in a compact of admission, the Court plurality cited constitutional reasons as preventing "any implied, special limitation of any of the paramount powers of the United States in favor of a State."[72]

Since 1937, the doctrine of dual federalism has been replaced by theories of "cooperative federalism." Under cooperative federalism, federal and state governments are viewed as sharing powers and functions, although national powers and interests take precedence over state sovereignty.[73] Consistent with this more expansive view of federal sovereignty, the plurality opinion in *Texas* suggested that the equal footing doctrine "prevents extension of the sovereignty of a State" into an area of paramount rights of the United States "from which the other States have been excluded, just as it prevents a contraction of sovereignty . . . which would produce inequality among the States."[74]

erends) *with* LA. CONST. arts. III-VI (containing specific and detailed delimitation of powers, duties, and organization of three branches and of local governments). Additionally, the courts have historically validated congressional power to control the formation and content of constitutions of states entering the Union. As a result, states differ in the sovereign and political powers they exercised at admission. *See* p. 835 *supra*. The equal footing doctrine permits each state after admission to choose to exercise the same degree of sovereign and political powers as every other state. *Cf.* Case v. Toftus, 39 F. 730, 732 (C.C.D. Or. 1889) ("true constitutional equality between the states . . . extends to the right of each . . . to have and enjoy the same measure of local or self government").

71. 339 U.S. 707, 719-20 (1950); *see* Frost, *Judicial Expansion of Seaward Boundaries Above Submerged Lands*, 16 N.Y.U. INTRA. L. REV. 235, 242 (1961) (*Texas* plurality used concept of " 'converse equal footing' ").

72. 339 U.S. at 717; *see id.* at 718 (United States responsibilities with respect to "foreign commerce, the waging of war, the making of treaties, defense of the shores, and the like" compel conclusion that United States's supremacy over seabed must be unabridged).

73. *See* Corwin, *supra* note 69, at 21 ("cooperative conception of the federal relationship"). Cases after 1937 have reflected the cooperative federalist notions. *See, e.g.*, Fry v. United States, 421 U.S. 542, 547-48 (1975) (interference with state affairs by application of Economic Stabilization Act to state employees upheld as within national congressional exercise of power); United States v. Darby, 312 U.S. 100, 124 (1941) (Fair Labor Standards Act upheld even though it affected state sovereignty; national government can "resort to all means for the exercise of a granted power"). *See generally* M. REAGAN, THE NEW FEDERALISM 21-23 (1972) (constitutional revolution of 1937 began view of federal and state cooperation in "running programs" and in "passing statutes," as state powers no longer held to impede or limit national powers). The Court has, nevertheless, recently moved to limit notions of cooperative federalism. *See* National League of Cities v. Usery, 426 U.S. 833 (1976) (Tenth Amendment affirmative limit on commerce power when legislation infringes on state sovereignty).

74. 339 U.S. at 719-20 (citation omitted).

The *Texas* plurality, however, returned to a model of dual federalism by assuming that exclusive federal control over the seabed was necessary.[78]

The Court in *Alabama v. Texas*[79] was misguided in not addressing the constitutional equal footing arguments.[77] The reasoning in *Texas* required the *Alabama* Court to determine whether the Submerged Lands Act undermined the constitutional "equality of States" so as to make them " 'different in [the] dignity and power' " that they share as co-equal members of the Union.[78] Because the *Alabama* Court did not consider the constitutional language in *Texas*, the latter opinion should not be understood to bar affirmative congressional actions that vest seabed rights in some states that are greater than those enjoyed by other states.[79]

B. *The Statutory Component of the Equal Footing Doctrine*

Ultimately, the holding in *United States v. Texas*[80] must be viewed as turning on statutory, not constitutional interpretation. Although the Constitution guarantees sovereign equality to the states, it does not ensure their economic or proprietary equality. Because state sovereignty includes the right to acquire and to dispose of property,[81] and because the Constitution gives Congress plenary power to grant federal lands to the state,[82] equality either in size or in percentage of public lands held among the states would be unrealistic.[83] Acts of admission,

75. Under dual federalism, federal and state governments were viewed as co-equals, supreme in their independent spheres. *See* p. 837 *supra*. The plurality, by coalescing imperium and dominium, returned to a view of separate and independent spheres of government, which was a touchstone of dual federalism thinking.

76. 347 U.S. 272 (1954) (per curiam).

77. *See* note 47 *supra* (Court may have believed that there was no equal footing issue involved in post-admission grant); Alabama v. Texas, 347 U.S. 272, 281 (1954) (Douglas, J., dissenting) (Court treated equal footing as "frivolous and insubstantial").

78. United States v. Texas, 339 U.S. 707, 720 (1950) (plurality opinion) (quoting Coyle v. Smith, 221 U.S. 559, 566 (1911)).

79. At most, constitutional principles merely create a rebuttable presumption that states' compacts of admission grant equal seabed rights. *See* p. 840 *infra*.

80. 339 U.S. 707 (1950).

81. This right is equal, in the absence of constitutional or statutory limitations, to that of an individual disposing of land. *See, e.g.*, South San Joaquin Irrigation Dist. v. Neumiller, 2 Cal. 2d 485, 489, 42 P.2d 64, 66 (1935); Bjerke v. Arens, 203 Minn. 501, 505, 281 N.W. 865, 868 (1938).

82. U.S. CONST. art. IV, § 3, cl. 2 (property clause); *see* Alabama v. Texas, 347 U.S. 272, 273 (1954) (per curiam) ("The power over the public land thus entrusted to Congress is without limitations.")

83. States currently vary widely in geographical size and in the extent to which the federal government owns public lands within their boundaries. *See, e.g.*, BUREAU OF THE CENSUS, U.S. DEP'T OF COMMERCE, STATISTICAL ABSTRACT OF THE UNITED STATES 1977, at 197, 227 (1977).

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moreover, reveal a wide variation in the property rights possessed by particular states upon their entry into the Union. Texas and Florida, for example, came into the Union with generous grants of public lands, but most other states have received very limited property grants from Congress in their compacts of admission.[84]

Interpreting the statement in *Texas* that the equal footing doctrine has a "direct effect on certain property rights,"[85] specifically on the right to exploit submerged lands, remains a problem. This finding can be harmonized with the holding in *Alabama v. Texas*[86] only if *Texas* is understood to have involved statutory interpretation of the equal footing clause in the state's act of admission.[87] The act did not discuss the submerged lands issue, so the *Texas* plurality faced the question whether the state could retain prior title by implication. The Court plurality held only that the Constitution prevented such an implication, not that Congress could not, if it had so desired, have made an explicit grant of title.[88] The constitutional language supported the plurality's presumption that Texas had no greater property rights than other states. Such a presumption could have been rebutted by a showing of an express provision in the compact of admission that vested dominion in the incoming state.[89]

The Court in *Pollard's Lessee v. Hagan*[90] held that property rights to the beds of inland waters belong to the states.[91] The *Tidelands Cases* reached the opposite result for offshore lands, because "national in-

84. Unlike other states, Texas was allowed to retain its vacant and unappropriated lands. This retention was permitted in order that the state would be able to pay the debts and liabilities it had incurred as a Republic. Joint Resolution for annexing Texas to the United States, J. Res. 8, 28th Cong., 2d Sess. 797 (1845); *see* P. Gates, History of Public Land Law Development 316 (1968) (at admission, Florida was granted 62%, Louisiana 38%, and Alaska 28% of public land areas with remainder retained by federal government).

85. 339 U.S. at 716 (plurality opinion).

86. 347 U.S. 272 (1954) (per curiam).

87. *See* United States v. Texas, 339 U.S. 707, 715 (1950) (plurality opinion) (plurality held that dominium over Texas's seabed vested in federal government because "'equal footing' clause of the Joint Resolution admitting Texas to the Union disposes of . . . the controversy" of control over area).

88. *See* p. 838 *supra*.

89. The *Texas* plurality found that Texas's historical proof of dominium, while a Republic, over its three marine leagues seabed was insufficient to overcome the presumption that such dominium had been relinquished. United States v. Texas, 339 U.S. 707, 717-18 (1950). Subsequently, the *Maine* Court held that Congress had exercised its "paramount national powers" by transferring seabed rights to the states in the Submerged Lands Act. United States v. Maine, 420 U.S. 515, 524 (1975). It thus appears that Congress can disavow federal control conferred by the equal footing doctrine over the seabed bordering any state by an express provision in the compact of admission.

90. 44 U.S. (3 How.) 212 (1845).

91. *Id.* at 230; *see* p. 830 *supra*.

terests, responsibilities, and therefore national rights are paramount."[92] The *Alabama* Court assumed, without so deciding, that seabed rights were mere property rights.[93] The failure of the *Alabama* Court lay in not overturning the holding in the *Tidelands Cases* that seabed rights were interests "so subordinated to political rights as in substance to coalesce and unite in the national sovereign."[94] By upholding the federal power to cede submerged lands, the *Alabama* Court overturned the reasoning of *Texas*[95] that although "*dominium* and *imperium* are normally separable and separate," in some cases "property interests are so subordinated to the rights of sovereignty as to follow sovereignty."[96] No apparent reason exists to allow the separation of property from sovereignty in statutes like the Submerged Lands Act, while preventing such a separation in acts of admission. Therefore, the constitutionally based presumption of federal control over the seabed imposed by the equal footing doctrine can be overcome. Puerto Rico need only secure Congress's agreement to an express grant in its act of admission.

III. Seabed Rights as Property Rights

The Court has ruled that a grant of three marine leagues to some states does not undermine the constitutional equality of states.[97] The question remains whether a congressional grant of seabed rights of 200 miles to Puerto Rico on admission to the Union would be an unconstitutional "subtraction in favor of" Puerto Rico "from the national sovereignty of the United States."[98] Such a grant would not, however, compromise national supremacy,[99] for the right to exploit the seabed, under both American and international law, is alienable.[100] Such a

92. United States v. California, 332 U.S. 19, 30 (1947); *see* United States v. Texas, 339 U.S. 707, 719 (1950) (plurality opinion); United States v. Louisiana, 339 U.S. 699, 704 (1950).

93. 347 U.S. at 273 (per curiam).

94. United States v. Texas, 339 U.S. 707, 719 (1950) (plurality opinion).

95. *See* p. 834 *supra*.

96. 339 U.S. at 719 (plurality opinion) (footnote omitted). *But cf.* p. 840 *supra* (harmonizing results of *Alabama* and *Texas*).

97. Alabama v. Texas, 347 U.S. 272, 273-74 (1954) (per curiam) (upholding constitutionality of Submerged Lands Act).

98. United States v. Texas, 339 U.S. 707, 719 (1950) (plurality opinion).

99. To avoid confusion, this discussion will use national "supremacy" to refer to the sovereignty of the federal as against the state governments. This concept involves federal supremacy in the areas designated by the Constitution. The word "sovereignty" in the international sense denotes the plenary powers of individual nations as against one another and will be used as such throughout this discussion.

100. *See* p. 834 *supra*; p. 843 *infra*.

The Commonwealth of Puerto Rico can claim the sovereign right to explore and exploit its seabed under international law. The Continental Shelf Convention, *supra* note

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grant should be upheld against any equal footing challenge by other states[101] or by the Justice Department.[102]

Congress, a court should hold, can alienate seabed rights in any way it chooses. It may, for example, make such an express provision in a compact of admission, because a commingling of sovereignty with property rights is no more essential in the 200-mile zone than it is in the smaller zone at issue in *Alabama v. Texas*.[103] Any other conclusion would be at odds with principles of American and international law that have recognized not only the difference between imperium and dominium over the seabed, but also the difference between sovereignty over the sea and sovereignty over the seabed.[104]

The Truman Proclamation,[105] the first claim by a major coastal nation to rights over the continental shelf and its resources,[106] avoided use of the word "sovereignty" and only referred to "jurisdiction and control" in order to signify that the United States' claim extended only to the right to exploit the resources of the shelf, not to sovereignty

4, which the United States has ratified, states that "[t]he coastal State exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources." *Id.* art 2(1). In the *North Sea Continental Shelf Cases*, the International Court of Justice held that the right to explore the continental shelf and exploit its natural resources was inherent in the coastal State—the rights existed "*ipso facto* and *ab initio*." [1969] I.C.J. 4, 22. One study has concluded that the current United States claim to the continental shelf of the Commonwealth departs from prevailing international law and practice under which overseas departments and associated states, without representative votes in metropolitan governments, exercise control over the coastal seabed. T. FRANCK, CONTROL OF SEA RESOURCES BY SEMI-AUTONOMOUS STATES 27-29 (1978).

A coastal State's exclusive right to exploit the seabed does not preclude it from transferring its right, as long as the consent is express. Continental Shelf Convention, *supra* note 4, art. 2(2). Therefore, under international law, Puerto Rico and the United States can agree in a compact of admission who will receive the benefits of exploiting the seabed. *See Submerged Lands Act: Hearings on S.J. Res. 13, S. 294, S. 107, S. 107 Amend., S.J. Res. 18 Before the Comm. on Interior and Insular Affairs*, 83d Cong., 1st Sess. 1066 (1953) (Jack Tate, Deputy Legal Adviser, Dep't of State) (international community unconcerned about way United States divides its rights over seabed with states) [hereinafter cited as *Hearings on Submerged Lands Act*].

101. In Alabama v. Texas, 347 U.S. 272 (1954) (per curiam) states challenged a disproportionate grant of seabed rights to other states. *See* p. 833 *supra*.

102. The Justice Department brought the submerged lands cases challenging the right of Gulf states to the three marine leagues limit. *See* United States v. Florida, 363 U.S. 121 (1960); United States v. Louisiana, 363 U.S. 1 (1960). The executive need not agree with a congressional grant of seabed rights to a state and could therefore seek to overturn a congressional grant in a compact of admission. *Cf.* Veto of Bill Concerning Title to Offshore Lands, 1952-1953 PUB. PAPERS 379 (Truman veto of first Submerged Lands Act).

103. 347 U.S. 272 (1950) (per curiam).

104. *See* Daniel, *Sovereignty and Ownership in the Marginal Sea*, 3 BAYLOR L. REV. 243, 248-56 (1951) (distinction between ownership of seabed and sovereignty over waters, and dual rights in marginal sea).

105. Exec. Proclamation No. 2667, 3 C.F.R. 67, 68 (1945).

106. *See* A. Sinjela, Land-Locked States and the Contemporary Ocean Regime 303-05 (1978) (unpublished J.S.D. dissertation, Yale Law School) (on file with *Yale Law Journal*) (prior to 1945, few claims to continental shelf made and those made largely concerned with fishing conservation).

over the sea.[107] Both Congress and executive officials premised the Submerged Lands Act on the separability of national supremacy and property rights over the seabed.[108] Finally, the separability of property and full sovereignty rights in the high seas was recently evidenced by American creation of a 200-mile zone of "exclusive fishery management authority," in which the United States claimed the power to regulate one resource of the high seas without asserting sovereignty over the area.[109]

The Court in *United States v. California*[110] viewed the possibility of international obligations concerning the seabed as bolstering the necessity for national control of the area.[111] The international community, however, has generally followed the American view that sovereign rights over the high seas are separate from exploitation rights over the resources of sea lands.[112]

Article 2 of the Continental Shelf Convention of the 1958 Geneva Convention on the Law of the Sea accorded to coastal states the exclusive power to exercise "over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources."[113] The Informal Composite Negotiating Text of the ongoing Law of the Sea Conference incorporates the same provision of coastal state right to explore the shelf.[114] Neither provision in any way prevents a coastal state from consenting to alienate these rights.[115] The Composite Text

107. Exec. Proclamation No. 2667, 3 C.F.R. 67, 68 (1945); *id.* ("The character as high seas of the waters above the continental shelf and the right to their free and unimpeded navigation are in no way thus affected.")

