SUPREME COURT, U.S. WASHINGTON, D.C. 20543

OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 84-1259

TITLE DOW CHEMICAL COMPANY, Petitioner V. UNITED STATES, EIC.

PLACE Washington, D. C.

DATE December 10, 1985

PAGES 1 thru 54



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1	IN THE SUPREME COURT OF THE UNITED STATES
2	:
3	DOW CHEMICAL COMPANY, :
4	Petitioner :
5	v. No. 84-1259
6	UNITED STATES, ETC.
7	
8	Washington, D.C.
9.	Tuesday, December 10, 1985
10	The above-entitled matter came on for oral
11	argument before the Supreme Court of the United States
12	at 11:45 o'clock a.m.
13	APPEARANCES:
14	MISS JANE M. GOOTEE, ESQ., Midland, Michigan; on behalf
15	of the Petitioner.
16	ALAN I. HOROWITZ, ESQ., Assistant to the Solicitor
17	General, Department of Justice, Washington,
18	D.C.; on behalf of the Respondent.
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(11:45 a.m.)

THE CHIEF JUSTICE: Ms. Gootee, you may proceed whenever you are really.

ORAL ARGUMENT OF JANE M. GOOTEE, ESQ.

ON BEHALF OF PETITIONER

MS. GCOTEE: Mr. Chief Justice, and may it please the Court:

This is a Fourth Amendment administrative search case where Dow is asking this Court to reinstate the district court's holding that EPA's action both exceeded its statutory authority under Section 114 of the Clean Air Act, and that EPA's actions amounted to an unreasonable search in violation of the Fourth Amendment.

On cross-motion for summary judgment, and as the tryer of fact, the district court found that the Dow facility in Midland, Michigan was a highly secured commercial facility. It was not an open field.

The district court also found that EPA's action amounted to a search, a fact which the Government admitted, both in its brief and its oral argument. The district court also found that the EPA's photographs contained vivid detail to the point of depicting items and equipment as small as one-half inch in diameter, and the court found that the camera saw much more than the

human aerial eye or mind could ever see.

In September of 1977, EPA conducted a three-hour on-site inspection of the two powerhouses at Dow's Midland facility. That was done in continuing preparation for Clean Air Act enforcement action and to confirm the EPA's suspicion that the two powerhouses did in fact violate the Clean Air Act.

QUESTION: Now, that was an on the ground inspection?

MS. GOOTEE: Yes, it was, Justice Brennan, and during that inspection the EPA people received full cooperation from Dow personnel. They saw everything they wanted to see. They were denied nothing.

In fact, after the inspection, at EPA's request Dow submitted drawings and schematics to EPA depicting the powerhouses, the equipment in the powerhouses, and the areas surrounding the powerhouses. The EPA enforcement engineer testified that after that September inspection he needed no further information from or about Dow to confirm his suspicions that the powerhouses were in violation of the Act.

Three months later, in early December of 1977,

Dow received a phone call from the EPA requesting a

repetitive on-site inspection with a camera. Dow

refused that request, told the EPA it would not allow

non-Dow cameras inside the fence line, and the possibility of EPA's getting a warrant was discussed.

In fact, after the phone call a Dow attorney called the U.S. attorney's office in Bay City, Michigan and told that office that if the EPA approached the office and was going to try to seek a warrant, that Dow would appreciate the opportunity to be there and be heard.

Two months after that refusal of the second on-site inspection, knowing that Dow refused consent for a second on-site inspection, knowing that Dow objected to aerial photographs, or the photographs of its plant, and knowing of its duty to resort to the court, the EPA ignored Dow's constitutional and statutory rights and ignored its duty to seek judicial oversight and acquired surreptitiously --

QUESTION: But isn't the question in the case, whether it had such a duty? You said it ignored this duty, but isn't that the issue?

MS. GOOTEE: Yes, Justice Stevens. The issue is whether there was a search. The EPA had tried to come on to that property to conduct a search and had been turned away after there had been one consensual, voluntary inspection.

The district court found that there was a

search. In fact, the Government admitted in both the oral argument and the brief that it had conducted a search in conducting the fly-over. The district court also found that EPA's actions exceeded its statutory inspection authority under Section 114.

On appeal by the Government the Sixth Circuit

-- the Sixth Circuit agreed with the district court that

Section 114 of the Clean Air Act does not explicitly

authorize aerial photography as a site inspection

technique, but the district court, ignoring the plain

language of the statute, ignoring the obvious

congressional intent of providing the owners notice,

without citation to any authority, held that the Act did

not impliedly forbid aerial photography.

Dow thinks that --

QUESTION: Ms. Gootee, what if the EPA inspector here had been able to go to a nearby hilltop and just look over the fence? Do you think the statute prohibits that?

MS. GCOTEE: No, we do not, Justice O'Connor.

QUESTION: Why is it any different if they fly
over the premises?

MS. GOOTEE: Dow has absolutely no objection to a naked-eye viewing of its plant from anywhere that the government or the public may have a right to be.

Our objection in this case is that -- it's similar to the Karo case. The EPA used intrusive technology, used technology --

QUESTION: Okay, so you have no objection to the flying over and taking a look, but to the -- your sole objection is to the taking of the photographs?

MS. GOOTEE: Yes, it is, and that -- that's both constitutional and statutory. Under the statute the taking of pictures, the capturing of the extreme intrusive detail to the size of a half-inch in diameter, deprives Dow of the notice that an inspection has occurred and deprives Dow of the opportunity to claim confidential business information.

QUESTION: Well, would you object to standing on the hillside with a camera?

MS. GCOTEE: Justice Brennan, that's an interesting hypothetical. Midland, Michigan is very flat. But if there were a hillside and the EPA could have apparently legal access to it and could look at the plant, we do not object to that.

We don't object to them --

QUESTION: Or taking pictures from that spot?

