

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

PACIFIC BELL INTERNET SERVICES,

No. C 03-3560 SI

Plaintiff,

**ORDER GRANTING MOTIONS BY  
DEFENDANTS MEDIASENTRY, INC. AND  
IO GROUP, INC. TO DISMISS AND  
GRANTING MOTION BY DEFENDANT  
RECORDING INDUSTRY ASSOCIATION  
OF AMERICA, INC. TO TRANSFER  
VENUE**

v.

RECORDING INDUSTRY ASSOCIATION OF  
AMERICA, INC.; MEDIASENTRY, INC. d/b/a  
MEDIAFORCE; and IO GROUP, INC. d/b/a  
TITAN MEDIA, TITANMEDIA.COM and  
TITANMEN.COM,

Defendants.

---

On November 21, 2003, this Court heard oral argument on defendants’ motions to dismiss. Having considered the argument of the parties and the papers submitted, the Court hereby GRANTS the motions by defendants MediaSentry, Inc. and IO Group, Inc. to dismiss, and GRANTS the motion by defendant Recording Industry Association of America, Inc. to transfer the action to the U.S. District Court for the District of Columbia.<sup>1</sup>

**BACKGROUND**

On July 30, 2003, plaintiff Pacific Bell Internet Services (“PBIS”) filed in this Court a Complaint for Declaratory Relief against defendants MediaSentry, Inc., IO Group, Inc. (d/b/a Titan Media or “Titan”) and

---

<sup>1</sup>Because this Court grants defendants’ motions to dismiss and to transfer venue, it need not consider at this time either plaintiff’s Motion for Summary Judgment or AOL Time Warner’s Motion for Leave to File an Amicus Curiae Brief.

1 Recording Industry Association of America, Inc. (“RIAA”). Now before the Court are the three defendants’  
2 separate motions to dismiss.

3  
4 **A. The complaint**

5 PBIS’s Complaint for Declaratory Relief alleges five claims, all related to subpoenas obtained and  
6 notice letters sent by defendants pursuant to Title II of the Digital Millennium Copyright Act of 1998  
7 (“DMCA”), codified at 17 U.S.C. § 512. Claim One seeks declaratory judgment that the DMCA does not  
8 authorize the issuance of subpoenas or notice letters to internet service providers (“ISP’s”) such as PBIS based  
9 on their provision of conduit services. Compl. at ¶¶ 49-57. Claim Two seeks declaratory judgment that the  
10 DMCA’s subpoena provision violates the case or controversy requirement of Article III of the Constitution.  
11 Id. at ¶¶ 58-61. Claim Three seeks declaratory judgment that the DMCA’s subpoena provision violates the  
12 First and Fifth Amendments to the Constitution. Id. at ¶¶ 62-66. Claims Four and Five seek declaratory  
13 judgment that the subpoenas already obtained by defendants under the DMCA, and subpoenas that may be  
14 obtained in the future, violate the Fifth Amendment to the Constitution, specific provisions of the DMCA and  
15 Federal Rule of Civil Procedure 45. Id. at ¶¶ 67-82.

16  
17 **B. Defendant RIAA**

18 RIAA acts as the agent of several entities owning copyrighted works. Def. RIAA’s Mot. to Dismiss  
19 at 1 n.1. In July of 2003, pursuant to the DMCA, RIAA obtained 282 subpoenas from the Clerk of the U.S.  
20 District Court for the District of Columbia. Id. at 7:12-14. Some subpoenas were issued to “SBC,” some to  
21 “SBC Internet Communications, Inc.” and some to PBIS. Compl. at ¶¶ 26, 34, 36, 40. All of the subpoenas  
22 sought the identities of internet users RIAA believed were committing copyright infringement on SBC’s  
23 network.<sup>2</sup> Def. RIAA’s Req. for Judicial Notice, Ex. 1A. On July 29, 2003, PBIS sent RIAA a letter  
24

---

25 <sup>2</sup>PBIS is the plaintiff in this action. In the D.C. subpoena enforcement action, SBC Internet  
26 Communications, Inc. (“SBCIC”) is the named party, with SBC and PBIS listed as d/b/a’s of SBCIC. PBIS  
27 claims that SBCIC is not the same legal entity as PBIS, explaining that PBIS does business as SBC Internet  
28 Services, and “is a wholly owned subsidiary of Pacific Telesis Group, Inc., which in turn is a wholly owned  
subsidiary of SBC Communications Inc. . . . PBIS is a shareholder of SBCIC.” Pl.’s Response to Def.  
RIAA’s Notice of Pendency of Other Action at ¶ 1. However, this distinction does not affect the Court’s  
analysis here, because PBIS also asserts that it has brought this action in response to “over one hundred