108. *See, e.g., Hearings on Submerged Lands Act*, *supra* note 100, at 512-14 (Douglas McKay, Secretary of Interior) (United States controls submerged lands, regardless of property rights); S. REP. No. 133, 83d Cong., 1st Sess. 5-6, *reprinted in* [1953] U.S. CODE CONG. & AD. NEWS 1474, 1479 (Submerged Lands Act grants property rights, not constitutional rights). *But see* pp. 846-47 *infra* (federal government by invoking eminent domain can recapture any seabed grants).

109. Fishery Conservation and Management Act of 1976, Pub. L. No. 94-265, §§ 101-102, 90 Stat. 336 (codified at 16 U.S.C. §§ 1811-1812 (1976)).

110. 332 U.S. 19 (1947).

111. *Id.* at 35.

112. *See* 4 M. WHITEMAN, DIGEST OF INTERNATIONAL LAW 789-862 (1965) (development and acceptance of continental shelf doctrine). Some nations continue to claim that the shelf is inseparable from the high seas and therefore not subject to appropriation. *See* 2 Third U.N. Conference on the Law of the Sea (Caracas, Venez.) (18th mtg.) 152, U.N. SALES No. E. 775, v.4 (July 29, 1974) (Mr. Upadhyaya, Nepal delegate). Other nations have claimed sovereignty over both the shelf and the high seas. *See* 1 S. LAY, R. CHURCHILL & M. NORDQUIST, NEW DIRECTIONS IN THE LAW OF THE SEA 15-16 (1973) (Brazilian claim of complete sovereignty).

113. Continental Shelf Convention, *supra* note 4, art. 2(1); *see id.* art. 1 (right to exploit shelf to limits of exploitability); *id.* art. 3 ("rights of the coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas").

114. Composite Text, *supra* note 4, arts. 76, 77(1) (coastal state right to exploit seabed up to distance of 200 nautical miles).

115. *See id.* art. 77(2) (rights to shelf exclusive unless exploration consented to by coastal state); Continental Shelf Convention, *supra* note 4, art. 2(2) (same).

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also proposes the creation of a 200-mile economic zone[116] under which coastal states have absolute rights "for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the sea-bed and subsoil and the superjacent waters."[117] In short, the right to exploit the seabed, properly defined, is simply a property right not necessarily commingled with national supremacy. Thus a grant to Puerto Rico of seabed rights at admission would not be a "subtraction in [its] favor . . . from the national sovereignty of the United States."[118]

IV. Seabed Grant Proposal and Its Limitations

The equal footing doctrine's rebuttable presumption of national property rights to the seabed makes the right to exploit seabed resources a negotiable condition in Puerto Rico's bargaining for admission.[119] Therefore Puerto Rico should seek a specific grant of seabed rights in a compact of admission. The federal government can, however, constitutionally regulate or terminate the rights to exploit the seabed secured in a compact. The main protection available for the island against a "taking" of its seabed rights is an explicit calculation of just compensation in its compact of admission.

116. The economic zone is an area "200 nautical miles from the baselines from which the breadth of the territorial sea is measured." Composite Text, *supra* note 4, art. 57. In the economic zone the coastal state has absolute rights of exploitation, *see* note 117 *infra*, and jurisdiction for purposes of research, environmental preservation, and construction, *see* Composite Text, *supra* note 4, art. 56(1)(b).

117. Composite Text, *supra* note 4, art. 56(1)(a). Control over the economic zone and control over the continental shelf involve a concomitant 200-mile limit. *See id.* arts. 57, 76. Although sovereign rights for exploitation purposes are absolute in the shelf, *see id.* art. 77(2), coastal states nevertheless have an affirmative duty under certain conditions to give access to other States in the economic zone, *see, e.g., id.* art. 69 (land-locked state's right to participate in exploitation of economic zones of adjoining coastal states).

118. United States v. Texas, 339 U.S. 707, 719 (1950) (plurality opinion).

119. Puerto Rico's bargaining position would be strengthened if it could establish ownership of the seabed as a commonwealth. *See* notes 5 & 100 *supra* (controversy over ownership of Island's seabed; Island's right to continental shelf under international law). Congress's grant to the states in the Submerged Lands Act of 1953, Pub. L. No. 83-31, § 3, 67 Stat. 30 (codified at 43 U.S.C. § 1311(a) (1970)), was motivated by a desire to restore historic title to the states. *See* note 38 *supra*. Historic title is not, however, necessary to Puerto Rico's demands: congressional power to cede federal lands is "plenary" and "without limitation." Alabama v. Texas, 347 U.S. 272, 273-74 (1954) (per curiam). In construing the Submerged Lands Act, the Court relied on historic title to the seabed only in searching for congressional intent to grant submerged lands to the state at admission. *See* note 48 *supra*. Federal control of the Island's seabed resources while it remains a commonwealth would not bar the island from claiming the resources at the time it seeks admission.

A. *Considerations for a Specific Grant*

Puerto Rico may seek to include in any compact of admission language granting the island the right to explore and exploit the natural resources of the seabed to the extent recognized by the international community.[120] In order to ensure that the grant of seabed rights to Puerto Rico will be sufficiently specific, the language used in other grants of seabed rights should be replicated:[121] "The term 'natural resources' includes, without limiting the generality thereof, oil, gas, and all other minerals,"[122] including sand, gravel or coral,[123] and all other living organisms sedentary to the seabed.[124] Puerto Rico's demands should seek to encompass all rights recognized by the United States in international agreements.[125] The grant should also follow the Submerged Lands Act in affirming the imperium rights of the United States.[126]

120. Current international law favors the recognition of sovereign rights over 200 miles of seabed. *See* Composite Text, *supra* note 4, arts. 56, 57. At minimum, Puerto Rico could seek the right to explore its seabed to the limits of exploitability, *see* note 5 *supra*, a right recognized in the Continental Shelf Convention, *supra* note 4, art. 1, which the United States has ratified. Ratifications and Accessions to the Conventions, U.N. Doc. ST. LEG./5 Rev. 1 (Apr. 12, 1961).

121. It is beyond the scope of this Note to propose the exact language of a seabed grant. Such language will require extensive negotiations because many problems of definition and jurisdiction exist. *Cf.* Note, *Jurisdiction Over the Seabed: Persistent Federal-State Conflicts*, 12 URB. L. ANN. 291, 297-99 (1976) (establishment of baselines from which to measure state control, shifting of coastlines, and pollution and environmental controls are issues currently in dispute between federal and state governments). In addition, if the United States were to sign an international agreement such as the Composite Text, *supra* note 4, before the Island's bid for statehood, the language of a seabed grant would have to account for any international obligations the federal government had incurred.

122. Submerged Lands Act of 1953, § 2, 43 U.S.C. § 1301(e) (1970).

123. In the Conveyance of Submerged Lands to Territories Act of 1974, Pub. L. No. 93-435, § 1, 88 Stat. 1210 (current version at 48 U.S.C. § 1705(a) (Supp. V 1975)), the United States gave Guam, the Virgin Islands, and American Samoa title to their marginal sea. The grant excepted oil, gas, and other minerals from the grant but included "coral, sand and gravel." The inclusion of both phrases in the proposed grant would leave no doubt as to the meaning of Puerto Rico's demands for "mineral resources."

124. Composite Text, *supra* note 4, art. 77(4) (natural resources of shelf include "living organisms belonging to sedentary species").

125. The rights could include those agreed upon in the Composite Text, *supra* note 4, if it should be ratified or in the Continental Shelf Convention, *supra* note 4, which has already been ratified by the United States, *see* note 120 *supra*.

126. Submerged Lands Act of 1953, § 6, 43 U.S.C. § 1314(a) (1970):

> [T]he United States retains all its navigational servitude and rights in and powers of regulation and control of said lands and navigable waters for the constitutional purposes of commerce, navigation, national defense, and international affairs, all of which shall be paramount to, but shall not be deemed to include, proprietary rights of ownership, or the rights of management, administration, leasing, use, and development of the lands and natural resources . . . vested in . . . the respective States, . . .

Congress viewed this section as superfluous, but included it in the Act to safeguard against

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B. *The Limits of a Grant to Exploit Seabed Resources*

The seabed is directly related to federal exercise of powers over national defense, the conduct of foreign affairs, world commerce, and navigation.[127] In order to effect these constitutional powers, Congress is empowered both to enact laws regulating the seabed[128] and to take state submerged lands.[129] Congress can, therefore, subsequently regulate or take back in exercise of its constitutional powers any right that it might grant to Puerto Rico in its compact of admission.

Such regulation or taking after admission is highly probable. Federal energy and environmental policies have recently led Congress to regulate seabed mining.[130] Treaties involving the seabed will likely limit exploitation by guaranteeing freedom of navigation and cable placement.[131]

The one safeguard that would be available to Puerto Rico if Congress were to take back seabed rights granted in a compact of admission is that provided by the Fifth Amendment: any taking by the federal government to execute its constitutional powers must include just compensation.[132] If the federal government acquires ownership of the

the national sovereignty concerns expressed in the *Tidelands Cases*. *See Hearings on Submerged Lands Act*, *supra* note 100, at 1368 (Sen. Jackson) ("[T]he constitutional provision . . . is purely surplus anyway. If we have exclusive rights under the Constitution, there is nothing we can do to change it.")

127. The relation of the seabed to the exercise of these important federal powers is evidenced by the difficulties that concerns with military defense, foreign affairs, commerce, and navigation created in developing a consistent United States policy on the law of the sea. *See* Hollick, *Bureaucrats at Sea*, in New Era of Ocean Politics 1-2 (A. Hollick & R. Osgood eds. 1974) (law of sea encompasses complex array of issues that resulted in shifting American policies).

128. *See, e.g.*, United States v. Rands, 389 U.S. 121, 123 (1967) ("power to regulate navigation confers upon the United States a 'dominant servitude'" that empowers it to take submerged lands without compensation); United States v. Virginia Elec. & Power Co., 365 U.S. 624, 627-28 (1961) (similar).

129. *See, e.g.*, Oklahoma *ex rel.* Phillips v. Guy F. Atkinson Co., 313 U.S. 508, 534 (1941) (Congress empowered to take state's submerged lands in exercise of commerce power); California v. United States, 395 F.2d 201, 208 (9th Cir. 1968) (United States can condemn state's submerged lands but must pay compensation; lands not valueless because submerged and unused).

130. *See* 43 U.S.C.A. § 1348 (West Supp. 1978) (safety regulations for exploitation of outer continental shelf).

131. *See* Composite Text, *supra* note 4, art. 58 (freedom of navigation in economic zone guaranteed by coastal states); *id.* art. 79 (right to lay submarine cables and pipelines on continental shelf given to all signatories).

132. U.S. Const. amend. V ("nor shall private property be taken for public use, without just compensation"). Although it need not compensate states for submerged lands taken for the purpose of regulating navigation, *see* note 128 *supra*, the federal government must provide compensation for the condemnation of state property for any other public purpose. *See, e.g.*, United States v. Carmack, 329 U.S. 230, 242 (1946); California v. United States, 395 F.2d 261, 263-64, 264 n.3 (9th Cir. 1968).

Puerto Rican seabed or regulates it so as to constitute a "taking,"[133] Puerto Rico should be reimbursed. Although environmental or navigational limitations are likely to be viewed as regulation and therefore noncompensable,[134] American alienation of seabed rights by treaty should be treated as a taking.[135]

Even though there must be compensation for any taking, Puerto Rico's property interest in the seabed might be undervalued. To enforce the constitutional mandate of just compensation, courts rely on "the concept of market value: the owner is entitled to the fair market value of the property at the time of the taking."[136] The "highest and most profitable use for which the property is adaptable and needed, or is likely to be needed in the near future" must be considered in determining the fair market value.[137] Future use must be within a reasonable time,[138] based on a known and provable market,[139] and exploitable without substantial expenditure of capital.[140] An owner, such as Puerto Rico, would be compensated for the "highest and most profitable use" to which it put its seabed at the time of taking. The

133. Although public regulation can reduce market value of private land without compensation, *see, e.g.*, Village of Euclid v. Ambler Realty Co., 272 U.S. 365 (1926) (upholding zoning ordinance as within state's police power), an owner must be compensated if deprived of all reasonable economic use for the property regulated, *see* Costonis, *"Fair" Compensation and the Accommodation Power: Antidotes for the Taking Impasse in Land Use Controversies*, 75 Colum. L. Rev. 1021, 1051 (1975) (under reasonable beneficial use test, landowner allowed reasonable economic return on property). *See generally* C. Berger, Land Ownership and Use 630-31 (2d ed. 1975) (four proposals commonly used to reconcile "police power vs. taking").

134. *See* United States v. 422.978 Square Feet of Land, 445 F.2d 1180, 1184 n.7 (9th Cir. 1971) (history of Supreme Court cases holding regulation for navigational purposes noncompensable); *cf.* Dunham, *A Legal and Economic Basis for City Planning*, 58 Colum. L. Rev. 650, 666-67 (1958) (regulation to prevent public harm within police power and noncompensable).

135. *Cf.* United States v. 50 Foot Right of Way or Servitude, In, Over and Across Certain Land, 337 F.2d 956, 960 (3d Cir. 1964) (taking of land for pipeline to aid navigation noncompensable; compensable if taken for any other reasons).

136. United States v. Reynolds, 397 U.S. 14, 16 (1970) (footnote omitted); *see* Danforth v. United States, 308 U.S. 271, 285 (1939) (just compensation means value at time of taking).

137. United States v. 1,291.83 Acres of Land, 411 F.2d 1081, 1084 (6th Cir. 1969); *see* Olson v. United States, 292 U.S. 246, 255 (1934) ("highest and most profitable use" test).

138. *See* note 137 *supra* (citing cases).

139. United States v. 1,291.83 Acres of Land, 411 F.2d 1081, 1084 (6th Cir. 1969); Mills v. United States, 363 F.2d 78, 81 (8th Cir. 1966). Evidence of minerals may be used in determining the market value of land, but future demand for the mineral must have some objective support. "Mere physical adaptability to a use does not establish a market." United States v. Whitehurst, 337 F.2d 765, 771-72 (4th Cir. 1964) (footnote omitted).

140. United States v. 1291.83 Acres of Land, 411 F.2d 1081, 1084 (6th Cir. 1969); United States v. 2,035.04 Acres of Land, 330 F.2d 640, 648 (6th Cir. 1964). The mere existence of mineral deposits is not sufficient; the minerals must be exploitable. *See* Mills v. United States, 363 F.2d 78, 81 (8th Cir. 1966).

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minerals of the submerged land would be treated as one element affecting the market value of the lands taken, but would not be separately valued.[141] Puerto Rico would not be compensated for the quantity of minerals in the lands or for any unknown minerals the lands contained.[142]

Puerto Rico and the United States could agree that compensation be provided for those losses that courts normally find noncompensable, and could provide at admission a formula for calculating the compensation. The federal right to eminent domain cannot be abridged by contract,[143] but the "Fifth Amendment does not prohibit landowners and the Government from agreeing between themselves as to what is just compensation for property taken. . . . Nor does it bar them from embodying that agreement in a contract. . . ."[144]

Various methods of adjusting the constitutional measure of just compensation could be devised. For example, a simple reasonable return above fair market value could be agreed on to compensate for any unknown uses of the lands at the time of the taking. Second, the quantity and quality of minerals in the lands could be estimated at the time of taking and then multiplied by a fixed price per unit agreed on in the compact of admission.[145] A court could be directed in the compact of admission to determine the future income stream by this multiplication method, then subtract expected cost of production—in essence, to capitalize profits.[146] Puerto Rico could demand that this capitalized estimate serve as the measure of compensation.

