RECENT CASES

Kareem Abdul-Jabbar is entitled to trial on Lanham Act and right of publicity claims against General Motors and its ad agency, based on unauthorized use of his former name, Lew Alcindor, in television commercial

Basketball great Kareem Abdul-Jabbar has won the right to a trial on his Lanham Act and right of publicity claims against General Motors and its advertising agency, the Leo Burnett Company, based on their unauthorized use of Abdul-Jabbar's former name, Lew Alcindor, and some of his accomplishments, in a television commercial for Oldsmobiles aired during the 1993 NCAA basketball tournament. The case raised an issue that had never before been decided in cases like this,

because the former UCLA and NBA star had formally changed his name, for religious reasons, from Lew Alcindor to Kareem Abdul-Jabbar more than 20 years before the offending commercial was produced.

District Court Judge Irving Hill had granted GM's motion for summary judgment, and dismissed the case, on the grounds that Abdul-Jabbar had "abandoned" the name "Lew Alcindor," and thus GM's use of that name in its commercial had not violated Abdul-Jabbar's rights under the Lanham Act or under California's common law or statutory right of publicity laws. Judge Hill also based his ruling on his conclusion that even though the GM commercial used the Lew Alcindor name, and referred to some of his basketball accomplishments, the wording of the commercial could not have led viewers to believe that Abdul-Jabbar had endorsed Oldsmobiles.

Abdul-Jabbar appealed the dismissal of his case, and the Ninth Circuit ruled in his favor and has reversed

and remanded the case. The Lanham Act itself provides that a "mark shall be deemed to be 'abandoned' when . . . its use has been discontinued with intent not to resume it use." But the Ninth Circuit ruled that "A proper name . . . cannot be deemed 'abandoned' throughout its possessor's life, despite his failure to use it, or continue to use it commercially." In a decision by Judge Thomas Nelson, the appellate court reasoned that "One's birth name is an integral part of one's identity; it is not bestowed for commercial purposes, nor is it 'kept alive' through commercial use."

The appellate court also found there to be an issue of fact as to whether viewers of the commercial would understand it to imply that Abdul-Jabbar endorsed Oldsmobiles. The commercial had used his name and his accomplishments, and his accomplishments were compared to the accomplishments of the car. Thus, GM "arguably attempted to 'appropriate the cachet of one

product for another,' if not also to 'capitalize on consumer confusion.'" Likewise, it concluded that whether there was a likelihood consumers would be confused by the commercial was a question of fact for a jury to decide.

The appellate court ruled that Abdul-Jabbar's abandonment of the name "Lew Alcindor" is not a defense to his right of publicity claims either. On this issue, Judge Nelson agreed with Abdul-Jabbar's argument that California's right of publicity protects not only his right to exploit his identity, but also his decision not to use his identity for commercial purposes. Moreover, Judge Nelson said, California's right to use one's "name or likeness' is not limited to present or current uses." Of course the question of "Whether or not Lew Alcindor 'equals' Kareem Abdul-Jabbar . . . is a question for the jury." While the jury may answer that it does not, this nevertheless meant that Abdul-Jabbar was

entitled to a trial, and his case should not have been dismissed.

Finally, the appellate court acknowledged that the California statute provides that consent is not required for newsworthy uses of a person's name or likeness; and the court acknowledged that "Lew Alcindor's basketball record may be said to be 'newsworthy. . . ." On the other hand, this did not mean that GM's use of his name and accomplishments were automatically privileged. Rather, the appellate court concluded that GM used this information "in the context of an automobile advertisement, not in a news or sports account," and thus GM was not protected by that section of California law.

Abdul-Jabbar v. General Motors Corp., 85 F.3d 407, 1996 U.S.App.LEXIS 11804 (9th Cir. 1996) [ELR 18:11:4]

Record royalty statement was not unfair or deceptive, even though certain deductions may have been unreasonable, because all receipts were reported and nature of deductions was disclosed, appellate court rules in reversing a portion of the judgment in case between Boston's Tom Scholz and his former manager Paul Ahern

In the beginning, the relationship between Tom Scholz and Paul Ahern was extremely productive. Scholz is a songwriter and performer and the leader of the group "Boston." Back in 1975, Scholz and Ahern entered into a set of contracts pursuant to which Ahern became Scholz's manager, publisher and record producer. The next year, CBS Records released Boston's first album, and it sold 11 million copies making it one of the most successful debut albums in history. Boston's second album was released just two years later, and it

too was a hit. But the group's third album took until 1986 to arrive, and when it did, it was released by MCA Records rather than CBS — a development that generated protracted litigation between CBS and Scholz (*ELR* 6:10:20, 7:1:10, 10:3:10, 11:11:6, 12:5:19) and even between CBS and Scholz' lawyer, Don Engel (*ELR* 7:6:20, 14:9:5).