1 objecting to the D.C. subpoenas. Def. RIAA’s Mot. to Dismiss at 7:14-16. Then, on July 30, 2003, PBIS  
2 filed in this Court a complaint seeking declaratory judgment that subpoenas such as those obtained by RIAA  
3 are invalid on a variety of procedural, statutory and constitutional grounds. On August 8, RIAA filed a Motion  
4 to Enforce Subpoena in the U.S. District Court for the District of Columbia. Def. RIAA’s Notice of Pendency  
5 of Other Action at ¶ 1. That motion has been fully briefed by both parties and is currently under consideration  
6 in the District of Columbia. Id. at ¶ 4.

7 RIAA now moves this Court to dismiss the declaratory judgment action as against RIAA for lack of  
8 subject matter jurisdiction. Def. RIAA’s Mot. to Dismiss at 2:7-8. In the alternative, RIAA asks this Court  
9 to decline to exercise jurisdiction over this declaratory judgment action, arguing that exercise of jurisdiction in  
10 this action would be an abuse of discretion because it would not advance the purposes of the Declaratory  
11 Judgment Act. Id. at 2:12. Addressing the merits, RIAA moves to dismiss the action for failure to state a  
12 claim. Id. at 2:19-20. Finally, RIAA argues that even if this Court has jurisdiction to hear this action, it should  
13 be transferred to the U.S. District Court for the District of Columbia to be consolidated with the subpoena  
14 enforcement action presently before that Court. Id. at 3:3-5.

### 16 C. Defendant Titan

17 Titan is a San Francisco-based multimedia company engaged in the production of erotic films. Def.  
18 IO Group’s Mot. to Dismiss at 2:6-7. Titan owns approximately forty-five copyrighted works. Id. at 8-9.  
19 On July 9, 2003, Titan served on PBIS a single subpoena issued by the Clerk of this Court. Compl. at ¶ 28.  
20 Like RIAA’s subpoenas, Titan’s subpoena was obtained pursuant to the DMCA. Id. Titan’s subpoena sought  
21 the identity of multiple PBIS subscribers who Titan believed had used fifty-eight different IP addresses to  
22

23  
24 \_\_\_\_\_  
25 DMCA subpoenas improperly issued by a distant court [i.e. the U.S. District Court for the District of  
26 Columbia] at the behest of RIAA.” Pl.’s Opp’n to Def. RIAA’s Mot. to Dismiss at 1:2-3. Moreover, PBIS’s  
27 complaint alleges that RIAA “has caused the Clerk of the United States District Court for the District of  
28 Columbia to issue subpoenas that pertain to subscriber data under the custody and control of Plaintiff [PBIS]  
pursuant to the purported authority of the DMCA.” Compl. at 1:26 - 2:1. Thus, the subpoenas obtained by  
RIAA that form the basis of this action are the same ones that form the basis of the D.C. subpoena enforcement  
action.

1 distribute Titan's copyrighted works.<sup>3</sup> Def. IO Group's Mot. to Dismiss at 3:5-8. On July 22, 2003, after  
2 PBIS indicated its intent to file a motion to quash, Titan withdrew the subpoena. Id. at 5:9-10.

3 Titan has also sent PBIS an unspecified number of notice letters informing PBIS of the copyright  
4 infringement Titan believes is being perpetrated by PBIS's subscribers. Pl.'s Opp'n to Def. IO Group's Mot.  
5 to Dismiss at 1:2-19. PBIS alleges that Titan filed a notice letter as recently as one day before Titan filed the  
6 motion to dismiss now before this Court. Id. at 1:10-12.

7 The notice letters do several things. First, they notify PBIS of Titan's belief that one of PBIS's  
8 subscribers is using PBIS's network to infringe on Titan's copyrighted work. Pl.'s Opp'n to IO Group, Inc.'s  
9 Mot. to Dismiss, Ex. 2. Second, they name the copyrighted work. Id. Third, they provide PBIS with the IP  
10 address of the infringing subscriber, which PBIS can use to identify the subscriber by name. Id. Fourth, they  
11 demand that PBIS notify the subscriber of the alleged copyright infringement and that PBIS demand that the  
12 subscriber cease the infringing activity. Id. Fifth, they inform PBIS that ISP's are not eligible for liability  
13 limitations established by the DMCA unless they have "adopted and reasonably implemented, and informed  
14 subscribers and account holders [of] a policy that provides for the termination in appropriate circumstances of  
15 subscribers and account holders who are repeat infringers." Id. Sixth, they state that PBIS "may receive a  
16 subpoena requiring [it] to provide the name and other identifying information for this subscriber and therefore  
17 [PBIS is] requested to retain all files and documents necessary to recover that data." Id. Seventh, they ask  
18 PBIS to forward the notice letter to the subscriber so that Titan may attempt to "resolve the issue and arrange  
19 for restitution without issuing a subpoena to you as provided for under [the DMCA]."<sup>4</sup> Id.