141. Courts have not permitted separate valuation of the quantity and quality of minerals, multiplied by a fixed price per unit because such valuation is speculative and uncertain. *See, e.g.*, Georgia Kaolin Co. v. United States, 214 F.2d 284, 286 (5th Cir. 1954); United States v. Land in Dry Bed, 143 F. Supp. 314, 317-18 (S.D. Cal. 1956); 4 J. SACKMAN, NICHOLS' THE LAW OF EMINENT DOMAIN § 13.22 (P. Rohan 3d rev. ed. 1977) (valuation of lands containing mineral resources).

142. *See* note 141 *supra* (citing cases); Mills v. United States, 363 F.2d 78, 81 (8th Cir. 1966) (minerals in land must be known and exploitable).

143. *See* Georgia v. Chattanooga, 264 U.S. 472, 480 (1924) ("[E]minent domain is an attribute of sovereignty . . . . It cannot be surrendered, and if attempted to be contracted away, it may be resumed at will." (citations omitted)); Contributors to Pa. Hosp. v. Philadelphia, 245 U.S. 20, 23 (1917) (contract restraining eminent domain "ineffaceable for want of power").

144. Albrecht v. United States, 329 U.S. 599, 603 (1947) (citation omitted); *see* United States v. Fuller, 409 U.S. 488, 494 (1973) ("Congress may . . . provide . . . that particular elements of value or particular rights be paid for even though in the absence of such provision the Constitution would not require payment.")

145. One possibility is to agree to use the fair market value of the minerals at the time of the taking as the fixed price. Of course this method can be used only when quality and quantity can accurately be estimated.

146. One court has accepted the multiplication or capitalization of profits method in an eminent domain context. *See* State Highway Comm'n v. Nunes, 233 Or. 547, 559, 379 P.2d 579, 585 (1963). *See generally* Note, *Valuation in Eminent Domain Cases—Use of the Multiplication Method in Valuing Mineral Deposits*, 56 ALA. L. REV. 753 (1972) (arguing for this method).

Although it requires speculation about future markets, technology, and return on investment, the last method is well-known in the law.[147] The valuation method is irrelevant unless a taking occurs; but if seabed rights are taken, then some speculation is preferable to the alternative of noncompensation for potential minerals in the seabed.

Conclusion

The American experience with colonialism in the early half of this century[148] has left the United States with responsibility for several small, economically poor dependencies.[149] Some of these, like Puerto Rico, may seek statehood unless they are accorded a greater measure of self-government.[150] Accommodations between the federal government and an incoming state such as Puerto Rico, involving, *inter alia*, rights to the seabed, could help the new state to overcome its economic problems. This Note has shown that for Puerto Rico the only bar to the creation of such rights is political, not legal. The question is whether the present fifty states would be willing to grant to Puerto Rico a right that states have not obtained or preserved for themselves.

147. *See, e.g.*, State Highway Comm'n v. Nunes, 233 Or. 547, 556, 379 P.2d 579, 584 (1963) (stating that frequently impossible as practical matter not to use capitalization method in valuation); *In re* Atlas Pipeline Corp., 9 S.E.C. 416, 421-40 (1941) (Chapter X of Bankruptcy Act requires courts to judge whether reorganization plans are "fair and equitable, and feasible"; judgment necessitates projections of earnings, remaining economic life, and capitalization rates for corporations); I.R.C. § 167 (projections must be made of useful life and obsolescence of assets in computing depreciation).

148. *See* J. PRATT, AMERICA'S COLONIAL EXPERIMENT 58 (1950) (Spanish American War "opened the door of a colonial career to the United States"); Woodward, *Empire Beyond the Seas*, in THE NATIONAL EXPERIENCE 518-37 (J. Blum 2d ed. 1968) (era of manifest destiny, imperialistic stirrings, and white man's burden).

149. *See* note 148 *supra* (citing sources); Letter from Ruth G. Van Cleve, Director, Office of Territorial Affairs, Dep't of the Interior (Apr. 4, 1978) (on file with *Yale Law Journal*) (compiling per capita income of American territories); Office of the Commonwealth of Puerto Rico, Basic Industrial Facts on Puerto Rico—1975 (1976) (reporting Island's per capita income).

150. Some sentiment for statehood in the future has, for example, also been reported in the Virgin Islands. *See* Macridis, *Political Attitudes in the Virgin Islands*, in VIRGIN ISLANDS 193, 202 (J. Bough & R. Macridis eds. 1970).

It is conceivable that Puerto Rico would settle for less than statehood, if the arrangement conferred greater autonomy than that provided by the current commonwealth status. For example, in 1975, after two years of deliberations, the Ad Hoc Advisory Group on Puerto Rico, a committee composed of presidential appointees and delegates chosen by the Governor of Puerto Rico, made its recommendations for greater Island control over its economic programs and international affairs. *See* REPORT OF THE AD HOC ADVISORY GROUP ON PUERTO RICO, COMPACT OF PERMANENT UNION BETWEEN PUERTO RICO AND THE UNITED STATES 87-100 (1975). President Ford's New Year's Eve statehood proposal, however, was made in lieu of an endorsement of the proposed compact. *Text of Ford Puerto Rico Statement*, N.Y. Times, Jan. 1, 1977, at 5, col. 1. The President apparently found that statehood within the American system was more attractive than a more autonomous form of commonwealth status.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CASTLE ROCK ENTERTAINMENT,

Plaintiff,

-against-

95 Civ. 0775 (SS)

CAROL PUBLISHING GROUP, INC., and BETH B. GOLUB,

Defendants.

Appearances:

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OPINION AND ORDER

Plaintiff brings this action alleging copyright infringement and unfair competition flowing from defendants' publication of *The Seinfeld Aptitude Test* ("SAT"), a book of trivia concerning *Seinfeld*, a popular television comedy program "about absolutely nothing." (Golub Dep. Ex. 3, cover). Though this seemingly invites the conclusion that this opinion is not about anything, plaintiff's claims raise a variety of difficult and interesting questions concerning the proper scope of copyright protection as it extends to popular television programming. For the reasons to be discussed, I grant plaintiff's motion for summary judgment on the issue of copyright infringement, finding that defendants have appropriated original material from *Seinfeld* without making "fair use" of the program. I deny plaintiff's motion for summary judgment with respect to its claim of unfair competition, however, because there are material issues in dispute concerning this claim.

BACKGROUND

Plaintiff, Castle Rock Entertainment ("Castle Rock"), produced and now owns the copyrights to each episode of the highly successful television series *Seinfeld*, a comedy program featuring four characters confronting life's "daily, petty annoyances." (Shostak Dep. Ex. 3).[1] Defendants are the author, Beth Golub, and publisher, Carol

[1] The parties have provided deposition excerpts as attachments to the affidavits submitted by David Dunn and Melvin Wulf in further support of or opposition to the motion for summary judgment.

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Publishing Group, Inc. ("Carol"), of SAT, a book of trivia questions "based on the *Seinfeld* show." (Golub Dep. at 95). According to a view shared by the book's author, Beth Golub, and her editor at Carol Publishing, SAT represents a "natural outgrowth" of *Seinfeld*. (Golub Dep. Ex. 5 at 000606; Shostak Dep. Ex. 3). Indeed, "[SAT], like the *Seinfeld* show, is devoted to the trifling, picayune and petty annoyances encountered by the show's characters on a daily basis." (Golub Dep. Ex. 5 at 00606). In other words, defendants designed SAT to "capture *Seinfeld's* flavor in quiz book fashion." (Golub Dep. Ex. 5 at 000606).

In a proposal she submitted to Carol Publishing, Golub explained that she gathered the information tested in SAT by "watching and reviewing" *Seinfeld* episodes. (Golub Dep. Ex. 5 at 000606). During her deposition, Golub provided a more detailed account of her methods: she took notes from programs at the time they were aired on television, and she subsequently reviewed videotapes of several of the episodes, some of which she recorded and others that friends provided. (Golub Dep. at 20-21). Plaintiff reasons that Ms. Golub's proposal -- with its "watching and reviewing" language -- left Carol Publishing with constructive knowledge of Golub's practice of videotaping. Carol Publishing's representatives have denied, however, any actual knowledge that Golub reviewed *Seinfeld* episodes on tape. (Schragis Dep. at 91; Shostak Dep. at 62-64).

By defendant's count, SAT includes 643 trivia questions about the events and characters depicted in the *Seinfeld* show. The questions are presented in three forms: 211 are multiple choice; 93 are matching; and the remainder are simple questions. The

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book draws from 84 of the 86 *Seinfeld* episodes that had been broadcast as of the time that SAT was published in October 1994. The number of questions devoted to each episode ranges from a low of one to a high of 20. Every answer in the book arises from an episode of the show, though defendant Golub created incorrect answers as choices to the multiple choice questions. (Golub Dep. at 36, 94-95). Actual dialogue from the program is quoted in 41 of the book's questions. Though the parties cannot agree on the percentage of the show's overall dialogue excerpted in SAT, they offer figures -- based upon the script most often referenced in the book, "The Cigar Store Indian" -- ranging from a low of approximately 3.6 % (defendants' calculation) to a high of approximately 5.6 % (plaintiff's calculation).

The name "Seinfeld" appears on the front and back covers of SAT in larger print than any other word, in a typeface which, according to plaintiff, mimics the registered *Seinfeld* logo. (Golub Dep. Ex. 3). During editing, defendants increased the size of the name "Seinfeld" appearing on the back cover. (Shostak Dep. at 107-08). SAT also includes, both on its front cover and in several of its pages, pictures of the principal actors who appear in the *Seinfeld* series. On the back cover, as defendants note, a disclaimer appears indicating that SAT "has not been approved or licensed by any entity involved in creating or producing *Seinfeld*." (Golub Ex. 3, back cover). This language is in smaller print than is any other text in the book, but it is surrounded by a border and printed on a shaded background. Defendants contend that their decision to reduce the print size of this disclaimer, while at the same time surrounding it by a border and placing

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it upon a shaded background, represented an effort to highlight the disclaimer. Plaintiff contends that this decision was a blatant effort by defendants to reduce the prominence of the only indication provided that SAT was produced without plaintiff's cooperation or approval.

Because of its concern with preserving the show's reputation for quality, plaintiff has been highly selective in marketing products associated with *Seinfeld*. (Wittenberg Aff. ¶¶s 14, 15). Plaintiff has rejected numerous proposals from publishers seeking approval for a variety of projects related to the show. (Wittenberg Aff. ¶ 23). Plaintiff has licensed the production of a single *Seinfeld* book, *The Entertainment Weekly Seinfeld Companion*, and only after threatening litigation in connection with the book's initial unauthorized release. (Wittenberg Aff. ¶ 25). Also, plaintiff has licensed the production of a CD-ROM product which includes discussions of *Seinfeld* episodes, and which might ultimately include a trivia bank. Plaintiff now alleges that it plans to pursue a more aggressive marketing strategy in the future, a strategy which will include the "publication of books related to Seinfeld." (Wittenberg Aff. ¶ 21). The creative team responsible for *Seinfeld* would have to be assured creative control over any such projects, however. (Id. at ¶ 23; Wittenberg Dep. at 52). Because that creative team, consisting of Jerry Seinfeld and his partner, Larry David, does not now wish to be distracted from the program, it appears that there has been little, if any, progress in developing such books or products. (Id.).

There is no evidence that the publication of SAT has diminished interest in

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Seinfeld, or that the profitability of the *Seinfeld* logo "has been reduced in any way at all." (Wittenberg Dep. at 110). In fact, the show's audience has grown since SAT was first published. (Id. at 109). The television network that broadcasts episodes of Seinfeld has distributed copies of SAT in connection with promotions for the program. (Aronson Dep. at 26). Even the executive producer of Seinfeld, George Shapiro, benignly characterizes SAT as "a fun little book." (Shapiro Dep. at 33). Nevertheless, it is a book which plaintiff believes "free-rides" on the success of *Seinfeld*, and plaintiff therefore seeks to bar its continued publication.

Plaintiff now moves for summary judgment on its claims of copyright infringement and unfair competition, arguing that SAT is either an unauthorized reproduction, or derivative version, of *Seinfeld*.[2] Defendants cross-move for summary judgment, claiming that SAT is not substantially similar to *Seinfeld*, and that, in any event, the book is protected as "fair use" under the Copyright Act. For the reasons that follow, the Court finds for plaintiff with respect to its claims under the Copyright Act, but is unable to grant either party summary judgment on plaintiff's common law claim of unfair competition.

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[2] Plaintiff is not now seeking judgment on its claim that defendants violated section 43(a) of the Lanham Act, 15 U.S.C. 1125(a) (1988).

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DISCUSSION

Summary judgment is required when "there is no genuine issue as to any material fact and . . . the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). "The moving party has the initial burden of 'informing the district court of the basis for its motion' and identifying the matter 'it believes demonstrate[s] the absence of a genuine issue of material fact.'" Liebovitz v. Paramount Pictures Corp., 1996 WL 733015, * 3 (S.D.N.Y. Dec. 18, 1996) (quoting Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)). Once the movant satisfies its initial burden, the nonmoving party must identify "specific facts showing that there is a genuine issue for trial." Fed. R. Civ. P. 56(e). In assessing the parties' competing claims, the Court must resolve any factual ambiguities in favor of the nonmovant. See McNeil v. Aguilos, 831 F. Supp. 1079, 1082 (S.D.N.Y. 1993). It is within this framework that the Court must finally determine "whether the evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 251-52 (1986).

I. Prima Facie Copyright Liability

The Copyright Act grants a copyright holder a variety of rights, including the exclusive rights to "reproduce the copyrighted work" and "to prepare derivative works based upon the copyrighted work." 17 U.S.C. § 106. To succeed on a claim that these rights have been infringed, a plaintiff must demonstrate two elements: "(1) ownership of a

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valid copyright, and (2) copying of constituent elements of the work that are original." Feist Publications, Inc. v. Rural Telephone Serv., Inc., 499 U.S. 340, 361 (1991) (citations omitted); see also Arica Institute, Inc. v. Palmer, 970 F.2d 1067, 1072 (2d Cir. 1992). Defendants do not dispute that plaintiff is the owner of a valid copyright in the individual *Seinfeld* episodes and scripts. The question of infringement therefore turns upon whether SAT is an impermissible copy of *Seinfeld*.

A. Copying

"[A] plaintiff must first show that his [or her] work was actually copied . . . [and] then must show that the copying amounts to an 'improper' or 'unlawful' appropriation." Laureyssens v. Idea Group, Inc., 964 F.2d 131, 139-40 (2d Cir. 1992) (citations omitted); see also 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 13.01[B], at 13-19 (1996) ("First, there is the factual question whether the defendant, in creating its work, used the plaintiff's material as a model, template, or even inspiration."). Ordinarily, there is no direct evidence of actual copying, and the Court is called upon to "infer [such copying] upon a showing that defendant had access to the copyrighted work, and that the allegedly infringing material bears a substantial similarity to the copyrightable elements of plaintiff's work." Arica, 970 F.2d at 1072; see also Twin Peaks Productions, Inc. v. Publications Int'l, Ltd., 996 F.2d 1366, 1372 (2d Cir. 1993) ("The plaintiff may establish copying either by direct evidence or by showing that the defendant had access to the plaintiff's work and that the two works are substantially

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similar."). In this case, this inquiry is not necessary in order for the Court to make its initial determination that SAT in fact copied from *Seinfeld*.