MS. GOOTEE: Not necessarily. I think the

real question is the degree of intrusion.

QUESTION: And it would be more with a camera

from a hillside as well as on a fly-over?

MS. GCOTEE: I think it depends on the camera. There was a recent case in California --

QUESTION: Let's take it that they have one of these -- I don't own one, but one of these very -- that pick up everything?

MS. GCOTEE: Generally a lateral view from the ground is the view that Dow has chosen to give. We know that people can drive by and look at our plant. Now -- OUESTION: Go ahead.

MS. GCOTEE: As we go into the sky at varying levels, it's going to depend more and more on the degree of intrusion. I think it's the distinction --

QUESTION: Forgive me. I don't quite understand your answer.

If one is equipped with a camera and there is a hilltop and they can photograph from that spot the things that were photographed by the fly-over, would that be objectionable?

MS. GOOTEE: I have to come back to degree of intrusion. We're on level ground, not even with a hill top, and the police or the inspection officials take a picture through my living room window, which they can see just standing on the street, and use a telephoto lens and get detail as they did in the Kim case to see

what I'm doing in my living room, that's an unconstitutional search.

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QUESTION: Well, what about an airplane, as we read in here, whether they're accurate or not, stories about the phenomenal accuracy of photography now from three, four miles up. Suppose not directly above the Dow plant but without trespassing on the air space of the Dow plant, pictures are taken from an angle at 12,000, 15,000, 18,000 feet and disclosed everything that was disclosed here. Is that bad?

MS. GOOTEE: Yes, it is. It's very bad.

QUESTION: I mean, it's the taking of the picture, not the invasion of your air space?

MS. GOOTEE: Exactly. We have no problem with the public or the government making use of the air space. I think the fact that they used an airplane is like the fact that they can use a car. We have no problem with people driving by the plants. But if they use a car to ram through our gate and get in, we have a problem with that.

It's the use.

QUESTION: Do you object to any enhancement of te person's normal senses in making an inspection?

MS. GCOTEE: No, Your Honor. I think there's some parts to inspections that society has deemed

That is a use of technology, but it is a use of technology with Dow's notice and we can split samples, we can run the same test, we can give them things to look at, and --

QUESTION: What about a case of the following of an automobile by the use of a beeper, which this Court has said was all right unier the Fourth Amendment, and yet the police with their natural senses might have lost track of the vehicle they were trying to follow?

MS. GOOTEE: Except that I think the distinguishing factor, as this Court has held, that the police could have followed it with their visual sense. It's only when that technology intruded into the home in the Carroll case and the visual senses could not have intruded the way the technology did, they couldn't have depicted the critical information without a warrant or without consent.

I think the existing holdings of this Court -Western Alfalfa is probably the best case in Dow's
defense --

QUESTION: Before you go on, may I put another hypothetical that I suspect you will say is difficult.

One reads in the media that a satellite flying 100 miles, not 20,000 feet but 100 miles above the Earth can identify a tennis ball on a tennis court.

These satellites are up there every day, the Soviet and the American, and if these pictures had been taken by an unfriendly -- at 100 miles up, would that make any difference?

MS. GOOTEE: Justice Powell, again an excellent hypothetical and one we've obviously thought about. The distinction that I think this Court should stay away from is the spatial relationship.

I don't think it matters whether it's 1,000 feet up or 100 miles up.

QUESTION: It's really a matter of privilege?

MS. GCOTEE: It's purpose, and in this case -it's mostly military satellites that have that
capability. That's usually top secret information. I
think the civilian satellites have a resolution of about
ten meters. With the new French system, the spot system
coming in, it may be four meters.

The problem here, though, is that we have a governmental administrative agency with specific statutory authority and who are bound by the Constitution.

QUESTION: May I interrupt, just to follow up

on Justice Powell's question. You said it doesn't matter if it's 1,000 feet or 100 miles. What if it's 100 feet? What if it's a helicopter?

MS. GCOTEE: Then we get into problems with the FAA regulations.

QUESTION: No, the helicopters are not bound by the 1,000 foct regulation. That doesn't apply. It applies to fixed wing aircraft.

MS. GOOTEE: I think that the question there, even though it's not binding on this Court, has been answered in the case of People versus Sneed in California where a helicopter did descend 20 feet above a residential back yard and that was clearly held to be an intrusion into the --

QUESTION: Is it your view that even if you descend low enough so that you see with the naked eye and see the same half-inch pipes? Would that be a violation? And if so, why?

MS. GCOTEE: I think it would be an unreasonable violation. We would still have the same statutory problems.

QUESTION: I'm just directing it at the Fourth Amendment.

MS. GOOTEE: On the Fourth Amendment issue, I think it would be obviously an unreasonable intrusion

QUESTION: Well, what makes it so obvious?

MS. GOOTEE: The Western Alfalfa case, and somehow in Karo, they are using technology to get -
QUESTION: No, no. I am suggesting no technology, the nakel eye.

MS. GCOTEE: Well, the helicopter itself is technology.

QUESTION: Oh, oh. So is an automobile. I thought you said planes were like automobiles?

MS. GCOTEE: Right, we have no problem if they are used in the normal events that society accepts, but if they are used as a battering ram or as an invading tool, then we have a problem.

QUESTION: I really have some difficulty. You cannot look from helicopters at a low altitude?

MS. GOOTEE: You obviously can look.

QUESTION: But cannot constitutionally? The police are constitutionally disabled from flying around in helicopters at low altitude?

MS. GCOTEE: I think that they would have -it would be an invasion of privacy, just as in NORML

versus Mullen, that the use of helicopters to go down
and look at people's windows and in their back yards was
an invasion of privacy.

QUESTION: And that's because a helicopter is a sophisticated device, is that it, just as though it were a high-powered telescope?

MS. GOOTEE: Well, again, I think I would draw back from the exact technology utilized and focus in on the fact that it's an unreasonable intrusion into a reasonable expectation of privacy.