20 Titan now moves this Court to dismiss the complaint for lack of subject matter jurisdiction. Def. IO  
21

---

22  
23 <sup>3</sup>An IP address, or "internet protocol" address, is a numerical identifier assigned to an internet  
24 subscriber by that subscriber's ISP. PBIS alleges that "in most cases, the assigned IP addresses are 'dynamic,'  
25 which means that subscribers are not assigned a fixed IP address, but are assigned a different IP address each  
26 time they 'connect' to the internet." Compl. at ¶ 22. Defendants here can determine what IP address was  
allegedly used to transfer copyrighted material over the internet, and at what time the transfer occurred.  
However, they cannot determine the identity of the person assigned to that particular IP address at that  
particular date and time. PBIS can identify the subscriber if provided with this information.

27 <sup>4</sup>PBIS alleges that the notice letters also threaten to sue "the reader" if Titan's one-time chance to settle  
28 is not accepted. Pl.'s Opp'n to Def. IO Group's Mot. to Dismiss at 1:2-9. This is misleading. The notice  
letter does not threaten to sue PBIS, but concludes by notifying the subscriber that he or she is at risk of being  
sued for copyright infringement. Id. at Ex.'s 1-2.

1 Group’s Mot. to Dismiss at 1:8-9. In the alternative, Titan moves this Court to use its discretion not to exercise  
2 jurisdiction over this declaratory judgment action. Id. at 1:15-18. Finally, Titan joins in the portion of RIAA’s  
3 motion that seeks dismissal for failure to state a claim. Id. at 13:10-13.

#### 4 5 **D. Defendant MediaSentry**

6 MediaSentry offers anti-piracy services to entities with copyrighted works. Def. MediaSentry’s Mot.  
7 to Dismiss at 2:3-4. It scans the internet for instances of copyright infringement and identifies the IP address  
8 of the person committing the infringement. Id. at 10-13. Once MediaSentry identifies the IP address of a  
9 person it believes to be infringing on one of its clients’ copyrights, it sends a notice letter to the person’s ISP.  
10 PBIS alleges that MediaSentry has sent it over 16,700 notice letters. Compl. at ¶ 46. MediaSentry’s notice  
11 letters, like those sent by Titan, inform PBIS of what MediaSentry believes to be infringements of its clients’  
12 copyrights. Id., Ex. E. The letters provide the IP address of the infringing subscriber and ask PBIS to (1)  
13 disable the infringing subscriber’s internet access and (2) terminate the subscriber’s account with PBIS. Id.  
14 The only reference MediaSentry’s notice letters make to the DMCA is that they state “pursuant to” that act  
15 that MediaSentry has a good faith belief that use of the material complained of in the letter is unauthorized, and  
16 that MediaSentry is authorized to act on behalf of the client whose copyrighted work is being infringed. Id.  
17 The notice letters do not mention subpoenas and they do not threaten lawsuits. Id. In fact, MediaSentry  
18 asserts that “its clients do not authorize MediaSentry to obtain subpoenas on their behalf, and it does not do  
19 so.” Def. MediaSentry’s Mot. to Dismiss at 1:6-7. MediaSentry asserts that it “has never obtained or served  
20 a subpoena to PBIS.” Id. at 8:18-19.

21 MediaSentry now moves this Court to dismiss the complaint for lack of subject matter jurisdiction.  
22 Def. MediaSentry’s Mot. to Dismiss at 7:12-13. In the alternative, MediaSentry moves this Court to use its  
23 discretion not to exercise jurisdiction over this declaratory judgment action. Id. at 12:12-16. Also in the  
24 alternative, MediaSentry moves this Court to dismiss the complaint for failure to state a claim. Id. at 13:12-22.

#### 25 26 **LEGAL STANDARDS**

27 “When a Rule 12(b)(1) motion is filed in conjunction with other Rule 12 motions, the court should  
28

1 consider the Rule 12(b)(1) jurisdictional attack before addressing any attack on the merits.” Ramming v. U.S.,  
2 281 F.3d 158, 161 (5th Cir. 2001).