Defendants make "no secret" of the fact that SAT is based upon *Seinfeld*. (Golub Dep. at 95). SAT is expressly devoted to testing elements from the program. Every correct answer to each of the 643 questions posed in the book reflects information derived directly from *Seinfeld* episodes. (Id. at 36). Moreover, many of the questions posed in SAT, upwards of forty, actually quote dialogue, verbatim, from the show. Such statistics should come as no surprise; a trivia book about *Seinfeld* would make little sense if it tested matters not included in the program, or if it attributed dialogue to characters which they never spoke. Simply put, there can be no real dispute that, as a factual matter, SAT copies information and dialogue from *Seinfeld*.[3]

The determination that SAT serves as is its own direct evidence of copying does not remove substantial similarity from the infringement equation. See Twin Peaks, 996 F.2d 1366. In Twin Peaks, the defendant published a book which was primarily devoted to digesting episodes of another popular television program, *Twin Peaks*. Addressing the concept of "fragmented literal similarity," the Court determined that 89

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[3] Plaintiff argues that defendant Golub's practice of videotaping episodes of *Seinfeld* as an intermediate step in the creation of SAT constitutes prima facie infringement regardless of the content of the show ultimately reflected in the book. (Memorandum of Law in Support of Plaintiff's Motion for Partial Summary Judgment at 5-7). Because the Court finds that SAT copies *Seinfeld*, it is not necessary to reach this question. In any event, while defendant Golub certainly copied *Seinfeld* by taping the program, the record reveals no evidence requiring the conclusion that defendant Carol was involved in, or had constructive knowledge of, Golub's practice.

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lines of dialogue copied from the show rendered the book "substantially similar" to the program. Id. at 1372. Because the book digested entire episodes, the Court found that there was "comprehensive nonliteral similarity" between the two works, as well. Id. Of course, the Second Circuit could have found copying, as a factual matter, without searching for substantial similarity; with 89 lines of dialogue quoted in the allegedly infringing book, it was inescapable that some copying had taken place. It is apparent, then, that the Second Circuit applied a substantial similarity test devoted to finding more than mere copying; it applied a test meant to determine whether the copying which had taken place was significant as a matter of law.

"The presence of a 'substantial similarity' requirement in both prongs of the analysis -- actual copying and whether the copying constitutes an improper appropriation -- creates the potential for unnecessary confusion, especially because a plaintiff need not prove substantial similarity in every case in order to prove actual copying." Laureyssens, 964 F.2d at 140; see also 3 Nimmer § 13.01[B], at 13-11 to 13-12 (distinguishing probative similarity from substantial similarity). Where there is no direct evidence of copying, as a factual matter, a substantial similarity between the two works creates an inference of such copying. Where there are sufficient similarities to permit such an inference, or where there is direct evidence of actual copying, the question becomes whether there is substantial similarity as a matter of law. At this stage, substantial similarity becomes a function of whether defendant copied "elements of the work that were original." Feist, 499 U.S. at 361; Laureyssens, 964 F.2d at 140 (upon finding direct

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proof of actual copying, Court's "central concern" became whether there was "unlawful appropriation of protected material."). For those reasons already explained, the first of these inquiries is unnecessary in the present case; by its very nature, SAT copies at least some material from *Seinfeld*. The legally significant question therefore becomes whether the copying which took place rendered the two works substantially similar as a matter of law -- i.e., whether SAT copied "elements of [*Seinfeld*] that were original." Id.

B. Original Elements of *Seinfeld*

"The *sine qua non* of copyright is originality." Feist, 499 U.S. at 345. Indeed, it is for this reason that "[n]ot all copying . . . is copyright infringement," but only the copying of the original elements of a protected work. Id. at 361. Addressing this point, defendants invoke a fact/expression distinction that has proven decisive in numerous infringement cases. See, e.g., Feist, 499 U.S. 341 (finding no infringement where defendant produced a multi-county phone directory, in part, by obtaining names and phone numbers from plaintiff's single-county directory); Harper & Row Publishers v. Nation Enterprises, 471 U.S. 539 (1985) (finding infringement where defendant published magazine article which did not merely include facts revealed by President Ford in his as yet unpublished memoirs, but which excerpted the President's expression of those facts); Worth v. Selchow & Richter Co., 827 F.2d 569 (9th Cir. 1987) (finding no infringement where defendant incorporated facts chronicled in plaintiff's reference books into a trivia game), cert. denied, 485 U.S. 977 (1988). Specifically, defendants argue that

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SAT does not copy plaintiff's protected expression, but merely quizzes readers as to the show's underlying facts and ideas.

Consideration of the logic underlying the fact/expression distinction reveals a fundamental flaw in defendants' reasoning. The fact/expression dichotomy has been developed in a series of cases concerning the publication of nonfiction works and factual compilations. See, e.g., Feist, 499 U.S. 341 (compilation); Harper & Row, 471 U.S. 539 (nonfiction history). The facts reported in such works "do not owe their origin to an act of authorship." Feist, 499 U.S. at 347. Accordingly, courts have adopted an approach "permitting free communication of [these] facts while still protecting an author's expression." Harper & Row, 471 U.S. at 556 (quoting, with approval, lower court's decision, reported at 723 F.2d 195, 203 (2d Cir. 1983)). Specifically, protection extends only to the original manner in which the copyright holder expresses or compiles the facts that are reported, and not to the facts themselves. See, e.g., Harper & Row, 471 U.S. 539; Feist, 499 U.S. 340. This is an appropriate resolution of the tension between facts and expression because the facts of a nonfiction work simply "do not contain the requisite originality and creativity required as the '*sine qua non* of copyright.'" Arica, 970 F.2d at 1074 (citing Feist, 499 U.S. at 345).

By contending that they are not reproducing original expression from *Seinfeld*, but only "uncopyrightable facts about the *Seinfeld* show," plaintiffs are staking their claim upon a false premise. (Defendant's Memorandum of Law in Opposition to Plaintiff's Motion for Partial Summary Judgment at 7). SAT does not pose "factual"

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questions about the *Seinfeld* show; it does not ask who acts in the program, who directs or produces the show, how many seasons it has run, etc. Instead, SAT poses questions about the events depicted during episodes of the *Seinfeld* show. The facts depicted in a *Seinfeld* episode, however, are quite unlike the facts depicted in a biography, historical text, or compilation. *Seinfeld* is fiction; both the "facts" in the various *Seinfeld* episodes, and the expression of those facts, are plaintiff's creation. Thus, while defendants' book does not report plot developments and digest programs, as in Twin Peaks, SAT is devoted to questions concerning creative components of *Seinfeld*. In other words, by copying "facts" that plaintiff invented, SAT "appropriate[s] [plaintiff's] original contributions." Harper & Row, 471 U.S. at 548. Thus, to find in defendant's favor merely by rote application of the rule against affording copyright protection to facts would be to divorce that rule from its underlying rationale. Simply put, and of most direct concern under the Copyright Act, defendants have appropriated original elements of plaintiff's work.

Though treating the issue in a very different context, the most recent Second Circuit decision concerning the fact/expression dichotomy provides additional support for this Court's conclusion. See National Basketball Association v. Motorola, Inc., 1997 WL 34001 (2d Cir. Jan. 30, 1997) (hereinafter "NBA"). In NBA, the National Basketball Association claimed that defendant infringed their valid copyright in televised professional basketball games by reporting the scores of those games, during play, to purchasers of their electronic pagers. In finding for defendants, the Court drew a distinction very illuminating for present purposes: the Court noted that, "[u]nlike movies,

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plays, *television programs*, or operas, athletic events have no underlying script." Id. at * 4 (emphasis added). On this basis, the Court concluded that the facts of a game (e.g., the score, the foul situation, the time remaining, etc.) could not be protected by the Copyright Act; only those aspects of a broadcast that are under the NBA's creative control merited such protection (e.g., camera angles, commentary, graphics, etc.). The present case, of course, presents the opposite situation; this case involves facts copied from a "television program" with an "underlying script." Unlike the facts of a professional basketball game (or the facts compiled in a phone directory or biography), the facts revealed during an episode of *Seinfeld* are created by the show's writers. Thus, by reporting "facts" from each episode -- whether by transmitting them on a pager, or by including them as the answers to a set of trivia questions -- defendants have appropriated "original components" of plaintiff's protected work.

C. Willfulness

Though it is not essential to a finding of liability under the Copyright Act, the question of whether a defendant's infringement was willful does have a significant bearing upon the potential damages to be awarded in connection with the violation. See 17 U.S.C. § 504(c)(2). "[A] court need not find that an infringer acted maliciously to find willful infringement." Fitzgerald Pub. Co., Inc. v. Baylor Pub. Co., Inc., 807 F.2d 1110, 1115 (2d Cir. 1986). "The standard is simply whether the defendant had knowledge that its conduct represented infringement or perhaps recklessly disregarded the possibility."

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Twin Peaks, 996 F.2d at 1382.

The parties have not briefed the question of damages, and the Court is hesitant to make a finding of willfulness outside the context of the damages question which it implicates. Nevertheless, the record provides clear evidence, at a minimum, of defendants' reckless disregard for the possibility that their conduct amounted to copyright infringement. See Twin Peaks, 996 F.2d at 1382. First, defendants were on notice that *Seinfeld* is a protected work: each televised episode commences with a copyright notice. (Wittenburg Aff. ¶ 10). Also, all the defendants are sophisticated with respect to such matters. Defendant Golub is an attorney. Mr. Shragis, Carol's publisher, testified that his company has had experience with the copyright laws, and that he is familiar with the requirements of those laws. (Schragis Dep. at 17, 73-74, 93, 107-09). Finally, Carol continued to publish and distribute SAT after receiving actual notice from plaintiff demanding that Carol cease and desist publication. (Schragis Dep. at 17-19). In other words, defendants continued in their infringement even "after receiving a specific warning." See Twin Peaks, 996 F.2d at 1382.

II. Fair Use

As the preceding discussion demonstrates, plaintiff has established a prima facie case of infringement by showing that SAT appropriates original elements from *Seinfeld*. Defendants argue, however, that, even if SAT is an unauthorized copy of *Seinfeld* -- as the Court has found it to be -- the book is protected by the "fair use"

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doctrine. As set out in the Copyright Act:

> the fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching . . ., scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include ---
>
> > (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> > (2) the nature of the copyrighted work;
> > (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
> > (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107. "[T]he applicability of the fair use defense is ordinarily a factual question for the jury to determine." Roy Export Co. Establishment v. Columbia Broadcasting System, Inc., 503 F. Supp. 1137, 1143 (S.D.N.Y. 1980), aff'd, 672 F.2d 1095 (2d Cir.), cert. denied, 459 U.S. 826 (1982); see also Harper & Row, 471 U.S. at 560 ("Fair use is a mixed question of law and fact."); Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1258 (2d Cir. 1986) ("Because the fair use question is so highly dependent on the particular facts of each case, courts . . . have usually found it appropriate to allow the issue to proceed to trial."), cert. denied, 481 U.S. 1059 (1987). However, where the district court has "facts sufficient to evaluate each of the statutory factors," it may conclude as a matter of law that the challenged use is not a protected fair use. Harper & Row, 471 U.S. at 560; see also Leibovitz, 1996 WL 733015, * 4 (citing several cases for the proposition "that a rejection of the fair use defense and a subsequent finding in favor of a copyright plaintiff . . . may be appropriate at summary judgment.").

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A. Purpose And Character Of The Use

"The enquiry here may be guided by the examples given in the preamble to § 107, looking to whether the use is for criticism, or comment, or news reporting, and the like." Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, __, 114 S.Ct. 1164, 1171 (1994). Though it may be "extravagant" to characterize SAT as a work of criticism or comment, the Court "must be alert to the risk of permitting subjective judgments about quality to tilt the scales on which the fair use balance is made." Twin Peaks, 996 F.2d at 1374. Surely a text testing one's knowledge of Joyce's *Ulysses*, or Shakespeare's *Hamlet*, would qualify as "criticism, comment, scholarship, or research," or such. The same must be said, then, of a text testing one's knowledge of Castlerock's *Seinfeld*. Id. ("A comment is as eligible for fair use protection when it concerns 'Masterpiece Theater' and appears in the New York Review of Books as when it concerns 'As the World Turns' and appears in Soap Opera Digest."). Thus, the Court is satisfied that SAT "serves one or more of the non-exclusive purposes that section 107 identifies as examples of purposes for which a protected fair use may be made." Id.

As the Supreme Court recently explained, the "central purpose" of the Court's inquiry into the character and purpose of an allegedly infringing work must be to determine whether that work is "transformative." Campbell, 114 S.Ct. at 1171; see also Twin Peaks, 996 F.2d at 1375. Put differently, the analysis properly focuses upon whether "the new work merely 'supersedes the objects' of the original creation, or instead adds something new, with a further purpose or different character, altering the first with

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Tomy Corp., 630 F.2d 905 (2d Cir. 1980) (explaining that in order to be classified as a derivative, a work must contain some "substantial, not merely trivial, originality"). Thus, to hold that the transformative nature of a work automatically shields it from a successful claim would be to reject an unassailable proposition -- i.e., that the unauthorized production of a derivative can support a claim for infringement. The question of whether a work is transformative must therefore be most decisive when answered in the negative. If a work is not transformative, "fair use should perhaps be rejected without further inquiry into the other factors."[4] Campbell, 114 S.Ct. at 1116. Where, as here, a work is transformative, the crux of the fair use analysis remains: the Court must proceed with a careful consideration of the remaining three factors, while merely granting defendants an advantage at the outset.

Defendants' initial advantage must be tempered, if only slightly, by the fact that their creation and publication of SAT was a commercial endeavor. The Copyright Act "plainly assigns a higher value to a use that serves 'nonprofit educational purposes' than to one of a 'commercial nature.'" Twin Peaks, 996 F.2d at 1374. This factor must not be unduly emphasized, however. As the Supreme Court reasoned in Campbell, "[i]f

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[4] Though a useful generalization, this statement should not be elevated to the status of a rule applicable in all situations. For instance, the Supreme Court has held that the practice of video taping programs for subsequent private viewing represents a fair use, but did not suggest that such video taping is "transformative." See Sony Corp. of America v. Universal City Studios, 464 U.S. 417 (1984). Even without this factor, the Court was satisfied that the creation of a tape designated solely for noncommercial, private enjoyment, represents a fair use under the Copyright Act.

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. . . commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107 . . . since these activities 'are generally conducted for profit in this country.'" Campbell, 114 S.Ct. at 1174 (citations omitted); see also Robinson v. Random House, Inc., 877 F. Supp. 830, 840 (S.D.N.Y. 1995) ("because nearly all authors hope to make a profit with their work, courts should be wary of placing too much emphasis on the commercial nature in a fair use determination."). Thus, the commercial nature of SAT reduces -- but does not nearly eliminate -- the significance properly ascribed to the transformative quality of defendants' work.

B. Nature Of The Copyrighted Work

"This factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." Campbell, 114 S.Ct. at 1175. As already discussed, originality is the core concern of copyright protection. See Feist, 499 U.S. at 345. If the second factor of the fair use test "favors anything," then, "it must favor a creative and fictional work, no matter how successful." Twin Peaks, 996 F.2d at 1376; see also Stewart v. Abend, 495 U.S. 207, 237 (1990) ("In general, fair use is more likely to be found in factual works than in fictional works."). *Seinfeld* is a highly successful fictional and creative work. As defendants concede in their opposition papers, plaintiff thereby has a decisive advantage with respect to the second factor of the fair use analysis. (Defendant's Memorandum of Law in Opposition to Plaintiff's Motion for

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Partial Summary Judgment at 14-15).

C. Substantiality Of The Portion Used

In addressing this factor, the parties engage in an almost academic deconstruction of *Seinfeld*, with their analysis ultimately devolving into an exercise in counting the number of words extracted from particular scripts and episodes. Adapting competing methodologies, and failing to agree upon correct word counts, the parties arrive at different measures of the extent of copying that took place. For instance, plaintiff estimates that SAT copies 5.6 % of the *Seinfeld* episode most often referenced in the book; defendants concede only 3.6 %. Accepting defendants' calculations, as is in accord with the appropriate presumptions for summary judgment purposes, the 3.6 % figure does little to advance defendants' cause.