Though Scholz and Ahern were on the same side in the CBS litigation, their relationship had become strained even before MCA released Boston's third album. In 1981, Scholz and Ahern entered into a modification agreement that changed the deals they had made back in 1975. Among other things, Ahern ceased to be Scholz' manager; Ahern agreed to continue paying Scholz royalties on Boston's first and second albums; and Scholz agreed to pay Ahern royalties on Boston's third album. Over the course of the next decade, relations between Ahern and Scholz deteriorated even

further, and in 1991 they sued one another in federal court — in the city of Boston, of course — each accusing the other of failing to pay the royalties due under the 1981 modification agreement.

The case was complicated, both factually and legally. Some issues were tried to a jury, which decided that Scholz had breached his contractual obligation to pay Ahern the royalties due him from Boston's third album, but that Ahern had not breached his obligation to pay Scholz royalties on the first and second albums; as a result, the jury awarded Ahern \$547,000 in damages (ELR 16:11:3). Another issue was tried to District Judge Edward Harrington, who ruled that Scholz' royalty statements to Ahern concerning Boston's third album had been "unfair or deceptive" because Scholz had taken unreasonable deductions in calculating Ahern's royalties; as a result, the judge awarded Ahern \$400,000 in attorneys fees and costs (in addition to the \$547,000)

in damages awarded by the jury). A third issue was decided by Judge Harrington as a matter of law, over Scholz' objection that the issue should have gone to the jury; as a result, the jury did not get to consider Scholz' argument that he didn't have a contractual obligation to pay Ahern royalties from Boston's third album at all, and thus couldn't have breached any such obligation.

Scholz of course appealed, arguing among other things that the evidence at trial was insufficient to support the jury's verdict and that Judge Harrington had abused his discretion in denying Scholz' motion for a new trial. Because of the legal standards applied on appeal, these are difficult arguments to win; and the First Circuit Court of Appeals issued a long and factually detailed decision rejecting most of Scholz' contentions. Buried however in page after page of rejection, the opinion by Judge Juan Torruella does contain short passages that agree with Scholz on two important points: one

resulted in the outright reversal of the judgment for attorneys fees and costs that Scholz had been ordered to pay Ahern; and the other resulted in an order that remanded for retrial by jury Scholz' claim that he was not obligated to pay Ahern royalties from Boston's third album at all. Thus, although most of Judge Harrington's decisions were affirmed, it appears as though Scholz may have won more on appeal than Ahern.

Scholz had been ordered to pay Ahern attorneys fees and costs under a provision of Massachusetts state law that penalizes "unfair or deceptive" behavior, if the "objectionable conduct" sinks to "a level of rascality that would raise an eyebrow of someone inured to the rough and tumble of the world of commerce." Scholz' accounting statements to Ahern concerning Boston's third album included deductions for "recording costs" amounting to \$4.2 million which Judge Harrington found to be unreasonable because they exceeded by \$3.7

million what would have been reasonable deductions of \$500,000 for the recording costs in question. Judge Harrington concluded that Scholz' accounting had for this reason been "unfair or deceptive." But the appellate court disagreed. Judge Torruella noted that while the unreasonable deductions "ate up more than half the royalties reported," Scholz had not concealed the nature of the deductions; he had instead "laid them out on the . . . Statement in varying levels of detail." Moreover, the Statement reported all of the royalties Scholz had received from MCA Records. Though the deductions may have been excessive, they "did not rise to the level of rascality required for . . . liability" under Massachusetts law, and thus the appellate court reversed the judgment against Scholz for Ahern's attorneys fees and costs.