We don't expect our government and this country to operate this way. It offends, you know, the notions of justice and fair play.

QUESTION: What about catching speeders by following them with a helicopter?

MS. GOOTEE: Well, they have a moving car from whatever height is, I think, plainly visible with the naked eye.

THE CHIEF JUSTICE: We will resume there at 1:00 o'clock.

MS. GCOTEE: Thank you.

(Whereupon, at 12:00 o'clock noon, the case in the above entitled matter was recessed, to reconvene at 1:00 o'clock p.m. this same day.)

THE CHIEF JUSTICE: You may proceed.

MS COOTER: Mr Chief Justice and m

MS. GOOTEE: Mr. Chief Justice and may it please the Court, we have been discussing various types of aerial overflights. The one thing we did not make clear is that there is -- one of the distinguishing factors in this case is the intrusive aerial photographs taken by EPA.

This was no brief, non-intrusive investigation. It was intrusive and, contrary to being brief, the Agency if they had access to these photographs captured the entire details of Dow's facility and they're still on paper. They will be on paper until someone destroys these photographs which are in fact the equivalent of good engineering drawings.

Now, the Sixth Circuit agreed with the district court that Dow has a reasonable expectation of privacy from ground level intrusion, and then in an apparent flip-flop, in an inconsistency in its opinion, the court held that from the air Dow is an open field, that it has no reasonable expectation of privacy.

I direct the Court's attention to photograph 3 in the sealed Joint Appendix which is a Dow photograph which depicts a naked-eye type viewing of the Dow

facility. The Dow facility, the 2,000 acre fenced, secured, including security that watches for suspicious aircraft --

QUESTION: What did you say photo 3 was?

MS. GCOTEE: Photograph 3, Justice Brennan, is a Dow photograph. It's the type of photograph that after our management has a chance to take a look at it, that we in fact take, our management looks at it, says, no problem, that's the same as a naked eye view. It's the type of photograph that we release to the press.

Now, in contrast to that, photographs 1 and 2 in the sealed Joint Appendix are two of the actual EPA photographs. These are the pictures that our plant manager looked at with a hand-held magnification and said that he could see items and equipment one-half inch in diameter.

Now, photograph 2, our photograph 1, the upper part of the photograph, it is easy to see electrical wires and their shadows, which is the size of a small finger, and that is the degree of intrusive detail that EPA captured in these pictures.

QUESTION: What caused the difference in degree between 1 and 2 on the one hand and 3 on the other? Is it the level of flight of the airplane, the type of camera, or --

The Dow picture is an oblique angle, which means that you're looking at it from the side. The EPA picture is a vertical angle, straight down, as would an engineering drawing be, a straight down shot.

QUESTION: Well, now does that have Fourth

Amendment implications, whether it's an oblique angle or
a straight down --

MS. GCOTEE: Not directly in the Fourth

Amendment. It buttresses Dow's position that the

pictures are intrusive, that they don't serve a law

enforcement purpose, and that society would not

recognize them as reasonable because they depict our

trade secrets.

And if the Dow facility, which happens to be an open field --

QUESTION: If you're just talking about whether or not they serve a law enforcement purpose, I would think that photographs 1 and 2 would serve that purpose better than photograph 3.

MS. GOOTEE: Well, Your Honor, photographs 1 and 2, the EPA was specifically looking for emissions

from the powerhcuse.

QUESTION: You are saying that isn't a law enforcement purpose?

MS. GOOTEE: It's a law enforcement intent,
but the photographs showed no plumes from the
powerhouse. As stated on page 31 of the Joint Appendix,
the photographs showed no plume and they were worthless
to the Agency in the enforcement action..

QUESTION: So that, the test then is what they're going to be looking for in the way of emissions that are happening that day or not?

MS. GCOTEE: That's not the Fourth Amendment test. That is one of the factors that shows that they were in fact engaged in a search. They intended to get evidence for use in an enforcement action.

Now, what I started talking about a minute ago, about the detail, is the reasonable expectation of privacy that society accepts as reasonable. The agency thought they had a need but they didn't get any good evidence.

Dow has a need to protect its assets, its confidential business information. If the Dow facility was held to be an open field, number one, there is little land in the United States that isn't, in that case. Number two, as this Court recognized in the

QUESTION: Ms. Gootee, may I ask you in that connection, what would Dow Chemical Company do if one of its competitors, using a private aircraft, took the same pictures? Would you bring a trespass action against it, or charge the competitor with criminal intrusion, entering or breaking of a private residence, or what?

MS. GOOTEE: Justice Powell, under Michigan state law, we have a -- well, we would swear, you know, make out an indictment under the criminal laws of Michigan for the taking of trade secrets by improper means.

We also have a civil action under the restatement of torts as recognized in the DuPont versus Christopher case and as recognized by this Court in the Yewanee Oil case. Aerial photography is a recognized way of taking trade secrets.

Now, for that to happen, you know, for the Court to say, yes, that's the way to do it, obviously they have to be somehow exposed to the sky. Otherwise it's nonsense. And that's what we have in this case.

QUESTION: Well, the government didn't make use of the photos in anyway that constitutes a violation

MS. GOOTEE: No, Justice O'Connor, not that we know of. The photographs were displayed on walls in EPA's Chicago offices for roughly a month, but the use of a trade secret or confidential business information is not required for Fourth Amendment violation.

QUESTION: Has there been any use made of the photos by the government at all, to your knowledge?

MS. GOOTEE: Other than the fact that we don't know what happened to them that one month in Chicago, no, we do not. They have been under seal since April the 7th of 1978.

QUESTION: Ms. Gootee, do I understand you that if you can see into the plant that's okay, but if you take a picture of what you see, that's wrong?