Though the Court recognizes that a quantitative approach to addressing the substantiality question has a place in the analysis, it is clear that even small amounts of material extracted from an original work can suffice to counter a claim of fair use. Twin Peaks, 996 F.2d at 1372 (finding infringement where defendant excerpted a total of 89 lines of dialogue from several episodes of a protected television program); Harper & Row, 471 U.S. at 564-65 (finding infringement where defendant excerpted approximately 400 words of a full length book); Roy, 503 F. Supp. 1137 (upholding jury verdict finding infringement where defendant broadcast a series of film clips from six full-length films by Charlie Chaplin). In other words, the substantiality factor "has both a quantitative and a qualitative element to it." Wright v. Warner Books, 953 F.2d 731, 738

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(2d Cir. 1991). If a challenged work appropriates what amounts to "the heart" of an original work, even if only in a few words, then such an appropriation is substantial for purposes of the fair use inquiry. See Harper & Row, 471 U.S. at 565.

The Court's determination that SAT is substantially similar to *Seinfeld* "so as to be prima facie infringing should suffice for a determination that the third fair use factor favors the plaintiff." Twin Peaks, 996 F.2d at 1377. Indeed, whether under the rubric of prima facie copying or the fair use defense, it is inescapable that SAT appropriates essential elements of *Seinfeld*, and that *Seinfeld* is essential to SAT. Beginning with the significance that the appropriated material has in relation to the *Seinfeld* show, a brief review of SAT confirms that the book invokes all of the show's main characters, and many of the show's most humorous plot elements. Perhaps more to the point, SAT seizes upon the notion which lies at the very heart of *Seinfeld* -- that there is humor in the mundane, seemingly trivial, aspects of every day life. Indeed, by inviting its readers to recall literally 643 bits of information from various *Seinfeld* episodes, SAT "follow[s] the basic premise of the *Seinfeld* show by focusing on minutiae in the day-to-day lives of the show's characters." (Shostak Dep. Ex. 2 at 000604). As defendants boasted before the onset of this litigation, SAT succeeds at "capturing [*Seinfeld's*] flavor in quiz book fashion." (Golub Dep. Ex. 5 at 00606).

The "amount and substantiality" fair use factor is addressed primarily to the very matter considered by the Court in the preceding paragraph, i.e., "the volume and substantiality of the work used with reference to the copyrighted work, not to the

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allegedly infringing work as a whole." 17 U.S.C. § 107(3). The Second Circuit, however, has deemed it useful also to consider "the amount and substantiality of the protected passages in relation to the work accused of infringement." Wright, 953 F.2d at 739. Not only does SAT draw upon significant elements of the *Seinfeld* program, but SAT introduces relatively little additional material into the mix. Though the book transforms the program by employing a trivia game format, that trivia game relates exclusively to events as they are depicted in the *Seinfeld* program. Simply put, without *Seinfeld*, there can be no SAT. See Salinger v. Random House, 811 F.2d 90, 99 (2d Cir.) (finding that quantitatively modest excerpting from plaintiff's personal letters was substantial where those excerpts, "[t]o a large extent, [made defendant's] book worth reading."), cert. denied, 484 U.S. 890 (1987); see also Addison-Wesley Publishing Co. v. Brown, 223 F. Supp. 219, 223-24 (E.D.N.Y. 1963) (stressing that defendant's book, a manual consisting of the answers to a set of physics problems included in plaintiff's college course book, had "no independent viability."); Midway Mfg. Co. Arctic Int'l, Inc., 1981 WL 1390, * 9 (N.D. Ill. 1981) ("[If] defendant's device would only have value because of plaintiff's particular copyrighted audio visual image, then plainly defendant's device would only have value because of plaintiff's particular copyrighted audio visual work. Defendant, thus, by selling its device reaps the benefits of plaintiff's artistic endeavor."). In sum, defendants have identified and appropriated the most important elements of *Seinfeld*, and have made them the most important elements of SAT.

Previously, the Court emphasized that its finding that SAT is transformative

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of *Seinfeld* cannot be dispositive for defendants, because such a holding would discredit the proposition that the unauthorized production of a derivative work can be infringing. On similar logic, the Court's finding that SAT incorporates a substantial amount from *Seinfeld* cannot be dispositive in plaintiff's favor. Because a finding of substantial similarity is a prerequisite to a prima facie claim of infringement, such a finding cannot negate the possibility of fair use. Otherwise, the fair use provision of the Copyright Act would amount to little more than a false promise of a viable defense; there would be no real chance that a prima facie case of infringement could ever be negated by a showing of fair use. The first three factors of the fair use analysis, then, suggest a somewhat unsatisfying result; plaintiff has an advantage, but one that is hardly compelling or dispositive.

D. Effect On Potential Market

The effect on the market for the copyrighted work is "undoubtedly the single most important element of fair use."[5] Harper & Row, 471 U.S. at 566; see also

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[5] The Second Circuit has recently suggested that, by "conspicuously omit[ting] this phrasing" in a recent discussion of the fair use standard, the Supreme Court has placed the "effect on potential markets" factor on an equal footing with the remaining three fair use considerations. American Geophysical Union v. Texaco Inc., 60 F.3d 913, 926 (2d Cir. 1994) (citing Campbell, 114 S.Ct. at 1171). Given the vigor with which the Supreme Court has emphasized this factor in the past, this Court hesitates in adapting the Second Circuit's dicta. In any event, because neither party has any considerable advantage through the Court's consideration of the first three fair use factors, the effect on the potential markets -- however important it is relative to the remaining factors -- will be determinative in this case.

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Robinson, 877 F. Supp. at 842. For purposes of this inquiry, "harm to both the original and derivative works must be considered." Robinson, 877 F. Supp. at 842. As for the original work, defendants stress that SAT has not and cannot be expected to reduce interest in *Seinfeld*. The Court agrees; SAT compliments *Seinfeld*. The book is only of value to a regular viewer of the program. Moreover, though plaintiff proclaims plans to enter derivative markets with books about *Seinfeld*, there is little suggestion -- and certainly not enough to remove all material doubt -- that such projects are anything more than a remote possibility. See Wright, 953 F.2d at 739 ("Plaintiff offered no evidence that the project will go forward."). Indeed, if past practice provides any indication, plaintiff will be slow to develop any such works for fear of compromising *Seinfeld's* reputation for quality.

This does not end the analysis, however; "the proper inquiry concerns the 'potential market' for the copyrighted work." Salinger, 811 F.2d at 99. More broadly, the inquiry must extend even to the potential market for as yet nonexistent derivative works. Campbell, 510 U.S. at 1178 (accepting defendant's position that rap music parody of the song, Pretty Woman, would not detract from sales of the original, but remanding for determination as to whether parody would effect the market for hypothetical non-parody "rap derivatives" of Pretty Woman.). In other words, the Court must consider not only whether SAT detracts from interest in *Seinfeld*, or even whether SAT occupies markets that plaintiff intends to enter; the analysis is whether SAT occupies derivative markets that plaintiff may potentially enter. Id.; see also Rogers, 751 F. Supp. at 480 ("I do not

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think the case turns upon Rogers' past conduct or present intention as much as it does upon the existence of a recognized market for new versions or new uses of the photograph, which unauthorized use clearly undermines."). At first blush, this seems to create an impossible standard for a defendant to satisfy; any time there is a successful infringing work (i.e., one likely to provoke a law suit), it necessarily means that defendants are filling a "potential" market that would otherwise be available for plaintiff's taking. See 3 Nimmer § 13.05[A][4], at 13-187. Properly understood, however, the "potential markets" standard erects no such barrier to a finding of fair use.

The term "potential markets" does not properly encompass all conceivable markets for an original and its derivatives. "The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop." Campbell, 114 S.Ct. at 1178. The examples of parody and criticism should serve to clarify and illustrate this proposition. By the very nature of such endeavors, persons other than the copyright holder are undoubtedly better equipped, and more likely, to fill these particular market and intellectual niches. See Campbell, 114 S.Ct. at 1178 ("there is no protectable derivative market for criticism."); New Era Publications, Int'l v. Carol Publishing Group, 904 F.2d 152, 160 (2d Cir.) ("a critical biography serves a different function than does an authorized, favorable biography, and thus injury to the potential market for the favorable biography by the publication of the unfavorable biography does not affect application of factor four."), cert. denied, 498 U.S. 921 (1990); Leibovitz, 1996 WL 733015, at * 13 ("although derivative markets are an

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appropriate consideration in a fair use analysis, there is no protectable derivative market for criticism."). Here, the Court sees no reason that the market for derivative game versions of *Seinfeld* is a market that should be reserved for persons other than plaintiff. A *Seinfeld* trivia game is not critical of the program, nor does it parody the program; if anything, SAT pays homage to *Seinfeld*. The market for such works is one that should properly be left to plaintiff's exclusive control.

The Court's resolution of the "potential markets" inquiry is not effected by the prospect that plaintiff will choose to leave this particular derivative market unsatisfied. See Salinger, 811 F.2d at 99 ("the need to assess the effect on the market for Salinger's letters is not lessened by the fact that their author has disavowed any intention to publish them during his lifetime."). The Court is persuaded that there is a meaningful difference, for purposes of the Copyright Act, between a copyright holder's failure to occupy a particular market as a matter of choice, and a failure to occupy such a market as a matter of neglect. Id. In a manner of speaking, plaintiff has exercised its control over derivative markets for *Seinfeld* products, if only by its decision to refrain from inundating those markets. Indeed, artists express themselves not merely by deciding what to create from their original work, but by deciding what not to create as well. Cf. Harper & Row, 471 U.S. at 559 ("freedom of thought and expression 'includes both the right to speak freely and the right to refrain from speaking at all.'") (citations omitted). It would therefor not serve the ends of the Copyright Act -- *i.e.*, to advance the arts -- if artists were denied their monopoly over derivative versions of their creative works merely

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because they made the artistic decision not to saturate those markets with variations of their original. Where nothing in the nature of criticism or parody is at issue, this creative choice must be respected.

E. Aggregate Fair Use Assessment

Though there are numerous competing considerations which make this decision a difficult one, the Court is persuaded that, on balance, SAT does not represent a fair use of *Seinfeld*. Only one of the four statutory factors favors defendant, and then, only by a generous understanding of what it means for a work to be "transformative." Plaintiff prevails with respect to each of the remaining three factors: *Seinfeld* is a work of fiction, and such works are accorded special status in copyright law; SAT draws upon "essential" elements of *Seinfeld*, and it draws upon little else; and, most importantly, SAT occupies a market for derivatives which plaintiff -- whatever it decides -- must properly be left to control. In short, SAT does not make fair use of *Seinfeld*, and plaintiff must accordingly be granted summary judgment on its claim of copyright infringement. See Wright, 953 F.2d at 740 ("a party need not 'shut-out' her opponent on the four factor tally to prevail.").

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III. Common Law Unfair Competition

In order to succeed on a claim of common law unfair competition under New York law, plaintiff must establish the bad faith misappropriation of its labor and expenditure resulting in the likelihood of confusion as to the source of the product. See Kraft General Foods v. Allied Old English, Inc., 831 F. Supp. 123, 135 (S.D.N.Y. 1993); Shaw v. Time-Life Records, 38 N.Y.2d 201, 206, 379 N.Y.S.2d 390, 395 (1975). "Thus, some showing of bad faith is crucial to the claim." Brown v. Quiniou, 744 F. Supp. 463, 473 (S.D.N.Y. 1990). The Court must also determine "whether persons exercising 'reasonable intelligence -- and discrimination' would be taken in by the similarity" between the two products. Shaw, 38 N.Y.2d at 206 (citations omitted). In other words, plaintiff must prove a likelihood of confusion among members of the general public as to the source of defendants' work. See Charles Of The Ritz Group, Ltd. v. Quality King Distributors, Inc., 832 F.2d 1317, 1321 (2d Cir. 1987); Weight Watchers International, Inc. v. Stouffer Corp., 744 F. Supp. 1259, 1283 (S.D.N.Y. 1990).

"Likelihood of confusion is usually measured by applying the test formulated by Judge Friendly in Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d at 495." See Weight Watcher, 744 F. Supp. at 1269; see also Twin Peaks, 996 F.2d at 1379 (remanding to the district court for a "full" examination of the Polaroid factors in connection with plaintiff's claim of trademark infringement). Specifically, the Court must balance the following factors:

the strength of [the owner's] mark, the degree of similarity between the two

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> marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers.[6]

Polaroid, 287 F.2d at 495. Despite the stature of the "venerable Polaroid factors," the parties have not addressed, or even identified, most of these considerations in their discussion of consumer confusion. See Twin Peaks, 996 F.2d at 1379.

The matters that the parties have focused upon simply are not so compelling as to merit summary judgment. Plaintiff begins by arguing that defendants have created confusion as to the sponsorship of SAT by including the name "Seinfeld" in the book's title, and by referring to the *Seinfeld* show in promotional materials. (Memorandum of Law in Support of Plaintiff's Motion for Partial Summary Judgment at 23-24). As defendants explain, however, "there's no secret that the book is based on the show." (Golub Dep. at 95). The book is expressly directed to devotees of the television program, and it is dedicated to testing their knowledge of the show. It is all but inevitable that the *Seinfeld* name would be invoked in the book's title and in its advertising. See Twin Peaks, 996 F.2d at 1379 (there can be "little question that the title is of some artistic

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[6] Though this formulation has been developed in the context of federal claims under the Lanham Act for trademark infringement, it has also been applied to common law claims of unfair competition, and it reaches the identical "likelihood of confusion" issue which is of present concern. See, e.g., Weight Watchers, 744 F. Supp. at 1283 ("Common law unfair competition claims closely parallel Lanham Act unfair competition claims; to the extent that they may be different, the state law claim may require an additional element of bad faith or intent."); see also Kraft, 831 F. Supp. 123, 136 ("the Court has already found, in the context of the Lanham Act claims, that plaintiff has demonstrated a likelihood of confusion").

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relevance to the Book."). "The question then is whether the title," and advertising, "is misleading in the sense that it induces members of the public to believe the Book was prepared or otherwise authorized by [defendants]." Twin Peaks, 996 F.2d at 1379.

Plaintiff argues that there are similarities between the word "Seinfeld" as it appears on the cover of SAT and the *Seinfeld* logo which reveal defendants' intention to mislead consumers as to the origin of the book. Specifically, the *Seinfeld* logo and the word "Seinfeld" as it appears on the front cover of SAT share similar type face, and the *Seinfeld* lettering on the back cover appears in the same red coloring as the logo. Moreover, the word *Seinfeld* is prominently featured on the front and back covers of SAT. Though the Court agrees that there are unmistakable similarities between the *Seinfeld* logo and the SAT cover, there are distinct differences, as well. Most notably, the *Seinfeld* logo is written on a slant, with an inverted triangle over the "i." The word "Seinfeld," as it appears on the cover of SAT, is not adorned with any such flourishes.

Even accepting that the word "Seinfeld," as it appears on the cover of SAT, bears an unlikely resemblance to the *Seinfeld* logo, there is another important aspect of the SAT cover -- the disclaimer on the back cover of the book -- which is sufficient to create an issue of fact on the questions of bad faith and consumer confusion. "Disclaimers are a favored way of alleviating consumer confusion as to source or sponsorship." Consumers Union of United States, Inc. v. General Signal Corp., 724 F.2d 1044, 1052-53 (2d Cir. 1983) ("We are satisfied that the disclaimer is adequate to distance CU and Regina"), cert. denied, 469 U.S. 823 (1984). The parties, predictably

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enough, have sharply contrasting views of the disclaimer set out on the back cover of SAT. Plaintiff stresses the small lettering of the disclaimer; lettering that was reduced in size shortly before publication and made smaller than any other text in the book. Defendants draw the Court's attention to the black border surrounding the disclaimer, and to the shaded background allegedly designed to highlight that disclaimer. For purposes of the parties' competing claims for summary judgment, the Court is simply unable to find that any of these considerations is conclusive as a matter of law.