3 “It is a fundamental principle that federal courts are courts of limited jurisdiction. The limits upon federal  
4 jurisdiction, whether imposed by the Constitution or by Congress, must be neither disregarded nor evaded.”  
5 Owen Equip. & Erection Co. v. Kroger, 437 U.S. 365, 374, 98 S. Ct. 2396, 2403 (1978). “A federal court  
6 is presumed to lack jurisdiction in a particular case unless the contrary affirmatively appears.” Gen. Atomic Co.  
7 v. United Nuclear Corp., 655 F.2d 968, 969 (9th Cir. 1981). Accordingly, the burden rests on the party  
8 asserting federal subject matter jurisdiction to prove its existence. California ex rel. Younger v. Andrus, 608  
9 F.2d 1247, 1249 (9th Cir. 1979).

## 11 DISCUSSION

### 12 **A. The complaint must be dismissed for lack of jurisdiction as against MediaSentry and** 13 **Titan because there is no actual controversy between those defendants and PBIS**

14 Under the Declaratory Judgement Act, “there must be an ‘actual controversy’ between the parties  
15 before a federal court may exercise jurisdiction.” Centocor, Inc. v. MedImmune, Inc., No. 02-03252 CRB,  
16 2002 WL 31465299, at \*1 (N.D. Cal. Oct. 22, 2002) (citing 28 U.S.C. § 2201). “The ‘actual controversy’  
17 requirement of the [Declaratory Judgement] Act is the same as the ‘case or controversy’ requirement of Article  
18 III of the United States Constitution.” Societe de Conditionnement en Aluminium v. Hunter Eng’g Co., Inc.,  
19 655 F.2d 938, 942 (9th Cir. 1981) (citing Aetna Life Ins. Co. v. Haworth, 300 U.S. 227, 239-40, 57 S. Ct.  
20 461, 463 (1937)). For an actual controversy to exist in a declaratory judgment action, there must be “a  
21 substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to  
22 warrant the issuance of a declaratory judgment.” Id. (quoting Maryland Cas. Co. v. Pac. Coal & Oil Co., 312  
23 U.S. 270, 273, 61 S. Ct. 510, 512 (1941)).

24 There is no actual controversy between PBIS and MediaSentry or between PBIS and Titan. First, the  
25 notice letters do not form the basis of an actual controversy. The notice letters do not threaten PBIS with  
26 litigation. MediaSentry does not bring copyright infringement actions on behalf of its clients, and Titan has only  
27 alluded to the threat of litigation against PBIS’s subscribers, not against PBIS itself. Although the notice letters  
28 refer to the DMCA, defendants are not dependant on the DMCA for the authority to send notice letters

1 informing ISP's of possible copyright infringement taking place on their networks.

2 Second, neither MediaSentry nor Titan has obtained a subpoena that is currently enforceable against  
3 PBIS. MediaSentry has never obtained a subpoena against PBIS, and Titan withdrew the one subpoena it did  
4 obtain. PBIS has not provided the Court with any examples of a district court granting a plaintiff declaratory  
5 relief based on the possibility that a defendant may obtain a subpoena, let alone a pre-litigation subpoena. This  
6 Court's research reveals no such precedent.

7 PBIS cites Societe for the proposition that to demonstrate an actual controversy "it is enough that  
8 plaintiff demonstrate a 'real and reasonable apprehension' that the defendant will take action against it." Pl.'s  
9 Opp'n to Def. IO Group's Mot. to Dismiss at 4:3-4 (quoting Societe, 655 F.2d at 944). The holding in that  
10 case, however, is not so broad. The language PBIS quotes, placed in context, states that "[a]n action for a  
11 declaratory judgment *that a patent is invalid, or that the plaintiff is not infringing*, is a case or controversy  
12 if the plaintiff has a real and reasonable apprehension that he will be subject to liability if he continues to  
13 manufacture his product." Societe, 655 F.2d at 944 (emphasis added). That language follows the court's  
14 discussion of why "[d]eclaratory relief is indisputably appropriate to patent cases" to prevent a patentee from  
15 chilling competition by "declaring that his competitors were infringing his patents and threatening an infringement  
16 suit." Id. at 943 (internal quotation marks and citations omitted).

17 Societe stands for the proposition that a declaratory judgment plaintiff meets the actual controversy  
18 requirement by demonstrating a real and reasonable apprehension that the defendant may commence an action  
19 against it for patent infringement. Societe does not support PBIS's proposition that the actual controversy  
20 requirement of the Declaratory Judgment Act is satisfied in this non-patent action by PBIS's apprehension that  
21 MediaSentry or Titan may at some future date obtain a pre-litigation subpoena which may or may not lead to  
22 a lawsuit against PBIS.