On the broader issue of whether Scholz was obligated to pay Ahern royalties at all, Scholz had argued that the 1981 modification agreement required him to

pay royalties to Ahern only if Boston's third album was released by 1984. In fact, the album wasn't released until 1986. As things happened, Scholz had waived the 1984 deadline. But he did so, he said, before he learned that Ahern had not paid him all of the royalties Ahern allegedly owed him for Boston's first and second albums. Scholz claimed, of course, that if he had known he had not received all of the royalties he was owed, he would not have waived the 1984 deadline; and thus, since the third album was not released until 1986, he would not have been contractually obligated to pay Ahern any royalties at all in connection with that album.

District Judge Harrington had rejected this argument, and entered a directed verdict against Scholz on this issue. But after reviewing the evidence presented at trial, the appellate court concluded that Scholz had "mustered sufficient evidence for the issue to go to the jury." Thus, the appellate court remanded this issue to

the District Court for a jury trial on the question of whether Scholz' rescission of his waiver of the 1984 deadline was effective. If a jury decides that it was effective, Scholz will not owe Ahern any royalties for Boston's third album.

Ahern v. Scholz, 85 F.3d 774, 1996 U.S.App.LEXIS 13247 (1st Cir. 1996) [ELR 18:11:5]

Court denies injunction sought by producer of movie When We Were Kings against Turner Network Television premier of documentary about Muhammed Ali, because documentary s allegedly infringing use of clips contained in movie was likely to be a fair use

Shortly before the theatrical release of "When We Were Kings," the award-winning film about the 1974 heavy-weight title fight in Zaire between Muhammed Ali and George Forman, another documentary about Ali was scheduled to premier on Turner Network Television. Entitled "Ali — The Whole Story," the TNT documentary contained some 9 to 14 clips that also appeared in "When We Were Kings" — clips whose copyrights were claimed by Monster Communications, the company that produced the theatrical film. Though the clips had a running time of only a minute or so, Monster Communications was concerned that their appearance on television so close to the planned theatrical release of its film might interfere with its Polygram distribution deal, and with the \$4.5 million in advances it had not yet received. These concerns led, predictably, to a lawsuit for copyright infringement, and to a hurried request for a preliminary injunction.

The case was assigned to Judge Lewis Kaplan of the Southern District of New York, who conducted an unusual (perhaps unprecedented) hearing on the Sunday of last Labor Day weekend, so he could rule on the requested injunction before the TNT documentary was scheduled to air the following Tuesday. Then, having conducted the hearing and having viewed both the TNT documentary and the theatrical film, Judge Kaplan denied the injunction. He did so on the grounds that it was likely the documentary's use of the allegedly infringing clips was a "fair use," and as such, not infringing after all.

Judge Kaplan acknowledged that "photographic images of actual people, places and events may be as creative and deserving of protection as purely fanciful creations." And he did not deny "for a moment the creativity inherent in the film clips" at issue in the case. "Nevertheless," he added, "history has its demands."

Thus, "the degree of protection that properly may be afforded to [the clips] must take into account that too narrow a view of the fair use defense could materially undermine the ability of other Ali biographers to tell, in motion picture or perhaps still photographic form, an important part of his story."

The judge evaluated each of the four factors that make up a fair use analysis, and concluded that "the balance of the statutory fair use factors appear to cut heavily in favor of the defendants." Judge Kaplan also was influenced by the absence of any evidence that Polygram would "walk away from the [distribution] deal" as a result of the airing of the TNT documentary.

Editor s note: In the heat of litigation, and especially on the eve of a scheduled broadcast, it is not surprising that Turner would assert all available defenses to a threatened injunction, including "fair use." Though not surprising, it is nonetheless ironic. Turner Broadcasting

is the owner of CNN and as such is probably the world's leading copyright owner of documentary footage. It therefore has an interest in being fully compensated for the use by others of clips from the footage whose copyrights it owns. The "fair use" doctrine, of course, allows use without compensation. One can only wonder what Turner's thoughts about "fair use" would have been, if its position with Monster Communications had been reversed. That is, if "When We Were Kings" had included, without a license, 9 to 14 clips from footage whose copyrights were owned by Turner, would it have allowed the movie to be released theatrically without objection, calmly (if silently) acknowledging that the "fair use" doctrine allows such use? If so, CNN telecasts are a goldmine for documentary producers who ought to be taping CNN around the clock so they can mine the nuggets for future use. If not, Turner owes

Monster Communications an apology . . . and (dare I say it?) perhaps a buck or two as well.