MS. GOOTEE: Yes, Justice Marshall. From the road -- from ground level, the view that is shown of the plant is the view that Dow has chosen to show to the public. From an aerial perspective --

QUESTION: You are talking -- if the exact same spot where that person was standing, and legally, according to your view of it, he couldn't take a picture, or not?

MS. GOOTEE: He could probably take a picture on the facts. It would be hard to get -- we're talking

QUESTION: And you're objecting to the

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plant emissions, and maybe to cut this line of

questioning a little bit short, I refer the Court to the Dcw versus EPA decision by the Sixth Circuit on the enforcement action at 635 Fei. 2d 559, and I think the Sixth Circuit explains more the interaction between Dow and the Agency, and there is quite a bit of cooperation.

QUESTION: May I ask you a couple of questions. Supposing the problem were either emissions from a stack or water or some chemical being discharged eventually into water pollution, and if you couldn't see it except by flying over the plant, but if you do fly over the plant you could see a discoloration of water or maybe some smoke coming out of a very tiny smokestack.

Would it be illegal and unconstitutional under your view for the government to fly over and just look and see if that was happening?

MS. GCOTEE: No, it would not, Justice Stevens.

QUESTION: Even your plant, with all -suppose you had to fly at a very low altitude to do
that, that they get permission from the FAA or something
so that they can fly low enough to take a look. Would
it still be all right?

MS. GCOTEE: That is crossing the line that we got to before lunch. It's -- in our perspective, ordinary overflights are reasonable. Extraordinary overflights are not reasonable.

MS. GCOTEE: Extremely low level, or an aircraft hovering low to the ground, something that's outside the ordinary conduct of the police or citizens. And that's -- you know, remembering that the Agency is both bound and authorized --

QUESTION: Forget the statute for a minute.

I'm just talking about the constitutional question. But supposing they can fly at 1,000 feet, then, and they could not be sure with the naked eye but they could take a picture just like you did and then magnify the picture and look at it.

That's bad, you say?

MS. GOOTEE: They were flying at 1,000 feet?

QUESTION: At 1,000 feet, they look down with
the naked eye, they can't really detect the coloration
of the water very well but they take a picture thinking
they can study it, you know, have it enlarged and look
at it more closely and then they can figure out -that's unconstitutional?

MS. GOOTEE: Yes, it is, because the aerial photography -- well, that's presuming the picture shows more detail than the human eye can detect.

QUESTION: It shows -- it enables them to make

darned sure that there's some discoloration of the water. What about smoke coming out of the smokestack. Iney couldn't quite see it with the naked eye, it was a little foggy or something, but they take a picture and they study it and they find out -- is that unconstitutional?

MS. GCOTEE: It's unconstitutional because of the degree of intrusion into areas that they're not authorized to gc. It's unreasonable.

QUESTION: But you don't have any control over the air space?

MS. GCOTEE: No, we don't, but we have, under the Fourth Amendment we have control of the privacies of our corporate existence, and that's what we are trying to establish today.

The photographs here, in the nature of aerial photography, it's like a wiretap on a public phone. You get — whoever uses the phone. Here they flip the switch on, the run begins. They got not only Dow Chemical. They photographed Dow Corning, Consumers Power, and the entire city of Midland, and that strikes me as a search of the type that was carried out in Ybarra versus Illinois where they saw a criminal run into a bar. They thought the person was in there, so they frisk everybody.

MS. GOOTEE: No, I don't, but I think there are more reasonable ways of doing it, such as was recognized in Western Alfalfa or by asking the Dow Chemical Company, under Section 114-A. If we're required to keep records and the EPA wants to see those records, they can at any point in time, they can ask us and we have no Fifth Amendment privilege.

QUESTION: Well, are you suggesting that you would give the government everything that they got by these pictures if they asked for it?

MS. GCOTEE: No, we are not, Your Honor, because they went far beyond the scope of the statute. Under Section 114 they are limited to three types of investigations on-site. 111 is a notice statute, the same as the Fourth Amendment, and we should probably note that as a notice statute not only is Dow deprived of notice of what the EPA did but the EPA employees themselves who are criminally liable if they disseminate trade secrets under 18 USC 1905.

Thank you.

THE CHIEF JUSTICE: Mr. Horowitz.

ON BEHALF OF THE RESPONDENT

MR. HOROWITZ: Thank you, Mr. Chief Justice, and may it please the Court:

Referring to the issue that came up several times in petiticner's argument as to whether EPA conducted a search here, obviously the ultimate issue in this case is whether there was a search within the meaning of the Fourth Amendment. But, she has suggested that we conceded in the court of appeals that there was a search here, and of course that's true, there was a search in the layman's normal use of the term, that is, EPA was looking for something.

That is what law enforcement agencies do all the time. They can look at cars on the street to see if one matches a description of the car that fled a robbery. That's a search, of course, but it is not a search within the meaning of the Fourth Amendment.

A search that is regulated by the Fourth

Amendment is one that invades a reasonable expectation

of privacy, and that's what the ultimate issue in this

case is. It is our position that the overflight here

and the photography did not invade any reasonable

expectation of privacy.

Maybe the best way to frame the issue is to

look at the way that Dow has chosen to define its facility. They have taken issue with the government's characterization of it as an outdoor plant.

On page 4 of their reply brief they define it this way. The plant here is a three-dimensional commercial structure which encompasses production equipment and know-how and which does not have a traditional roof.

QUESTION: Mr. Horowitz, tell me if we can sort of sharpen the focus of this case. My understanding is that Dow is not arguing that the Constitution necessarily would forbid an overflight just to take a picture of a beautiful plant.

I understand its position is that it has trade secrets that cannot be covered under a roof because of the nature of the secret. I have no idea what that is.

So, if you would focus your attention on -MR. HOROWITZ: If you would like me to --

QUESTION: On a company protecting a trade secret, and what -- and when there is no other option but an overflight, what is the government's answer to that?