Given that those factors that plaintiff relies upon to establish consumer confusion are inconclusive, it is significant that plaintiff offers little in the way of empirical support for its claim. In fact, "[p]laintiff adduce[s] but one incident of actual confusion, and it is of scant probative value." Brown, 744 F. Supp. at 472. Specifically, plaintiff interprets NBC's decision to distribute copies of SAT in connection with a *Seinfeld* promotion as a clear indication that an average consumer could be misled as to the sponsorship of SAT. As plaintiff sees it, NBC's behavior suggests that the very network which airs *Seinfeld* mistook the book's origin. As defendants point out, however, the network's behavior might also be taken to suggest that NBC was not confused as to the origin of SAT so much as it was simply unconcerned with the origin of SAT.

Any inquiry into a defendant's alleged bad faith and the potential for consumer confusion necessarily entails a "factual inquiry." Brown, 744 F. Supp. at 467, 472. As such, summary judgment cannot be granted on plaintiff's claim of unfair competition unless there is no material dispute as to either of these matters. Id. at 472

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("Subjective issues such as good faith and intent are generally inappropriate subjects of summary judgment."); see also Shaw, 38 N.Y.2d 201 (upholding denial of summary judgment where issue of material fact existed as to whether reasonably discriminating members of the public would be confused by publisher's advertising of bandleader's versions of musical compositions). Plaintiff certainly has not succeeded in eliminating any such dispute: "Similarity in overall appearance alone cannot establish source confusion as a matter of law. Nor is the addition of the anecdotal evidence . . . dispositive." Coach, 933 F.2d at 169. Defendants have fared no better; there are significant questions concerning the SAT cover, defendants' alleged bad faith during editing, and the adequacy of the book's disclaimer. In short, a dispute exists between the parties, a dispute which cannot now be resolved. Accordingly, the Court denies plaintiff's motion for summary judgment on its claim of unfair competition, as well as defendants' cross-motion on this same cause of action.

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CONCLUSION

For the reasons set forth above, the Court grants plaintiff's motion For summary judgment, on the issue of liability, on its claim of copyright infringement. As for plaintiff's common law claim of unfair competition, the Court finds that there remains a dispute as to material facts between the parties. Therefore, the Court denies plaintiff's request for summary judgment on this issue, as well as defendants' cross-motion for judgment in its favor.

A conference is scheduled for March 20, 1997, at 4:30 p.m., by which time the parties are directed to present the Court with a case management plan addressing how the measure of relief for the copyright infringement claim will be determined, and proposing a schedule for proceeding to trial on the claim of unfair competition.

SO ORDERED

Dated: New York, New York
February 21, 1997

Sonia Sotomayor
U.S.D.J.

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812 F.Supp. 22
147 L.R.R.M. (BNA) 2892
(Cite as: 812 F.Supp. 22)

FISHER SCIENTIFIC COMPANY, Plaintiff,
v.
CITY OF NEW YORK; New York City Council; Andrew Stein, as President Thereof; Charles Millard, C. Virginia Fields, Lawrence A. Warden, Jose Rivera, Rafael Castaneira-Colon, Walter L. McCaffrey, Karen Koslowitz, Annette Robinson, Susan Alter, as Council Members Constituting the Committee on Civil Service and Labor of the New York City Council, Defendants.

No. 92 Civ. 8774 (SS).

United States District Court,
S.D. New York.

Jan. 29, 1993.

Employer sought to enjoin city and city council from proposing, holding hearing on, or ratifying resolution expressing negative opinion about employer's labor negotiations. Employer requested preliminary and permanent injunctive relief. After trial, the District Court, Sotomayor, J., held that employer, which hired replacement workers during labor dispute, failed to show that it would suffer irreparable harm if city and city council were not enjoined from ratifying resolution expressing negative opinion about employer's labor negotiations and thus, employer was not entitled to permanent injunction.

Injunctive relief denied and complaint dismissed.

[1] CONSTITUTIONAL LAW ⇐ 70.1(1)
92k70.1(1)
Courts' foray into ongoing legislative activity should be restrained by healthy respect for separation of powers; implicit in that doctrine, and intertwined with requirement of ripeness, is notion that court should give legislative body the opportunity to avoid running afoul of the Constitution.

[2] CONSTITUTIONAL LAW ⇐ 70.1(1)
92k70.1(1)
Court may order legislative body to adopt particular act if legislators have signed consent decree stating that they would do so.

[3] LABOR RELATIONS ⇐ 994
232Ak994
Employer, which hired replacement workers during labor dispute, failed to show that it would suffer irreparable harm if city and city council were not enjoined from holding hearing on or ratifying resolution stating that employer's use of replacement workers called into question the quality of its medical and laboratory supplies and recommending that city agencies buy supplies from companies other than employer, and thus, employer was not entitled to permanent injunction; employer was unable to identify even one customer that expressed concern over proposed resolution and resolution might undergo substantial modification before passage or might not be passed at all.

*23 Pitney, Hardin, Kipp & Szuch, Morristown, NJ, for plaintiff; by Sean T. Quinn.

City of New York, Law Dept., New York City, for defendants; by Lawrence S. Kahn.

Shea & Gould, New York City, for Intervenor Intern. Broth. of Teamsters, Steel, Metal, Alloys and Hardware Fabricators and Warehousemen, Local 810, AFL-CIO; by Eve I. Klein, Joshua A. Adler, Mark S. Weprin.

MEMORANDUM OPINION AND ORDER

SOTOMAYOR, District Judge.

Plaintiff Fisher Scientific Company ("Fisher") seeks to enjoin defendants, the City of New York, the New York City Council ("City Council"), the City Council's Committee on Civil Service and Labor (the "Committee") and the members of the City Council (collectively, the "City Defendants"), from holding a hearing on or proposing, endorsing, or ratifying Resolution 910. Resolution 910 expresses a negative opinion about Fisher's labor negotiations with the International Brotherhood of Teamsters, Steel, Metal, Alloys and Hardware Fabricators and Warehousemen, Local 810, AFL-CIO (the "Union"), notes that Fisher's use of replacement workers calls into question the quality of its products, and recommends that City agencies buy medical and laboratory supplies from companies other than Fisher until Fisher rehires its Union workers. The parties agreed to combine the trial on

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the merits on Fisher's application for a permanent injunction with the preliminary injunction hearing. For the reasons stated below, Fisher's application for injunctive relief is DENIED and the Complaint is dismissed. In addition, Fisher's request for an injunction pending appeal is DENIED.

I. Background

A. The Events Giving Rise to This Action

Fisher manufactures and distributes medical, laboratory, and scientific equipment. Fisher's Eastern Distribution Center ("EDC"), in Springfield, New Jersey, serves as a regional warehouse and distribution point for medical and laboratory equipment, such as microscopes and test tubes.

Since 1967, Fisher and the Union have been parties to successive collective bargaining agreements covering EDC employees. The most recent collective bargaining agreement expired by its own terms on October 21, 1991 and certain Union employees at the EDC then began to strike. Fisher operated the EDC with a reduced crew of supervisors and temporary replacements until February 1992, when it permanently replaced the economic strikers at the EDC. Since the strike began, negotiations between the parties have been unsuccessful.

By letter dated November 12, 1992, Yvonne Gonzalez, Assistant Counsel to the Speaker of the City Council, notified Fisher that the City Council's Committee would be holding a hearing on Resolution 910. Resolution 910 observes that Fisher "offered their warehouse employees [at the EDC] the ultimatum of accepting a 450% increase in the employee contribution to the health insurance premium, or going out on strike," and that Fisher rejected a cost-saving proposal by the Union and instead *24 "permanently replaced those 77 long-service, experienced workers." Resolution 910 goes on to note that "[t]he quality of the products now offered by Fisher to medical institutions of the City of New York is compromised by the company's use of inexperienced replacement workers." For those reasons, the City Council would resolve to recommend "that every city agency that buys medical and laboratory supplies from Fisher Scientific seek alternative sources for products," and that the City Council notify Fisher that its action "violates acceptable labor relation standards, and that the City of New York will seek to give preference to alternative suppliers until the [EDC] warehouse employees are rehired and reinsured."

A Committee hearing was originally scheduled for December 9, 1992. Fisher advised Ms. Gonzales that it believed that the proposed hearing on Resolution 910 constituted an unlawful interference with the collective bargaining process. Two days later, Fisher brought this action pursuant to 42 U.S.C. § 1983, alleging that the Committee's and Council's actions on Resolution 910 would violate its federal right to collective bargaining. Fisher sought a Temporary Restraining Order ("TRO"), and preliminary and permanent relief from any actions by the City Defendants on the proposed resolution.

At this Court's hearing on the application for a TRO, City Defendants announced that the Committee hearing on Resolution 910 was postponed until January, 1993. In addition, the Union entered an appearance, seeking to intervene in this action, as of right or by permission, or, alternatively, to participate in the proceedings as amicus curiae. [FN1] The Court did not grant the temporary injunctive relief that Fisher sought, finding that the adjournment of the hearing removed the immediate threat of irreparable injury, and that a balance of the equities favored affording the City Defendants the opportunity to respond fully to Fisher's application. The City Defendants, however, were ordered to notify the Court at least seven days prior to "any hearing on Resolution 910 or any other resolution or action similar thereto which relates to the labor dispute or the collective bargaining negotiations between [Fisher] and [the Union]."

FN1. The Union has satisfied the requirements of Fed.R.Civ.P. 24(a)(2) and its unopposed motion to intervene as of right is granted. See, e.g., Farmland Dairies v. Comm. of New York State Dept. of Agriculture, 847 F.2d 1038, 1043 (2d Cir.1988). The Court need not consider the Union's alternative motions to intervene permissively, pursuant to Fed.R.Civ.P. 24(b)(2), or to appear as amicus curiae.

A hearing was held in January on Fisher's

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application for a preliminary injunction. The Court has granted the parties' request that, pursuant to Fed.R.Civ.P. 65(a), the preliminary injunction hearing be combined with the trial on the merits on Fisher's request for permanent injunctive relief. Timely notice has now been given that a Committee hearing on Resolution 910 is scheduled for February 1, 1993.

B. The City Council and Its Resolutions

A short review of the powers and procedures of the City Council, as well as the path by which a resolution is enacted, and its subsequent effect, illuminates the issues that this case presents.

The City Council and its committees possess and exercise all of the legislative power of the City of New York. The City Council's powers include the exclusive authority to adopt local laws and to adopt and modify the budget for New York City. In addition, the City Council has the authority to provide an opportunity for discussion of matters of public concern and to provide a forum for public comment on such issues through a public hearing process. Finally, the City Council, or any of its standing or special committees, may investigate any matters within its jurisdiction relating to the "property, affairs or government of the City." Charter of New York City § 29. The City Council is also charged with the regular review of the activities of New York City agencies. Id.

To implement these responsibilities and mandates, the City Council has previously *25 held two different types of hearings. On the one hand, following the notorious fire at a Bronx social club that resulted in the death of over eighty people, a City Council committee conducted a vigorous full-scale investigation and public inquiry, that resulted in strong criticism of New York City's regulation of clubs. In contrast, other hearings have been convened to provide fora for discussion and public comment upon issues of public concern. According to the City Defendants, the hearing on Resolution 910 falls into this latter category of less formal inquiries.

Pursuant to City Council rules, a public hearing must be held before a committee may vote on a resolution. [FN2] If a Committee then chooses to vote on the resolution, and a majority of the committee's members approves the resolution, it is then presented to the full City Council for consideration, where it may or may not be approved. A proposed resolution may be amended at numerous stages in the process. In contrast to a bill for a local law, no mayoral approval is required for a resolution: once the City Council passes the resolution, no further activity is required. In addition, unlike a local law, which has binding force and effect, a resolution such as that concerning Fisher is merely hortatory, with no binding effect.

FN2. There is a narrow exception for those resolutions that are introduced at a meeting of the full Council for immediate consideration. Resolution 910 does not fall within this exception.

II. Discussion

The purpose of a preliminary injunction is "to protect plaintiff from irreparable injury and to preserve the court's power to render a meaningful decision after a trial on the merits." Wright & Miller, 11 Federal Practice and Procedure § 2947; Abdul Wali v. Coughlin, 754 F.2d 1015, 1025 (2d Cir.1985). At the hearing on Fisher's application for a preliminary injunction, the parties agreed that no further evidence would be presented at any ultimate trial on the merits. The Court granted their request that the trial on the merits be consolidated with the preliminary injunction hearing, as prescribed by Fed.R.Civ.P. 65(a)(2). See, e.g., McNeil-P.C.C., Inc. v. Bristol-Myers Squibb Co., 938 F.2d 1544, 1545 (2d Cir.1991). Thus, the trial on the merits has already been held, and Fisher's application for a preliminary injunction is now treated as a request for the permanent injunctive relief that Fisher sought in its Complaint.

Fisher asks this Court to enjoin City Defendants under 42 U.S.C. § 1983 from proposing, sponsoring, holding a hearing on, or ratifying Resolution 910. Fisher contends that such actions on City Defendants' part would deprive Fisher of its federal right to engage in collective bargaining free from state or municipal intrusion, as the Supreme Court has explained that right in Lodge 76, Int'l Association of Machinists and Aerospace Workers v. Wisconsin Employment Relations Commission, 427 U.S. 132, 140, 96 S.Ct. 2548, 2553, 49 L.Ed.2d 396 (1976) ("Machinists "), and its progeny, including Golden State Transit Corp. v.

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City of Los Angeles, 475 U.S. 608, 614, 106 S.Ct. 1395, 1398, 89 L.Ed.2d 616 (1986) ("Golden State I ").

[1][2] The City Defendants and the Union have offered a wide range of reasons why the Court should not issue the requested equitable relief, including legislative immunity, First Amendment rights, and lack of ripeness. Moreover, they have drawn compelling distinctions between this case and those labor law preemption cases on which Fisher relies, most notably New York News, Inc. v. State of New York, 745 F.Supp. 165 (S.D.N.Y.1990). However, the Court need not address any of these issues at this time for the simple reason that Fisher has failed to show that it would suffer irreparable injury if the Court denied its application for injunctive relief. [FN3]

FN3. This action raises serious questions about the power of a district court to enjoin legislative activity. If the courts could, and did, routinely entertain suits concerning pending legislation, they would be swamped with actions by citizens fearful that the destruction of their rights was imminent. Many of these putative suits regarding inchoate legislation are kept at bay by the requirement of ripeness, which also ensures that the court hearing such suits has the benefit of a precise factual framework. In addition, the courts' foray into ongoing legislative activity should also be restrained by a healthy respect for separation of powers. Implicit in that doctrine, and intertwined with the requirement of ripeness, is the notion that a court should give a legislative body the opportunity to avoid running afoul of the Constitution. See Prentis v. Atlantic Coast Line Co., 211 U.S. 210, 227-30, 29 S.Ct. 67, 70-71, 53 L.Ed. 150 (1908). As the City Defendants have frequently reminded the Court, neither the Committee nor the City Council has yet passed Resolution 910, and they may yet conclude on their own that the Resolution in its current form is unlawful, or unwise. There are exceptions to this general hands-off rule. For example, although it is not the case here, a court may order a legislative body to adopt a particular act if the legislators had signed a consent decree saying that they would do so. See, e.g., Spallone v. United States, 487 U.S. 1251, 109 S.Ct. 14, 101 L.Ed.2d 964 (1988). However, none of the cases that Fisher cites in support of its request that this Court stop the legislative process in its tracks involved injunctive relief directed at a legislature's mere consideration of a bill or resolution. See, e.g., Golden State I (city unlawfully conditioned a franchise renewal on the settlement of a labor dispute); Machinists (overturning state commission's order that Union cease and desist from certain activities); New York News (State Department of Labor enjoined from convening board of inquiry). However deeply troubled this Court may be about the reach of a district court's power into the legislative process itself, there is no need to address that question today because of Fisher's failure in this case to demonstrate that it will suffer irreparable harm absent injunctive relief.