Monster Communications, Inc. v. Turner Broadcasting System, Inc., 935 F.Supp. 490, 1996 U.S.Dist.LEXIS 12815 (S.D.N.Y. 1996) [ELR 18:11:6]

Appeals court affirms \$9 million copyright infringement judgment won by MCA Television against owner of television stations that continued to broadcast syndicated programs after MCA suspended license for non-payment of license fees; Supreme Court denies station owner's petition

It's important to pay agreed-to copyright license fees, because the consequences of not doing so can become very expensive. This is the lesson that MCA Television has taught one of its former licensees — the owner of some television stations that continued to broadcast syndicated programs like "Kojack" and "The A Team" even after MCA suspended the station owner's license on account of his failure to pay fees already due.

Once the owner's license was suspended, his stations' continued broadcasts of those programs constituted copyright infringement, not simply breach of the suspended license agreement. As a result, the Copyright Act's measure of damages took over in place of what the previously agreed upon license fees may have been. In this case, the District Court decided to award MCA \$10,000 for each infringement — an amount comfortably within the \$500 to \$20,000 "statutory damages" range permitted by section 504(c)(1) of the Act. Since the station owner stipulated that he had aired MCA's programs 900 times after his license was suspended, the

District Court awarded \$10,000 for each of those infringing broadcasts, an amount that totaled \$9 million.

On appeal, the station owner sought to reduce the amount of the judgment, saying that the Copyright Act authorizes courts to award statutory damages for each "work" infringed, and that all of the episodes of a television series constituted a single "work." Instead, the District Court had treated each episode as a separate "work" and had awarded significantly greater damages than it should have, as a result.

This argument has been tried before, in a case involving the series "Twin Peaks" (*ELR* 15:7:4) and another involving a Chinese language television series (*ELR* 16:1:34). It wasn't successful those cases; and it wasn't successful in this case either. In a decision by Judge Rosemary Barkett, the Court of Appeals ruled that each episode of MCA series' was a separate "work," and thus the lower court had correctly awarded

statutory damages for the unlicensed broadcast of each episode.

There also was some dispute on appeal about whether the 900 infringing broadcasts had involved repeat broadcasts of some episodes. If so, the station owner may have been entitled to a reduction in the judgment, because statutory damages are awarded only once for the infringement of each work, even if the work is infringed more than once. Here however that dispute was not first presented to the District Court, so the Court of Appeals refused to reverse the judgment on that basis.

The United States Supreme Court has denied the station owner's petition asking that it hear the case.

MCA Television Ltd. v. Feltner, 89 F.3d 766, 1996 U.S.App.LEXIS 18373 (11th Cir. 1996), cert. denied,

117 S.Ct. 1248, 1997 U.S.LEXIS 1674 (1997) [ELR 18:11:7]

License granted in 1939 by Igor Stravinsky authorizing Disney to record and use The Rite of Spring did not permit Disney to distribute videos of Fantasia directly to consumers, federal District Court declares; but balance of lawsuit by composition s current publisher is dismissed, because composition is in the public domain in the U.S., and though it may be protected in other countries, foreign infringement claims should be decided in those countries

With a Solomon-like stroke, Judge Kevin Thomas Duffy has awarded a partial victory to both parties in a closely watched lawsuit triggered by Walt Disney's 1991 release of its animated classic "Fantasia" on videocassettes and laser discs. The plaintiff in this action is Boosey & Hawkes Music Publishers, the current publisher of Igor Stravinsky's composition "The Rite of Spring," some 22 minutes of which is in "Fantasia's" soundtrack.

Back in 1939, Stravinsky granted a license which authorized Disney to do several things with "The Rite of Spring." Among others, it authorized Disney to record the composition "in any manner, medium or form," to make copies of those recordings, to use the composition in a movie, and to use Stravinsky's name in connection with the movie. However, the right to record the composition was conditioned upon its being performed in theaters having a license from the performing rights society that had jurisdiction in the country where the composition was to be performed.