23 There is no "substantial controversy" between either PBIS and MediaSentry or PBIS and Titan "of  
24 sufficient immediacy and reality to warrant the issuance of a declaratory judgment." See id. at 942.  
25 Accordingly, defendants MediaSentry and Titan's motions to dismiss for lack of jurisdiction are hereby  
26 GRANTED.

27

28

1           **B. As against RIAA, this Court abstains from considering on the merits PBIS’s complaint**  
2           **for declaratory relief and instead transfers the action to the United States District**  
3           **Court for the District of Columbia**

4           This Court is not obligated to exercise jurisdiction in a declaratory judgment action even where  
5 jurisdiction exists. The Declaratory Judgment Act says that a court “*may* declare the rights and other legal  
6 relations of any interested party seeking such declaration.” 28 U.S.C. § 2201 (emphasis added). “[T]here is  
7 . . . nothing automatic or obligatory about the assumption of jurisdiction by a federal court to hear a declaratory  
8 judgment action.” Wilton v. Seven Falls Co., 515 U.S. 277, 288, 115 S. Ct. 2137, 2143 (internal quotation  
9 marks and citation omitted). “In the declaratory judgment context, the normal principle that federal courts  
10 should adjudicate claims within their jurisdiction yields to considerations of practicality and wise judicial  
11 administration.” Id. “If a district court, in the sound exercise of its judgment, determines after a complaint is  
12 filed that a declaratory judgment will serve no useful purpose, it cannot be incumbent upon that court to  
13 proceed to the merits before staying or dismissing the action.” Id.

14           Two of the most salient factors to consider in deciding whether to abstain from exercising jurisdiction  
15 in a declaratory relief action are (1) discouraging litigants from filing declaratory relief actions as a means of  
16 forum shopping and (2) avoiding duplicative litigation. See Government Employees Ins. Co. v. Dizo, 133 F.3d  
17 1220, 1225 (9th Cir. 1998) (citing Brillhart v. Excess Ins. Co. of America, 316 U.S. 491, 62 S. Ct. 1173  
18 (1942)). The constitutional claims included in this action raise another important consideration: “A factor which  
19 is always to be considered in determining whether to grant declaratory relief in constitutional cases is the need  
20 for courts to be chary about adjudicating constitutional rights by means of declaratory judgment actions.  
21 Uncertain questions of constitutional law should be addressed only when absolutely necessary.” El Dia, Inc.  
22 v. Hernandez Colon, 963 F.2d 488, 494 (1st Cir. 1992) (citing Ala. State Fed’n of Labor v. McAdory, 325  
23 U.S. 450, 461, 65 S. Ct. 1384, 1389 (1945)) (additional citations omitted).

24           PBIS’s declaratory relief action raises objections PBIS has to the subpoenas obtained by RIAA against  
25 PBIS in the District Court for the District of Columbia. RIAA’s Motion to Enforce Subpoenas is currently  
26 before that Court. All of the claims brought by PBIS in this Court could have been brought in the District Court  
27 for the District of Columbia in a Motion to Quash or in PBIS’s Opposition to RIAA’s Motion to Enforce.  
28 Consideration on the merits of PBIS’s Complaint for Declaratory Relief, founded on objections to subpoenas

1 issued by the District Court for the District of Columbia, would encourage forum shopping in subpoena matters  
2 and would create duplicative litigation. Further, it would contravene the courts' preference for adjudicating  
3 constitutional rights in the context of a concrete case or controversy rather than a hypothetical declaratory  
4 judgment action.

5 Accordingly, this Court abstains from considering on the merits PBIS's Motion for Declaratory Relief.  
6 In the interest of justice and pursuant to 28 U.S.C. § 1404(a), RIAA's motion to transfer to the United States  
7 District Court for the District of Columbia is hereby GRANTED as to defendant RIAA.

8

9

**CONCLUSION**

10 For the foregoing reasons, defendants MediaSentry and IO Group's motions to dismiss for lack of  
11 subject matter jurisdiction are GRANTED [Docket ## 18, 20] and defendant RIAA's motion to transfer this  
12 action to the United States District Court for the District of Columbia is GRANTED [Docket # 22].  
13 Accordingly, the Court considers neither plaintiff's Motion for Summary Judgment nor AOL Time Warner's  
14 Motion for Leave to File an Amicus Curiae Brief [Docket ## 26, 40].

15

16

**IT IS SO ORDERED.**

17

18

Dated: November 21, 2003

19

S/Susan Illston  
SUSAN ILLSTON  
United States District Judge

20

21

22

23

24

25

26

27

28