*26 [3] It is well established that a party seeking a permanent injunction must demonstrate "the absence of an adequate remedy at law and irreparable harm if the relief is not granted." N.Y. State National Organization for Women v. Terry, 886 F.2d 1339, 1362 (2d Cir.1989), cert. denied, 495 U.S. 947, 110 S.Ct. 2206, 109 L.Ed.2d 532 (1990). Fisher has not carried its burden of showing that it will suffer irreparable harm if the Defendants are not permanently enjoined from proposing, sponsoring, holding a hearing on, or ratifying Resolution 910. Consequently, its application for permanent injunctive relief must be denied.

Fisher contends that the consideration of Resolution 910 by the City Defendants constitutes impermissible intrusion by a municipal government into the collective bargaining process. At oral argument, Fisher conceded that a statement by the City Council members that they opposed Fisher's negotiation tactics and stance would not be unlawful. It also agreed that the City Defendants could conduct an investigation into a complaint about the safety of its products. Fisher's position, however, is that any type of hearing by the City Defendants to express an opinion on the collective bargaining process would be impermissibly coercive, and irreparably harmful, by raising the possibility of economic sanctions.

Nevertheless, Fisher has failed to introduce competent evidence sufficient to convince the Court that its faces irreparable harm. It has not shown that the City Defendants are forcing it to lose business or to capitulate to the Union, or that they will force it do so. For example, Fisher was unable to identify even one customer that had expressed concern over

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the proposed resolution.

Fisher also argues that the legislative process must be stopped now because the very passage of Resolution 910 would perfect a solicitation of an illegal boycott that would irreparably harm Fisher. However, the legislative proceedings that pertain to Resolution 910 are still at an embryonic stage. Resolution 910 may undergo substantial modification before passage or it may not be passed at all [FN4]. Even if did pass, Resolution 910 would merely render advice to agencies--advice which, the City Defendants tell us, the agencies would be free to ignore. Fisher has failed to introduce evidence as to how irreparable injury would follow the passage of a hortatory resolution. For example, Fisher has offered no evidence that any city agencies would follow such advice, and could not identify any city agencies that had stopped doing business with it as a result of the proposal of Resolution 910. For that matter, Fisher introduced no evidence on the *27 portion of business that it does with city agencies. Fisher's counsel simply noted that after the Boston City Council passed a resolution nearly identical to Resolution 910, a Boston newspaper article reported that a hospital administrator there agreed with the boycott.

FN4. An action for damages or for an injunction against implementation of Resolution 910 would therefore be patently unripe at this juncture. See, e.g., New Orleans Public Service, Inc., v. Council of City of New Orleans, 491 U.S. 350, 371-73, 109 S.Ct. 2506, 2520, 105 L.Ed.2d 298 (1989) (ripeness holding in Prentis directed against "interference with an ongoing legislative process").

There is also no support for Fisher's contention that a legislative hearing would be coercive because it would present Fisher with the Hobson's choice of not defending itself, or of being forced to protect its interests at a hearing by disclosing its collective bargaining stance. Fisher, however, has failed to demonstrate that its absence from the hearing would necessarily result in the passage of Resolution 910, or that even if Resolution 910 did pass, irreparable harm would follow. Further, there is no merit to Fisher's suggestion that if it attended a hearing, it would be forced to reveal confidential bargaining goals and strategies that would compromise its collective bargaining position in abrogation of its federal rights. Even if the hearing did turn to the question of Fisher's negotiation strategy, which may or may not happen, Fisher would not be forced to reveal anything. The City Defendants have expressly disclaimed their subpoena powers for the hearing. Unlike the enjoined proceedings in New York News, in which the parties would have been "[c]ompelled to produce documents and testify under oath setting forth their bargaining positions," 745 F.Supp. at 169, the contemplated hearing in this case would not be coercive. It will neither "disrupt the negotiations" nor "impact upon the positions of the parties." 745 F.Supp. at 170. Thus, Fisher has made no showing that its non-coerced attendance at a hearing held in conjunction with a legislature's consideration of a non-binding resolution would constitute such impermissible governmental intrusion as to result in irreparable harm.

In sum, Fisher has not convinced the Court that the consideration of Resolution 910 by the City Defendants is coercive in any way. Fisher has simply failed to demonstrate that it will suffer irreparable harm, and absent such proof, injunctive relief cannot issue. N.Y. State National Organization for Women v. Terry, 886 F.2d at 1362. This is not to say that Fisher may never have a meritorious claim against the City Defendants. Indeed, some of Fisher's suggestions regarding Resolution 910 are quite troubling. For example, Resolution 910 states at the outset that "[t]he quality of the products now offered by Fisher to medical institutions of the City of New York is compromised by the company's use of inexperienced replacement workers." Yet, counsel for the City Defendants admitted during oral argument that the Committee had received no complaints from Fisher's customers questioning the quality of its products. Fisher's observation that Resolution 910 may erroneously and unjustifiably raise the specter of a health and safety threat in order to act as an economic bludgeon is indeed alarming. The Court, however, cannot address this concern in view of the scanty record assembled so far and in light of the inchoate character of the resolution.

III. Conclusion

For the reasons stated above, the Union's motion to intervene as of right is GRANTED. Fisher's motion for a preliminary injunction, as well as its current request for permanent injunctive relief, is DENIED and the Complaint is dismissed. Finally,

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because the Court concludes that there is little likelihood of irreparable harm to Fisher if the City Defendants continue to consider Resolution 910 in accordance with the normal legislative procedures, Fisher's request for a Fed.R.Civ.P. 62(c) injunction pending appeal is DENIED.

SO ORDERED.

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Barbara HAYBECK, Plaintiff,
v.
PRODIGY SERVICES COMPANY, a Partnership of Joint Venture with IBM Corporation and Sears Roebuck and Co., and Jacob Jacks, Defendants.

95 Civ. 9612(SS).

United States District Court,
S.D. New York.

Nov. 12, 1996.

Customer who bought time on company's computer service and who had unprotected sex with company's employee who was positive for Human Immunodeficiency Virus (HIV) and who met customer in on-line company sex chat room brought action against company, alleging that, under theories of respondeat superior or negligent hiring and retention, company was responsible for employee's transmission of the HIV virus to her. Company moved to dismiss. The District Court, Sotomayor, J., held that: (1) employee was not acting within the scope of his employment with company when, outside the place of employment, he decided to conceal his HIV status from, and have unprotected sex with customer and thus, company could not be held liable, under the doctrine of respondeat superior, for employee's conduct, and (2) customer did not establish that company's hiring or retention of employee was negligent under New York law because customer did not allege that company knew that employee was concealing his HIV status from sex partners or was having unprotected sex with them.

Motion granted.

[1] MASTER AND SERVANT ⇐ 329
255k329
Because determination of whether a particular act was within the scope of servant's employment for purposes of respondeat superior liability is so heavily dependent on factual considerations, the question is ordinarily one for the jury under New York law; however, where court takes as true all the facts alleged by plaintiff and concludes that the conduct complained of cannot be considered as a matter of law within the scope of the employment, then court must dismiss complaint for failure to state claim.

[1] MASTER AND SERVANT ⇐ 332(2)
255k332(2)
Because determination of whether a particular act was within the scope of servant's employment for purposes of respondeat superior liability is so heavily dependent on factual considerations, the question is ordinarily one for the jury under New York law; however, where court takes as true all the facts alleged by plaintiff and concludes that the conduct complained of cannot be considered as a matter of law within the scope of the employment, then court must dismiss complaint for failure to state claim.

[2] MASTER AND SERVANT ⇐ 302(2)
255k302(2)
Under New York law, courts look to the following factors in considering whether a particular act falls within employee's scope of employment for purposes of respondeat superior liability: connection between the time, place, and occasion for the act; history of relationship between employer and employee as spelled out in actual practice; whether act is one commonly done by such employee; extent of departure from normal methods of performance; and whether the specific act was one that employer could have reasonably anticipated.

[3] MASTER AND SERVANT ⇐ 302(2)
255k302(2)
Under New York law, employee was not acting within the scope of his employment with company which sold time on its computer service when, outside the place of employment, he decided to conceal his positive Human Immunodeficiency Virus (HIV) status from, and have unprotected sex with, company's customer whom he met in an on-line company sex chat room and thus, company could not be held liable, under the doctrine of respondeat superior, for the nondisclosure off duty conduct of employee, even if it acquiesced in the conduct by accepting the benefit of increased customer use of its services from employee's sexual activity.

[4] MASTER AND SERVANT ⇐ 302(1)
255k302(1)

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Under New York law, even where employee does not act within the scope of his employment, employer may be required to answer in damages for the tort of an employee against a third party when employer has either hired or retained the employee with knowledge of employee's propensity for the sort of behavior which caused the injured party's harm.

[5] MASTER AND SERVANT ⇐ 303
255k303
Customer who purchased time from company on its computer service and who engaged in unprotected sex with company's employee who was Human Immunodeficiency Virus (HIV) positive and who met customer in on-line company sex chat room did not establish that company's hiring or retention of employee was negligent under New York law; customer did not, and presumably could not, allege that company knew that employee was concealing his HIV status from his sex partners or was having unprotected sex with them and the conduct complained of, whether it was the act of sex or employee's failure to disclose his HIV status, took place outside of employer's premises and without employer's chattels.

[6] MASTER AND SERVANT ⇐ 302(1)
255k302(1)
Under New York law, when employee's conduct is beyond the scope of employment, employer's duty to third parties to prevent misconduct is limited to torts committed by employees on employer's premises or with employer's chattels.

*327 Parker & Waichman, Jerrold S. Parker, Great Neck, NY, for Plaintiff.

Phillips Nizer Benjamin Krim & Ballon, L.L.P., New York City (Perry S. Galler, Thomas G. Jackson, Liza M. Cohn, Michael Fischman, of Counsel), for Defendants Prodigy Services Company, International Business Machines Corporation and Sears Roebuck and Co., Inc.

OPINION AND ORDER

SOTOMAYOR, District Judge.

In this diversity action, plaintiff alleges that she contracted the HIV virus from Jacob Jacks (hereinafter "Jacks"), [FN1] an employee of defendant Prodigy Services Company (hereinafter "Prodigy"), whom plaintiff first met in an on-line Prodigy sex chat room. Plaintiff contends that under theories of respondeat superior or negligent hiring and retention, Prodigy is responsible for Jacks' transmission of the HIV virus to her because Prodigy knew that Jacks had the AIDS virus and knew that Jacks was having sex with customers he met on-line. Prodigy moves pursuant to Fed.R.Civ.P. 12(b)(6) to dismiss the complaint on the ground of failure to state a claim upon which relief can be granted. For the reasons to be discussed, defendant's motion to dismiss is granted.

FN1. Jacob Jacks is believed to be deceased at this time. Although named in the complaint, neither Jacks nor his estate have been served in this action. (Defs' Mem. at 3).

*328 BACKGROUND

Plaintiff's complaint alleges that Prodigy injured plaintiff by its negligent conduct in allowing their employee, Jacob Jacks, to have sexual intercourse with customers with the knowledge that Jacks had AIDS. Although the complaint asserts that Prodigy's conduct injured plaintiff, it does not explain how. [FN2] Plaintiff's Affidavit and Memorandum of Law in Opposition to the instant motion, however, explain that after Jacks denied being HIV positive, plaintiff had sexual intercourse with him and contracted the AIDS virus. (Haybeck Aff.; Pl.Mem. at 4--5).

FN2. The Complaint merely asserts: "[t]hat by reason of the foregoing, plaintiff Barbara Haybeck sustained severe and permanent personal injuries, became sick, sore, lame and disabled, suffered mental anguish, was confined to hospital, bed and home and may, in the future, be so confined; was incapacitated and [sic] from attending to her usual duties and may in the future, be so incapacitated, plaintiff was and is substantially psychologically damaged, and plaintiff was otherwise damaged." (Compl. ¶ 152.)

The facts, assumed to be true for purposes of this motion, are that:

At some time prior to November 11, 1994 the plaintiff Barbara Haybeck became a customer of the defendant Prodigy. Prodigy sold time on their computer service and Barbara bought same. Jacob

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> Jacks was an employee of Prodigy. Mr. Jacks was a sexual predator who had full blown AIDS, a fact known and admitted by Prodigy....
> By using his position as an employee of Prodigy, Jacks was able to spend countless hours on-line with plaintiff while he was at work at Prodigy's offices. In addition, Jacks gave plaintiff months of "free time" on the Prodigy network, as well as unlimited use of his own Prodigy account. The motive for this conduct was solely to entice Barbara Haybeck, by any means necessary, into an illicit and aberrant relationship that resulted in her having a consensual sexual relationship with Jacks. Both before and during this relationship, Jacks repeatedly denied having AIDS. Thereafter, and as a direct result of this sexual relationship, Barbara Haybeck contracted AIDS—from which she will die.

(Pl.'s Mem. at 4–5.)

Plaintiff contends that Prodigy "should have taken special precautions to prevent" Jacks' conduct. (Compl. ¶ 150) Plaintiff also insists that her injuries were "due solely to the negligence, carelessness, recklessness and gross negligence of the defendants in their ownership, operation, management, repair and control of their agents, servants, employees and their on-line network and through no fault of lack of care on the part of the plaintiff." (Compl. ¶ 151.)

Defendant argues, however, that Prodigy is not responsible for plaintiff's contraction of the AIDS virus from Jacob Jacks because Jacks' sexual intercourse with plaintiff fell outside the scope of his employment. Further, it maintains that Prodigy owed no duty to plaintiff to "[i]nvolve itself in her personal or sexual conduct," (Def.Mem. at 17), because Prodigy was forbidden by law and public policy either to inquire into Jacks' HIV status or to control his relations with persons outside the work environment. (Def.Mem. at 18–21.) Defendant also contends that plaintiff's consent to the sexual union was an "unforeseeable superseding act" which "absolve[s]" Prodigy of "any possible liability." (Def.Mem. at 22). Finally, defendant urges that plaintiff cannot satisfy the jurisdictional threshold of $50,000 required for diversity jurisdiction because she accepted a contractual limitation of liability with Prodigy that limits her recovery to an amount below the threshold. (Def.Mem. at 24–25.)

DISCUSSION

A district court's function on a motion to dismiss under Fed.R.Civ.P. 12(b)(6) is to assess the legal feasibility of the complaint. Kopec v. Coughlin, 922 F.2d 152, 155 (2d Cir.1991). The issue "is not whether a plaintiff will ultimately prevail, but whether the claimant is entitled to offer evidence to support the claims." Scheuer v. Rhodes, 416 U.S. 232, 236, 94 S.Ct. 1683, 1686, 40 L.Ed.2d 90 (1974). Allegations contained in the complaint must be construed favorably to the plaintiff. Walker v. New York, 974 F.2d 293, 298 (2d Cir.1992), cert. denied, 507 U.S. 961, 113 S.Ct. 1387, 122 L.Ed.2d 762 (1993). Dismissal *329 is warranted only where "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." Ricciuti v. N.Y.C. Transit Authority, 941 F.2d 119, 123 (2d Cir.1991) (quoting Conley v. Gibson, 355 U.S. 41, 45-46, 78 S.Ct. 99, 101-02, 2 L.Ed.2d 80 (1957) (footnote omitted)).