MR. HOROWITZ: I'd be happy to talk about trade secrets now, if you'd like. I should have at the outset mentioned -- I had understood, certainly when I

did the brief in this case, that the whole crux of their claim was that there were trade secrets in the plant, and we devoted guite a bit of attention to that in our brief.

In the reply brief Dow says that our discussion of trade secrets misses the point, that it is the intrusive surveillance of detail beyond the purview of the naked eye that constitutes the Fourth Amendment violation. The Fourth Amendment violation exists independently of the capturing of any Dow trade secrets.

So, they do seem to take the position that whether or not there are trade secrets or not --

QUESTION: If they are trade secrets that cannot be covered up --

MR. HOROWITZ: Well, let me assume that there are some sort of, at least proprietary information there. First of all, I think we would say that it's in fact not a secret, and the fact is that it's exposed to the view of anyone who can fly over, and there is -- I don't know there is any real law on the question of whether it's a trade secret under statutes, but I think it probably would be found not to be a trade secret under the statutes.

In any case, assuming it is found to be a trade secret, even though it is open to the public, the

fact is that EPA has not taken any trade secret. The
trade secret that they are discussing in here is
something that is revealed through this extreme
magnification of these photographs that Dow themselves
did and that are shown to you in the sealed Joint
Appendix.

EPA didn't blow up these photographs. They weren't even locking at the chemical plant that is the focus of this trade secret claim. They were looking at the power plants. The chemical plant happened to be next foor and it was captured in the photographs.

But, a trade secret has been revealed to the government in this case only in the sense that there is some potentiality for the government to actually discover it by using examination. That's a little bit like the issue in Knotts or in Karo where the Court found that the mere installation of a beeper was not a Fourth Amerdment violation. It wasn't until you actually monitored it that you had transformed the potential to conduct some sort of a search into actually doing it.

Third, I would say that all of the trade secret legislation which is basically directed at unfair competition, not at the things that the Fourth Amendment is aimed at, all of that is directed at the unfair use

of the information.

If EPA was planning to build a chemical plant and copy these type configurations that we are assuming were secrets, then there might be some basis for a trade secret claim here, but there is no suggestion that EPA is going to do that. They are using these pictures for the purpose of enhancing their investigation of Clean Air Act violations, and the fact that there's a trade secret there is basically, completely irrelevant.

It's the same as if somebody would throw a -some sort of invention that he would call a trade secret
in the middle of his marijuana field and then claims
that the government can't fly over his field and take a
picture of it because they're capturing a trade secret
on the picture.

QUESTION: But what if the government -- I know it's not true in this case, but what if there were a secret that the government was interested in acquiring, went over and took a picture and then went ahead and developed its own plant to make whatever the chemical might be or something.

Could you claim that was a seizure?

MR. HCROWITZ: Well, I think the claim is probably -- I'm not sure I would agree with it, but I think it's probably more of a taking claim than anything

else, and there was a Fifth Amendment claim in this case that was dismissed without prejudice that they can bring. If the government actually was going to use this information, the court, I guess, was considering that sort of an issue in Monsanto last year. But there is no suggestion of that here.

I would say again, though, I doubt that it is a trade secret. Now it's a question of tort law.

I think also, more generally, the reason why this might arguably be a trade secret has nothing at all to do with he Fourth Amendment. I mean, there is a sense that corporations are entitled to maintain the fruits of their research and development. They spend a lot of money developing these sources of secrets, and it is unfair competition in a sense for -- or maybe unfair competition for a competitor to just take the fruits of their labor and then use it without infusing the same amount of funds.

Now, that principle is limited by what the competitor or the -- excuse me, the inventor of the trade secret is required to disclose to the public, because it is a clear, recognized principle of trade secret law that if you've developed something and put it into a product and it's a secret at that time, that if a competitor can figure out through what is called reverse

engineering, by dissecting a product that is found on the market, figuring out how it was made and basically acquire all the information that you've developed through your research, that is not a violation of trade secret statutes.

So, again, I am not sure there is really a secret here. But the reasons for having these kinds of unfair competition statutes ion't have to io with the Fourth Amendment. It's easy to see that conduct that might be considered unfair competition under the trade secret laws would clearly not be considered a Fourth Amendment violation.

One example is the use of an informant, which government law enforcement agencies do all the time, and that's not considered to violate the Constitution. On the other hand, most trade secret statutes suggest that if you have a spy in another plant or can somehow convince an employee of another plant to exchange loyalties and give you trade secrets, that is considered unfair competition.

I think another example is the Christopher case that was cited, the Fifth Circuit case that was cited by Dow Chemical in its brief. That's a case where one company was building a plant and a competitor flew over and took aerial photographs of it before the plant

was completed, before they had a chance to put the roof on, basically, although they were putting a roof on it, kind of snuck in there, and the Fifth Circuit said that was dirty pool in the trade secret context and they considered it unfair competition.

Even in that context, I can't believe if the state had sent a plane over to check for building code violations, if that was threatening the safety of the employees who were going to be working in that plant, that that would be considered to violate the Fourth Amendment.

They're just not taking trade secrets.

They're looking for other information.

Finally, I would make one more point about the trade secret claim, and that is that it doesn't really address what the issue here is because what they're claiming, I take it, is that the EPA overflight and photography was some kind of a search that required EPA to get a warrant. They are not suggesting that the government, under no circumstances, could have conducted this overflight.

But, if we did get a warrant to look for these emissions, we would have exactly the same pictures of Dow's plant and we would have exactly the same trade secrets, and they would have exactly the same problem.

The relief that they are seeking here, forcing EPA to get a warrant, doesn't at all aidress this sort of complaint that they have.

So, that's sort of a long answer, Justice

Powell, but I think really, trade secrets have very

little to do with this case. It's really a red herring.

QUESTION: It wouldn't have been business of the government to obtain an administrative warrant, would it really?

MR. HCROWITZ: It wouldn't be much of a burden?

