

Alex Jones Sues Paypal For Infowars Ban Over Hate, Intolerance

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by Tyler Durden

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Alex Jones's company, Free Speech Systems, LLC, has sued PayPal for the its ban of Infowars because the controversial website "promoted hate and discriminatory intolerance against certain communities and religions."

In the complaint filed by Jones's lawyers, Marc Randazza Legal group, they accuse PayPal of banning Infowars "for no other reason than a disagreement with the message plaintiff conveys" and call ban "unconscionable" because PayPal has never advised users that "it might ban users for off-platform activity."

"It is at this point well known that large tech companies, located primarily in Silicon Valley, are discriminating against

politically conservative entities and individuals, including banning them from social media platforms such as Twitter, based solely on their political and ideological viewpoints," Jones' lawyers claim in the 15-page [complaint](#).

Jones claims PayPal's decision was based purely on "viewpoint discrimination." He also says the decision was made based on conduct that "had nothing to do with" the PayPal platform, which purportedly violates Infowars' contract with the payment-processing giant.

If PayPal's decision were allowed to stand, it would set "a dangerous precedent for any person or entity with controversial views," the lawsuit alleges.

Here's what happened in Jones' own words:

On September 21, 2018, after 18 years of service, and without any prior warning, Defendant PayPal notified Plaintiff in a phone call that, in 10 business days, it would issue a "permanent limitation" on Plaintiff's PayPal accounts. This limitation will be permanent, and cannot be appealed.

The limitation will prevent Plaintiff from withdrawing, sending, or receiving money through PayPal, effectively preventing it from using the PayPal accounts at all. The loss of the PayPal accounts and future ability to use PayPal will significantly reduce Plaintiff's income in an amount that is not susceptible to calculation, but more importantly PayPal deciding to kick Plaintiff off its platform has harmed the legitimacy of Plaintiff as a news organization in the eyes of the

general public and has already led to a loss of good will.

The purported basis for the permanent limitation PayPal provided is that content on the News Sites violated PayPal's so-called Acceptable Use ("AU") Policy. Specifically, a PayPal representative stated that, after extensively looking at the News Sites, PayPal determined instances that "promoted hate and discriminatory intolerance against certain communities and religions."

The AU Policy provides four categories of "Prohibited Activities." Notably, the prohibited activities only provide that a user "may not use the PayPal service for activities that" fall into one or more of the categories. Sub-paragraph 2 of the Prohibited Activities section provides that a user may not use PayPal for activities that "relate to transactions involving . . . (f) the promotion of hate, violence, racial or other forms of intolerance that is discriminatory or the financial exploitation of a crime"

These terms are purposely vague, and could conceivably (and unconscionably) be applied to any speech at all, given the opaque manner in which PayPal has applied them. The AU Policy mentions nothing about valuating a user's off-platform

activities as the basis for a finding that the user has violated the policy

For those asking, this is how Infowars describes Infowars in the lawsuit:

The News Sites contain content that expresses negative views against politically liberal people, communists, socialists, and religious fanatics. Contributors to the News Sites, including Mr. Jones, have often criticized specific members of political parties, including former President George W. Bush and former candidate Hillary R. Clinton.

On information and belief, it is this highly political content that PayPal claims constitutes a violation of its AU Policy.

Jones accuses "large tech companies" located in Silicon Valley, of "discriminating against politically conservative entities and individuals, including banning them from social media platforms such as Twitter, based solely on their political and ideological viewpoints."

Plaintiff has been the victim of this recently, as it has been banned from various online platforms based solely on the viewpoints expressed on Plaintiff's programming.

Jones also alleges that Paypal banned him from its payment-processing platform "for no reason other than disagreement with the messages Plaintiff conveys. PayPal engaged in this

viewpoint-based censorship despite stating that, in determining whether a user violated its acceptable use policy, it would only consider conduct actually involving the use of PayPal. PayPal's decision to kick Plaintiff off its platform had nothing to do with such activities."

While one can claim that PayPal, as a private company, has every right to ban whomever it wants, even if it results in outright discrimination, Jones disagrees and to plead his case invokes the California Unruh Civil Rights Act:

PayPal discriminated against Plaintiff based on its political viewpoints and politically conservative affiliation, thus violating the California Unruh Civil Rights Act. PayPal is engaged in unfair business practices by enforcing its contractual terms in an unconscionable manner, namely arbitrarily banning Plaintiff from its platform for off-platform speech despite never claiming it might ban users for off-platform activity. In doing so, it also violated the implied covenant of good faith and fair dealing with Plaintiff.

What is Unruh?

The Unruh Civil Rights Act ("Unruh") guarantees that "all persons" are "entitled to full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever."

Although the Unruh Act specifically forbids business establishments from discriminating based on "sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status", this statutorily enumerated list is illustrative, and not exhaustive, of the characteristics on which business establishments may not discriminate.

Discrimination based on political affiliation or ideology is forbidden under Unruh, as it is a personal characteristic.

So as Jones finds his business impaired as a result of the ban...

PayPal is restraining Plaintiff's commerce because it is politically conservative and sells to a conservative audience. PayPal's actions amount to discrimination based on political viewpoint and affiliation, which is forbidden under Unruh.

... a ban which is not justified based on the acceptable use policy:

The UA provides several examples of situations where PayPal might issue a limitation, including "[i]f we reasonably believe you have violated the Acceptable Use Policy." None of these examples

allow PayPal to issue a limitation based on off-platform activity, and all the examples are geared towards activity that involves risky, fraudulent, or illegal financial transactions.

... Jones also throws in allegations of PayPal being a monopoly (which is not too far off) and thus once banned, he is effectively precluded from online commerce.

There is no adequate payment alternative to PayPal for Plaintiff's business model, as PayPal has eliminated competitors and has taken a dominant market position in online payment processing. Having effectively cornered the market, it is now using that market power to restrain conservative trade and commerce.

...

Defendant's method of enforcing the AU Policy and UA is an unfair business practice under the UCL. It is fundamentally oppressive, unethical, and injurious to customers because it allows PayPal to lie to parties who use its services by claiming that terminations and restrictions due to violations of the AU Policy will be limited to activities that actually use the PayPal service, while in fact looking at the user's off-platform activity.

As a result, "PayPal's actions go far beyond any reasonable interpretation of the language of its policies, and it is apparent

that PayPal is using its policies as a pretext to engage in political discrimination without actually saying so. "

Jones seeks damages and an injunction to stop PayPal from permanently restricting his account.

For its part, PayPal explained its rationale for banning Infowars in a statement on its website Sept. 21: "We undertook an extensive review of the Infowars sites, **and found instances that promoted hate and discriminatory intolerance against certain communities and religions that run counter to our core value of inclusion.**"

PayPal spokesman Justin Higgins said the company rejects the allegations in Jones' complaint: "PayPal is aware of the filing and believes the claims in the complaint are without merit," Higgins said in an email. "PayPal looks forward to vigorously defending itself."

Will Jones be successful in getting PayPal to "unban" him? Probably not, but whatever the outcome the case will likely be closely watched by other members of the media, and especially other conservatives, to see if they have any legal claims in similar situations, because for all his other faults, Jones is correct in accusing Silicon Valley of cracking down on the "right" as both Twitter and Google have admitted on various occasions in recent weeks. And since it is the tech companies that are the true mass media of our times, what, if any, legal remedies the general public - or targeted entities - has against them is increasingly becoming a critical question.

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The full complaint, California Northern District, Case 18-cv-06013, is below