When Disney released videos of "Fantasia" in 1991, Boosey & Hawkes filed suit on several theories,

seeking to recover a portion of the revenues Disney has received from its sale of 21 million videos. (Boosey & Hawkes is not the only one who has sought a piece of the "Fantasia" homevideo pie. At least two other lawsuits were filed against Disney when the "Fantasia" video was released: one by the Philadelphia Symphony Orchestra which performed the soundtrack music when the movie was produced, and the other by the estate of the Orchestra's conductor, Leopold Stokowski (*ELR* 15:7:3, 16:6:35, 16:12:3, 17:3:24)).

Boosey & Hawkes contended that the 1939 license did not cover videocassettes; but Judge Duffy disagreed, saying that the right to record "in any manner, medium or form" includes the right to record on video tape and laser discs. On the other hand, Disney did not obtain an unconditional right to record. Disney could exercise that right only to make a movie that would be shown in theaters licensed by a performing

rights society. The judge concluded and declared that this condition "prevents Disney from distributing video tapes or laser discs directly to consumers" in countries where "The Rite of Spring" is protected by copyright. Since "The Rite of Spring" is not protected by copyright in the United States — something which Boosey & Hawkes admitted — this ruling does not prevent Disney from distributing "Fantasia" videos in the U.S. It may have that effect in other countries, however, because distribution of videos to consumers in countries where the composition is protected by copyright would infringe the composition's copyright in those countries.

Hoping to leverage the favorable ruling it got on this distribution-to-consumers issue, Boosey & Hawkes sought to recover for copyright infringement in 18 foreign countries where, according to the publisher, the composition is protected. Disney however sought dismissal of the foreign infringement claims under the principle of *forum non conveniens*. Judge Duffy granted Disney's motion, because, he said, "the courts in each of those countries are much more familiar with their own copyright laws than a United States court could be" and thus Boosey & Hawkes' infringement claims "are more appropriately decided in their respective countries."

Boosey & Hawkes also asserted claims under the Lanham Act, saying that Disney had "mutilated" Stravinsky's work and had falsely attributed the "Fantasia" version of the composition to him. Judge Duffy rejected both of these contentions, however. He ruled that the Lanham Act does not prohibit mutilation of a work; it merely prohibits false representations that the mutilated work is the original, which Disney did not do. The false attribution claim was dismissed because the publisher failed to show evidence of consumer confusion.

The judge also rejected Boosey & Hawkes' breach of contract claim. Though the 1939 license did

not authorize Disney to record "The Rite of Spring" for videos sold to consumers, the license did not impose a duty on Disney to refrain from selling videos to consumers. Rather, such sales exceeded the scope of the license, and as such may have resulted in copyright infringements in countries where the composition is protected by copyright; but such sales did not breach the license agreement itself.

Finally, Boosey & Hawkes conceded that its unjust enrichment claim was preempted by the Copyright Act.

Boosey & Hawkes Music Publishers v. Walt Disney Co., 934 F.Supp. 119, 1996 U.S.Dist.LEXIS 11454 (S.D.N.Y. 1996) [ELR 18:11:7]

Rock and Roll Hall of Fame obtains preliminary injunction barring sale of unlicensed posters of photograph of its building surrounded by words Rock n Roll Hall of Fame and Cleveland

The Rock and Roll Hall of Fame and Museum in Cleveland is housed in a "distinctive" building designed by world-renowned architect I.M. Pei. In the opinion of at least one federal judge, the building's "design represents the youthful energy, rebellion and movement of rock and roll music" (though to others, it bears an uncanny resemblance to the I.M. Pei-designed glass pyramid that is the entryway to the Louvre museum in Paris). The building's design has been registered as a trademark with the state of Ohio and an application has been filed with United States Patent and Trademark Office for federal trademark registration as well. Moreover, the

words "Rock and Roll Hall of Fame" already have been federally registered as a trademark.

The Museum is privately owned, and its construction was financed by private investments "secured through publicly issued bonds" that are to be repaid in part with proceeds from corporate sponsorships. The bonds are guaranteed by the state, so if the Museum is unable to repay them, taxpayer money may have to. This explains why the Museum was so quick to register its name and building design as trademarks: one of the things corporate sponsors get for their money is the right to use those trademarks. Those who are not sponsors, do not.