QUESTION: It woulin't have been business of
them to have obtained, as you did in Barlow, an
administrative warrant?

MR. HOROWITZ: No, you're setting up a whole new regime, basically, where you have to have magistrates involved in this and you have to decide what sort of showing has to be made by the government in order to do it.

This was not a routine regulatory inspection.

It was one that was made in connection with a specific investigation of the plant. I think they probably could have gotten a warrant from a magistrate.

QUESTION: This whole area is very puzzling in light of the scientific development. Think about all the buildings we now see that are made entirely of

glass. I'm glad I don't live in one of them, but I 1 suppose with the right sort of photography you could 2 3 take pictures of whatever you wanted inside those 4 buildings if they were anywhere near the windows, and I wonder if that would involve -- implicate the Fourth 5 Amendment? 6 7 I'm not talking about a private home. I'm

talking about --

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MR. HOROWITZ: I understand. I think you're right. I mean, technology has changed the world we live in to some extent.

I mean, aerial photography today is a fact of life. There are affidavits in the record. We have mentioned some of them in our brief. All scrts of government igencies use aerial photography all the time, for mapping, geclogical purposes. And it's not just government agencies.

If you go to a real estate office you'll find that they like to take aerial photographs of real estate subdivisions so they can show people where houses are located and what things look like. People are being photographed all the time, and Dow knows that.

This is not a case where they really had an expectation that they would not be photographed from the air. They said several times in their brief that they

had this whole, elaborate system for looking for planes flying overhead so they could try to figure out who was photographing them, and I guess try to take some steps to discourage them from doing it or to keep track of whether photography was being used.

It can't seriously be contended that they had a subjective expectation of privacy, that they weren't going to be photographed from the air here. News cameras are photographing them. In fact, there's this Business Week article that's referenced in their brief where they -- I think about six weeks ago, from October, where they mention that that's a photograph that they supplied to Business Week.

Actually, I spoke to the reporter from

Business Week because I was curious where she had gotten
the photograph and she told me that they didn't really
like the photograph that Dow had given them and they've
gone ahead and taken their own.

There's just nothing to keep people from doing it. What Dow's position is --

QUESTION: Mr. Horowitz, do you think the standard should be the same in flying over an industrial complex of this type as it should for the police to fly over someone's residential back yard and take photographs? Is it really the same standard?

The companion case to this one will be coming up next, where it's undisputed that that was within the privilege of the home, where the overflight and the photographing took place.

Here we had a footnote in our brief,
discussing whether this qualifies as privilege or not.

I think there's an argument that it's not privilege at
all here, but we've been willing to assume for purposes
of this case that it can be treated the same because we
feel there is no expectation of privacy in any of them.

Basically, what Dow's position is, is that
they have their property, they've built things on their
property and they don't want people to take pictures of
them. I understand that position from a layman's
perspective. I have some sympathy for it. I feel the
same way sometimes. I have a back yard and neighbors
can see into my back yard and occasionally things happen
in my back yard that I say to myself, gee, I hope the
neighbors aren't watching.

That's a hope, but I don't have any expectation that they're not watching and I don't expect the Fourth Amendment to keep them from watching. I

mean, what Dow has done here is, they have built a facility and they have put a fence around it. We don't dispute that, and it's very hard to get in on the ground, and they haven't built a roof, and they want the Fourth Amendment to build a roof for them.

They want a very special roof. They want one that lets in the rain, lets in the snow, lets in news photographers, apparently lets in people who are just flying over and looking down, maybe lets in people who are taking pictures from higher altitudes, but it doesn't let EPA take photographs that are relevant to its enforcement of the Clean Air Act.

And, there's no reason why the Fourth

Amendment should do that. They can't build a roof, they
say, and from that they draw the conclusion that the

Fourth Amendment should provide a roof for them.

From that, we draw the conclusion that what they have in there is just not private and they can't expect to keep it private, and they certainly can't expect the Fourth Amendment to keep it private.

QUESTION: May I go back to Justice Powell's example. Supposing it were a glass office building and you could fly over and you had -- I don't know if techniques are this sophisticated or not, but you could take pictures through the glass walls or roof that were

Any objection to that ?

MI. HOROWITZ: Well, I think there are two different aspects here that come out of Katz, and one is whether there is an expectation of privacy in the sense that you can expect that what you have in there can't be seen from the outside, and then there's a second aspect, which is whether what you're seeking to protect is really something private.

That's at the core of what the Fourth

Amendment is trying to protect. In this case Dow flunks
on both counts, I think. I think there is no subjective
expectation of privacy. Anyone could take these
photgraphs. They concede that.

Secondly, there's really nothing in there that was very private. I mean, this is just an outdoor place, except for the trade secrets which I've talked about at length already. There's no reason why one would expect the Fourth Amendment to inhibit law enforcement in this way because there's nothing to protect.

Now, there are harder cases where these two different prongs are somewhat in conflict, and you have raised one. I think where you've got a glass building it may be hard to argue that you've got a subjective

expectation of privacy. You may well know that someone can fly over and take photographs through the glass, if that's possible, I don't know, and that will reveal things.

On the other hand, what you do have in an office building, and even more so in a home, is something that we have recognized as being more private, and it may be that the rule should be more stringent there when you're trying to protect something of that privacy.

QUESTION: I'm a little puzzled on that, on
the Dow case. It seems to me you've agreed that they
have a privacy interest in keeping people out at ground
level, from seeing what goes on within, and surely there
could be things that happen in the plant that they would
like to have the same legree of privacy --

MR. HCROWITZ: No, what I have said is, they have taken steps to keep people out. I'm not suggesting that -- I don't know whether the Fourth Amendment would keep people from going in there or not.

I mean, that's the question of whether this is an open field or not, and we don't think it really matters in this case so we haven't addressed it. I don't know whether --

QUESTION: But if 99 and 99 one-hundredths of

Isn't that the fact, that it's the unusual case where somebody can look at the kind of stuff they see here?