In considering a Rule 12(b)(6) motion, a court must look to: (1) the facts stated on the face of the complaint; (2) documents appended to the complaint; (3) documents incorporated in the complaint by reference; and (4) matters of which judicial notice may be taken. Hertz Corp. v. City of New York, 1 F.3d 121, 125 (2d Cir.1993) (citing Allen v. WestPoint-Pepperell, Inc., 945 F.2d 40, 44 (2d Cir.1991)). See also Samuels v. Air Transport Local 504, 992 F.2d 12, 15 (2d Cir.1993) (same). In this case, I take judicial notice of the facts alleged in plaintiff's affidavit submitted in opposition to the instant motion because the facts explain the predicate for plaintiff's cause of action.

I. Scope of Employment

[1] The central issue in this case is whether Jacob Jacks' failure to disclose his HIV status before having sexual intercourse with the plaintiff was conduct which can be deemed to fall, as a matter of law, within the scope of his employment with Prodigy. I understand that "because the determination of whether a particular act was within the scope of the servant's employment is so heavily dependent on factual considerations, the question is ordinarily one for the jury." Riviello v. Waldron, 47 N.Y.2d 297, 302, 418 N.Y.S.2d 300, 391 N.E.2d 1278 (Ct.App.1979). However, where a court takes as true all the facts alleged by plaintiff and concludes that the conduct complained of cannot

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be considered as a matter of law within the scope of employment, then the court must dismiss the complaint for failure to state a claim. See, e.g., Rappaport v. International Playtex Corp., 43 A.D.2d 393, 352 N.Y.S.2d 241 (3d Dep't.1974) (reversing lower court for failing to dismiss where conduct fell outside of the scope of employment as a matter of law); cf. Petrousky v. United States, 728 F.Supp. 890 (N.D.N.Y.1990) (holding as a matter of law that plaintiff's supervisor was acting within the scope of his employment when he libeled plaintiff in disciplinary memoranda).

[2] In considering whether a particular act falls within an employee's scope of employment, New York courts look to five factors:

> [1] the connection between the time, place and occasion for the act, [2] the history of the relationship between employer and employee as spelled out in actual practice, [3] whether the act is one commonly done by such an employee, [4] the extent of departure from normal methods of performance; [5] and whether the specific act was one that the employer could reasonably have anticipated.

Riviello v. Waldron, 47 N.Y.2d 297, 302, 418 N.Y.S.2d 300, 391 N.E.2d 1278 (Ct.App.1979). Here, defining carefully the precise act which is the subject of the complaint is crucial. To that end, it must be noted that plaintiff does not complain of Jacks' sexual relationship with her, but rather she complains of his failure to tell her that he was HIV positive and to engage in protected sex. In fact, plaintiff admits that she fully consented to the sexual union. Plaintiff insists, however, that had she known Jacks was HIV positive, she would never have consented to having sex with him. Hence, the core of plaintiff's complaint is that Jacks' failure to give her this information caused her injury, and it, therefore, is the proper focus of the scope of employment inquiry.

[3] Can it be said, then, that Jacks was acting within the scope of his employment with Prodigy when--outside the place of employment--he decided to conceal his HIV status from, and have unprotected sex with, a sexual partner? I conclude the answer is no. Courts have repeatedly held that acts taken and decisions made on an employee's personal time outside of work cannot be imputed to an employer. "New York courts have stated that 'where an employee's conduct is brought on by a matter wholly personal in nature, the nature of which is not job-related, his actions cannot be said to fall within the scope of his employment.' " Longin v. Kelly, 875 F.Supp. 196, 201--203 (S.D.N.Y.1995) (quoting Stavitz v. City of New York, 98 A.D.2d 529, 531, *330 471 N.Y.S.2d 272, 274 (1st Dep't 1984)); see also Joseph v. City of Buffalo, 83 N.Y.2d 141, 146, 608 N.Y.S.2d 396, 629 N.E.2d 1354 (Ct.App.1994) (police officer not acting within the scope of his employment when he left a service revolver where a child found it, even where a municipal law required the officer to have the gun nearby for emergencies); Kelly v. City of New York, 692 F.Supp. 303, 308 (S.D.N.Y.1988) (city not liable for assault by city corrections officer where "[i]t is undisputed that the incident ... arose from a prior personal dispute"); Forester v. State, 645 N.Y.S.2d 971 (Ct.Claims 1996) (state not responsible where SUNY instructor assaulted student, even where the "acts occurred on school property and during school hours").

In cases specifically involving sexual misconduct by employees, New York courts have carefully avoided extending liability to employers. See, e.g., Joshua S. v. Casey, 206 A.D.2d 839, 615 N.Y.S.2d 200 (4th Dep't 1994) (holding that a priest's sexual abuse of a child was, as a matter of law, not within the scope of employment); Kirkman v. Astoria General Hospital, 204 A.D.2d 401, 611 N.Y.S.2d 615 (2d Dep't 1994) (hospital security guard who raped a minor child was not acting within the scope of his employment); Koren v. Weihs, 190 A.D.2d 560, 593 N.Y.S.2d 222 (1st Dep't 1993) (psychotherapist who had sex with patient under the guise of treatment was not acting within the scope of his employment); Noto v. St. Vincent's Hospital, 160 A.D.2d 656, 559 N.Y.S.2d 510 (1st Dep't) (plaintiff "failed to allege facts on which the existence of a viable claim ... could be predicated" where she complained that her psychiatrist "engaged in sexual relations with her after she had been discharged, and after he had ceased treating plaintiff as his patient"), appeal denied, 76 N.Y.2d 714, 564 N.Y.S.2d 718, 565 N.E.2d 1269 (Ct.App.1990); Heindel v. Bowery Savings Bank, 138 A.D.2d 787, 525 N.Y.S.2d 428 (3d Dep't 1988) (mall security guard's rape of fifteen year old girl "was in no way incidental to the furtherance of [the employer's] interest" and was "committed for personal motives" and was "a complete departure from the normal duties of security guard."); Cornell v. State, 60

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A.D.2d 714, 401 N.Y.S.2d 107 (3d Dep't 1977) ("homosexual attack" committed by attendant at mental institution upon a patient was "obviously neither within the scope of the attendant's employment nor done in furtherance of his duties to his employer").

In Tomka v. Seiler Corp., 66 F.3d 1295, 1317 (2d Cir.1995), the Court of Appeals held that "an employer is not liable for torts committed by the employee for personal motives unrelated to the furtherance of the employer's business." In that case, plaintiff had been to a business dinner with several supervisors and co-employees when the group became highly intoxicated and a supervisor later sexually assaulted her. The Court viewed the assault as "a complete departure from the normal duties of a Seiler employee." Tomka, at 1318. In the instant case, the imposition of respondeat superior liability would be even more troubling because even if the sexual activity at issue furthered Prodigy's business by increasing a customer's use of its services, as alleged by plaintiff, the true conduct of which she complained is Jacks' failure to reveal a private medical condition while engaging in an off-duty, intimately personal act.

The purely personal decision by Jacks whether to disclose a medical fact about himself cannot be said to have furthered his employer's business. Rather, his decision to conceal his HIV status arose from a purely personal motivation. Therefore, just as New York courts have held that assaultive behavior arising from personal motivations do not further an employer's business, even where it is committed within the employment context, see e.g., Heindel v. Bowery Savings Bank, 138 A.D.2d 787, 525 N.Y.S.2d 428 (3d Dep't 1988) (mall security guard's rape of fifteen year old girl "was in no way incidental to the furtherance of [the employer's] interest" and was "committed for personal motives" and was "a complete departure from the normal duties of security guard."), so here must I conclude as a matter of law that Jacks' concealment of his HIV status arose from personal motivation and cannot be considered as within the scope of his employment.

One New York court has found that where "the business purpose alone would not have" prompted the conduct complained of, there *331 can be no finding of employer liability. See Rappaport v. International Playtex Corp., 43 A.D.2d 393, 397, 352 N.Y.S.2d 241, 246 (3rd Dep't 1974) (in automobile accident involving salaried company sales agent traveling to home of a girlfriend where he intended to do employment-related paperwork, court finds that sales agent was not acting within the scope of employment and respondeat superior did not apply). Here, even if Jacks' conduct arose in part out of his intent to further the business of Prodigy in that his sexual relationship with plaintiff began on line and arguably encouraged plaintiff to use more Prodigy services, there is no "business purpose" which "alone" would have compelled Jacks either to have sex with plaintiff or to hide from her the fact that he had AIDS.

Therefore, considering the factors outlined in Riviello, I find, as a matter of law, that Jacks' failure to reveal his HIV status before having sex with plaintiff cannot be deemed to be within the scope of his employment. There is no "connection" in either "time, place, [or] occasion" between his status as a Prodigy employee and his failure to reveal his medical condition to his sex partner. Any "history of the relationship between [Jacks] and [Prodigy] as spelled out in actual practice" only reveals at best, accepting plaintiff's allegations as true, that Prodigy knew that Jacks had AIDS and that he was having sex with customers. It does not reveal that Prodigy knew that Jacks was failing to inform his sex partners that he carried the AIDS virus or that Prodigy did more than remain silent in the face of Jacks' conduct. Clearly Jacks' act, whether it was his sexual conduct or his failure to reveal his medical condition, cannot be considered "one commonly done by such an employee"--there is no allegation that technical advisors in positions such as Jacks' commonly have sex with customers or failed to reveal the fact that they carried communicable diseases. Finally, Jacks' conduct was obviously a "departure from normal methods of performance," and even if Prodigy knew that Jacks was having sex with customers, it could not "reasonably have anticipated" that Jacks was doing so without revealing his medical condition. See Riviello v. Waldron, 47 N.Y.2d 297, 302, 418 N.Y.S.2d 300, 391 N.E.2d 1278 (Ct.App.1979).

As an additional consideration, I note that by imposing respondeat superior liability on an employer in a case such as this, I would be setting a precedent under which employers would be forced

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to monitor, and in some cases control, not only the health of their employees, but also the most intimate aspects of their off-duty lives. Such monitoring would contravene clear law and public policy that prohibits employers from inquiring into the HIV status of employees and attempting to control their off-duty behavior with others. See Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. (prohibiting discrimination in the workplace based upon an employee's health condition); N.Y.Exec Law § 296 (prohibiting discrimination against persons because of their disability); Whalen v. Roe, 429 U.S. 589, 599, 97 S.Ct. 869, 876, 51 L.Ed.2d 64 (1977) (explaining that within the constitutional right to privacy there is an "individual interest in avoiding disclosure of personal matters"); Griswold v. Connecticut, 381 U.S. 479, 85 S.Ct. 1678, 14 L.Ed.2d 510 (1965) (recognizing a right of privacy, particularly in matters of sexuality); Doe v. City of New York, 15 F.3d 264, 267 (2d Cir.1994) ("Clearly, an individual's choice to inform others that she has contracted what is at this point invariably and sadly a fatal, incurable disease is one that she should normally be allowed to make for herself. This would be true for any serious medical condition, but is especially true with regard to those infected with HIV or living with AIDS, considering the unfortunately unfeeling attitude among many in this society toward those coping with the disease."); Doe v. Kohn Nast & Graf, P.C. 866 F.Supp. 190 (E.D.Pa.1994) (law firm prohibited from searching plaintiff's office upon suspicion that he had AIDS). Given the legal and policy limitations on an employer's ability either to control the off-duty conduct of its employees or to disclose the medical conditions of its employees, I find as a matter of law that Prodigy cannot be held liable for the non-disclosure off-duty conduct of its employee, even if it acquiesces in the conduct by accepting the benefit of increased customer use of its services from that employee's sexual activity.

*332 II. Prodigy's Negligent Hiring and Retention of Jacks

[4] Even where an employee does not act within the scope of his employment, "an employer may be required to answer in damages for the tort of an employee against a third party when the employer has either hired or retained the employee with knowledge of the employee's propensity for the sort of behavior which caused the injured party's harm." Kirkman v. Astoria General Hospital, 204 A.D.2d 401, 611 N.Y.S.2d 615 (2d Dep't 1994) (citing Detone v. Bullit Courier Service, Inc., 140 A.D.2d 278, 279, 528 N.Y.S.2d 575 (1st Dept.1988)). Here, plaintiff contends that even if Prodigy is not vicariously liable for Jacks' conduct, it is nevertheless liable for its negligent hiring and retention of him as an employee whom they knew to be infected with AIDS and having sex with Prodigy customers. (Compl. at ¶¶ 155-169).

[5] What plaintiff fails to allege, however, is that Prodigy knew that Jacks was having unprotected sex with customers without informing them that he carried the AIDS virus. This is a critical distinction because it was not Jacks' having AIDS nor Jacks' having sex with customers which was tortious under the law. Rather, it was Jacks' having unprotected sex with others without informing them that he was HIV positive that plaintiff argues is tortious. Compare Maharam v. Maharam, 123 A.D.2d 165, 510 N.Y.S.2d 104 (1st Dep't 1986) (holding that "wife stated legally cognizable causes of action [against husband] for wrongful transmission of genital herpes on theories of either fraud or negligence") and Doe v. Roe, 157 Misc.2d 690, 598 N.Y.S.2d 678 (Justice Ct.1993) (explaining that "New York recognizes a cause of action for intentional or negligent communication of a venereal disease") with id. 598 N.Y.S.2d at 693 (dismissing action, inter alia, because "persons who engage in unprotected sex, at a time of the prevalence of sexually transmitted diseases, including some that are fatal, assume the risk of contracting such diseases. Both parties in an intimate relationship have a duty adequately to protect themselves. When on ventures out in the rain without an umbrella, should they complain when they get wet?"). Because plaintiff here has not, and presumably cannot, allege that Prodigy knew that Jacks was concealing his HIV status from his sex partners or was having unprotected sex with them, plaintiff cannot argue that Prodigy's hiring or retention of Jacks was negligent. See Kirkman v. Astoria General Hospital, 204 A.D.2d 401, 403, 611 N.Y.S.2d 615, 616 (2d Dep't), leave to appeal denied, 84 N.Y.2d 811, 622 N.Y.S.2d 913, 647 N.E.2d 119 (Ct.App.1994) (employer not liable for negligent hiring or retention of mall security guard who raped a customer where there was no showing that the employer had any knowledge of employee's propensity or history of such misconduct); Cornell

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v. State, 60 A.D.2d 714, 401 N.Y.S.2d 107 (3d Dep't 1977) (holding that where "nothing in the record indicates that the [employer] either knew or should have known of [the employee's] alleged dangerous homosexual tendencies," no liability for negligent hiring or retention of the employee could be found), aff'd, 46 N.Y.2d 1032, 416 N.Y.S.2d 542, 389 N.E.2d 1064 (Ct.App.1979).

[6] Further, under New York law, when an employee's conduct is beyond the scope of employment, an employer's duty to third parties to prevent misconduct "is limited to torts committed by employees on the employer's premises or with the employer's chattels...." D'Amico v. Christie, 71 N.Y.2d 76, 87, 524 N.Y.S.2d 1, 6, 518 N.E.2d 896 (Ct.App.1987). Here, the conduct complained of, whether it is the act of sex or Jacks' failure to disclose his HIV status, unquestionably took place outside the employer's premises and without the employer's chattels.

CONCLUSION

For the reasons discussed above, defendant's motion to dismiss for failure to state a claim is GRANTED, and the Clerk of the Court is directed to enter judgment in Defendant Prodigy's favor, dismissing the complaint with prejudice. [FN3] The Clerk of the *333 Court is also directed to dismiss the action against Jacob Jacks without prejudice pursuant to Fed.R.Civ.P. 4(m) in that plaintiff has not served Jacks within the 120 days specified by the rule and has failed to demonstrate cause for such failure.

FN3. In light of my finding that the action is dismissed for failure to state a claim, I do not reach Prodigy's argument that plaintiff cannot meet the threshold jurisdictional amount for diversity jurisdiction.

SO ORDERED.

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2009-1007-F
jp1522

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