MR. HOROWITZ: Well, I don't know that comparing it to commercial air flights is very relevant. I mean, it's just a number of people who come over and take photographs that's relevant, and we have statistics that the FAA says more than a million flight-hours a year are devoted to aerial photography.

I don't think, in this context, that they really have an expectation that people won't fly over and as I said, I think that's reflected in the fact that they take such measures to stare at the sky and see whether people are flying over.

What I understand your question to be, I think it's just more hypothetical than actually applicable to this case, is if you were really in a position where there was not reason to think that you would ever be observed unless somebody was deliberately trying to do

it, I think that presents more difficult questions of expectation of privacy and I think that the resolution of it might well depend on what sort of place it was, how private.

If it was a home and the question was whether somebody could see with binoculars from a quarter-mile away, you might have a stronger case. If it's outside activity, I'm not sure that the Fourth Amendment really should be preventing government action in that way.

There just isn't anything important, really, to protect.

As the Court, I think, suggested in the opening argument here, I have also had some difficulty in figuring out exactly what the legal principle is that Dcw relies on. As I said, it seems to be pretty much that they don't want the government to be able to photograph what they don't want the government to be able to photograph.

In their case, they don't mind oblique photography so they don't consider that to be a Fourth Amendment violation, standing on a nearby hillside. But I think the Court needs to have more of a rule than that because next week there may be someone here who doesn't like oblique photography.

QUESTION: Would it be fair to say that they are interesting in protecting a trade secret and they

think the trade secret would not be revealed from someone taking a photograph from the hillside?

MR. HOROWITZ: I agree. I think that's what they're saying, Justice Powell. What I'm trying to say is that next week Union Carbide might be here and they may say that their trade secrets are revealed by photographs taken from a hillside.

So, I think the Court --

QUESTION: I appreciate the facts can vary widely. My understanding was that this Dow facility was built on what, a 2,000 acre plot -- a 2,000 acre tract of land? I don't know what part of that was covered by the plant, but the record indicates that it would not have been feasible to protect it.

I'm not at all sure that you're wrong on the Fourth Amendment. I just think we ought to stick to what I understand the facts to be, and that is that this company was trying to protect a trade secret that couldn't be protected if sophisticated equipment was used by airplanes flying over it for the purpose of detecting the secret.

Now, you've got a pretty good answer, I think, if I understand it, when you say all the EPA was interested in was the emissions from a smokestack and whatever else you took was incidental, is that correct?

MR. HOROWITZ: Well, that's certainly one of our answers. I also dispute whether it's a trade secret. But I'm a little bit unwilling to concede that they're really interested in protecting trade secrets because I think you have to look at the course of the litigation here.

I mean, they found out that EPA had taken these pictures and they ran in to court, they got an injunction from the district court that prevents any use of the pictures and any future overflights, I think surveillance or photography by EPA, but I guess they really conceded away in this Court part of what they won in the district court.

If they were worried about trade secrets, all they had to do was talk to the EPA and say, look, we're really worried about these trade secrets. Here, you use these pictures for your enforcement action but we want you to keep them under seal and we only want you to give them back to us when you're done with the enforcement action and don't blow them up because that's going to reveal trade secrets.

After all, there's no trade secrets, as I said before, on anything that EPA has, other than just potential to blow them up. So, I think they are at least partly concerned about EPA flying over and finding

It seems to me --

QUESTION: We had a couple of cases a couple of years ago. I can't think of the name of them now, from Tennessee involving Stouffer where Stouffer was complaining that they didn't want EPA to contract out an inspection because they thought there was a danger of losing some of their trade secrets.

So, you know, was there any case of contracting out here on the part of EPA, or was it all EPA employees who did the --

MR. HOROWITZ: The pictures were taken by a local photography concern and they were immediately -- negatives were put into a parcel and air freighted to EPA, and since that time I think it's been under control of EPA. I don't think there's any issue like that here.

As I said, I found it hard to discern a rule from the contentions that Dow is making. I think the only line that can be irawn from what they are saying is one, the Court was suggesting in the argument, which is that naked eye observation is okay but once you pull out a camera you're violating the Fourth Amendment.

I just don't think that rule can stand in light of what the Court has said. The Court has always

recognized that technology can be used to enhance the senses, said it recently in Knotts, and going all the way back to the Lee case in the 1920's. That's two on the ground, and there's no reason why it shouldn't be equally true from the air.

The point is whether there is a legitimate expectation of privacy that is being infringed. If the government uses some sort of space age technology that's only available to the Pentagon or the military, then a person on the ground probably has a right to assume that he's going to be free from that kind of surveillance, and surveillance of that type probably does violate a reasonable expectation of privacy.

If EPA is joing nothing more than taking the same photographs that everyone else is taking, and here again I'll repeat that all they did was hire this local concern and told them to take a picture with their equipment, and the idea that we used sophisticated equipment -- it's certainly more sophisticated than a Kodak Instamatic but it was basically just regular old aerial photography.

There's just no expectation to be free from the use of that sort of fairly minor technology. It's just --

QUESTION: Mr. Horowitz, you seem to agree

that if there were space age technology used, it might
be so unusual that it would be unconstitutional. Does
that mean that as we get more accustomed to more
sophisticated technology, it would no longer be
objectionable so that the constitutional rule will
change as scientific developments increase?

MR. HOROWITZ: Well, I think a sort of answer to that is that as long as you're going to have a standard where it depends on people's expectations, it's inevitable that those expectations may change with the development of technology.

I mean, if this case had come up in 1900, they could have had an expectation that these pictures couldn't have been taken and in fact they couldn't have been taken. But, it doesn't -- I don't think it means that as technology increases people will continue to lose more and more of their privacy.

QUESTION: Perhaps if that's the rule, the government could do a very good job of educating everybody as to their great capacity for sophisticated investigation and people would realize that they'd have to just take those risks.

MR. HOROWITZ: I understand. That's why I said earlier that there are these two prongs to Katz, and I think just saying that if people have an

expectation that they may be subject to certain
intrusion does not necessarily -- is not a complete
answer because everybody is familiar with 1984 where the
government put cameras in everyone's house and that
would clearly violate the Fourth Amendment even if they
announced it on TV for weeks beforehand and everyone
knew about it.

So, the Fourth Amendment does go beyond what people have -- it does give an additional protection beyond what the government is willing to confer. But in a context like this where there is, I still say, very little private interest that's actually involved and plus the aura that what Dow is seeking basically to do is to prevent the government from doing what everyone else can do.

This is information that is open to the public, and to the extent that trade secret law is a limitation on that, that's something that has to be litigated in a separate trade secret action where the issue would tend to focus on what sort of use is being made of it.

QUESTION: Mr. Horowitz, what I'm now going to ask you is immaterial to the case, really, but you were talking about this garden variety type camera. There is a footnote in the district court brief that says the

camera cost \$20,000. That's rather special, isn't it?

MR. HOROWITZ: It is special, but it is not special for erial photographers, I'm trying to say. In fact, we have cited to an affidavit which stresses that the same level of detail could have been taken with a 35 millimeter camera that most people have.

QUESTION: Could that identify a pipe one-half an inch in diameter? I have a 35 millimeter camera and I --

MR. HOROWITZ: The finding of the district court, we have a footnote in our brief about the dimensions here. The scale in the photographs that were taken by EPA was on a scale of one inch equals one forty-eight hundredth of an inch, I believe.

I mean, these pictures are not that detailed.

I mean, Dow seems to have access to some very

sophisticated magnification and enlargement equipment

and that's what they said, and they keep enlarging these
things and that's what the district court found, they
can see up to a half an inch diameter.

I'm not sure I believe that but if that's the case I think the same thing could have been done with the 35-millimeter camera. It's obviously not the sort of camera that everybody has in their back yard but this is a regular -- this is basically the commercially

available equipment, it's the routine aerial photography equipment, the same thing that Business Week and the real estate developers are using. There's no aura here of the government bringing in its space age technology.

Let me just say something here very briefly about the statute. I think the statutory argument borders on the frivolous here. There's nothing in the statute that suggests that EPA couldn't do this.

The argument seems to assume that the photography here was constitutionally offensive. If it was, of course, then you don't have to get to the statutory argument but assuming that the photography --

QUESTION: Well, that's a little vice versa from our usual ruling, is that if it doesn't violate the constitution you don't have to get into statutory --

MR. HOROWITZ: I understand, but I mean -- I'm saying that the statutory argument there is subsumed in the constitutional argument. But I think the statutory argument has to rest on the assumption that the photography was in fact constitutional, which we believe it was.

In their reply brief they suggest that perhaps the statute doesn't authorize it because EPA is not a law enforcement agency. I don't understand why EPA is not a law enforcement agency. The Clean Air Act is a

law, I think, and the government is entitled to enforce it, and they are entitled to use the same sort of methods of investigation that private investigators are entitled to use.

QUESTION: Let me ask you one last question.

What's the state of the record, either supporting or

contradicting Judge Merrit's statement that the plant is

located within the landing pattern of a nearby airport?

MR. HOROWITZ: I hate for the last question to be one that I can't answer, Justice Stevens, but I don't know.

Thank you.

THE CHIEF JUSTICE: Do you have anything futher?

MS. GCOTEE: Yes, I do, Mr. Chief Justice.

ORAL ARGUMENT OF JANE M. GOOTEF, ESC.

ON BEHALF OF PETITIONER -- REBUTTAL

MS. GCOTEE: To answer Justice Stevens'
question, there is absolutely no reference in the record
that the Dow facility is on any airport approach for the
local airport.

A few other points to bring out -QUESTION: Do you think Judge Merritt just
made that up?

MS. GCOTEE: Your Honor --

QUESTION: He flies airplanes, I understand.

MS. GCOTEE: You Honor, in our motion for

summary judgment we did admit, being reasonable as we
think we are in this case, that obviously planes fly

over or near the plant, but that's a fair step from

saying it's on an airport takeoff and landing pattern.

It may have been mentioned during oral argument by the Government. I don't know.

QUESTION: How far is it from an airport?

MS. GCOTEE: It's about ten miles, Justice
Rehnquist.

QUESTION: Thanks a lot.

MS. COOTEE: The one-half inch detail that was mentioned is visible on the original EPA photographs.

It has nothing to do with the enlargements. You've heard a lot from the Government about Dow's position,

Dow's feelings, Dow's property.

I would refer the Court to the Dow briefs for those statements. We have heard nothing from the Government about justification for what the EPA did, and I would bring that to the Court's attention.

The Government states that it doesn't know whether the Fourth Amendment would keep people out of the Dow plant. Well, we'd like to remind the Government that the Fourth Amendment was written to oblige the

government to control itself. It does not apply to private parties.

In this case Dow is asking for the status

quo. Case law of this Court shows that commercial,

non-public areas are entitled to Fourth Amendment

protection. It is mutually exclusive from an open field.

Finally, it is the law of this Court that the use of technology to intrude into the private details of a protected place is an unreasonable search.

Thank you.

THE CHIEF JUSTICE: Thank you, counsel.

The case is submitted.

(Whereupon, at 1:40 o'clock p.m., the case in the above entitled matter was submitted.)

CERTIFICATION

Iderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the upreme Court of The United States in the Matter of:

#84-1259 - DOW CHEMICAL COMPANY, Petitioner V. UNITED STATES, ETC.

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

EY Paul A. Richardson (REPORTER)

SUPREME COURT, U.S. MARSHAL'S OFFICE

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