This is where Cleveland resident Charles Gentile entered the picture. Mr. Gentile is a professional photographer and owns his own poster publishing company. Gentile sought a sponsorship deal for posters, without success, perhaps because the Museum had plans to sell

posters of its own. Nonetheless, Gentile was undaunted. Apparently believing he had a legal right to take and sell photographs of publicly-visible buildings, he proceeded to photograph and sell posters of the Museum building surrounded by a border containing the words "Rock n' Roll Hall of Fame" and "Cleveland."

The Museum immediately sued. Judge George White — who is the Chief Judge of the federal District Court in Cleveland — has issued a preliminary injunction against Gentile and his company, barring them from selling their poster, requiring them to deliver all copies in their possession to the Museum's attorneys "for destruction," and requiring them to notify their distributors and retailers that copies in their possession must not be sold. Judge White issued this order because he agreed with the Museum that it owns a trademark in its name and in the appearance of its building, that there was a likelihood of consumer confusion, and that Gentile's sales "would irreparably damage the Museum's licensing program and revenues" which could prevent the Museum from repaying its construction bonds so that "taxpayer dollars may be required" to do so.

Editor s note: The design of the building itself is also protected by copyright law, but this case does not involve allegations of copyright infringement, for a very good reason. Section 120 of the Copyright Act explicitly provides that the copyright in a building does not include the right to prevent taking or distributing photographs of it, if the building is located or visible from a public place, as the Museum is. Thus in this case, the Museum made use of *trademark* law to obtain rights which Congress specifically determined should *not* be granted as a matter of public policy — at least as a matter of copyright law. Judge White's concern for the Museum's ability to repay its construction bonds is certainly understandable, especially in light of the fact that the bonds are ultimately backed by Ohio taxpayers. But there may be unintended consequences buried within the judge's sweeping decision. What, after all, are the implications of this ruling for filmmakers' frequent use of panoramic shots of the New York City skyline clearly showing distinctive landmarks such as the Empire State Building, the Chrysler Building and the World Trade Center? Will trademark law, as applied by Judge White in this case, require filmmakers to use other backgrounds for their opening credits?

Rock and Roll Hall of Fame and Museum v. Gentile Productions, 934 F.Supp. 868, 1996 U.S.Dist.LEXIS 11359 (N.D.Ohio 1996) [ELR 18:11:8]

John Dean's lawyer and law firm win dismissal of defamation action filed against them by author of book critical of Dean; court rules that lawyer s letter to Tampa Tribune predicting book would be exposed as a fraud was not defamatory

The question of whether John Dean did nor did not lie and commit perjury while and after he was counsel to former President Richard Nixon seems to have taken on a life of its own. Dean was accused of doing so in a book co-authored by Leonard Colodny entitled *Silent Coup: The Removal of a President*.

Publication of that book prompted Dean to sue Colodny and others for defamation in a lawsuit filed in Washington, D.C. That lawsuit became the subject of a two-part column published in *The Tampa Tribune*. Those columns prompted Dean's lawyer, John Garrick of the Los Angeles firm of Iverson, Yoakum, Papiano & Hatch, to write a letter to the editor of the *Tribune* in which Garrick expressed confidence that *Silent Coup*

would be exposed "as a fraud." That letter in turn prompted Colodny to sue Garrick and his firm for defamation in Florida — a suit which the firm initially sought to get rid of, without success, on the grounds that the letter was privileged and Florida did not have personal jurisdiction over it (*ELR* 16:3:21).

Now however Garrick and his firm have overcome Colodny's suit on its merits. Federal District Judge Elizabeth Kovachevich has ruled that Garrick's letter to the editor was not defamatory, because although it predicted that Colodny's book would be exposed as a fraud, the letter did not charge Colodny himself with having committed the crime of fraud. Moreover, the letter could not have subjected Colodny to hatred, ridicule, contempt or disgrace, because by the time the letter was published in the *Tribune*, Colodny had already appeared on "The Gordon Liddy Show" — a "much broader medium" than the newspaper — to defend himself against other critics who also had said the book was a fraud. Moreover, the letter had not injured Colodny's business or profession, because he "had to know that *Silent Coup* would . . . generate criticism" and "negative publicity is often 'good' publicity." Indeed, Judge Kovachevich noted that Colodny had not presented any evidence that sales of his book had suffered as a result of Garrick's letter.

The judge also ruled that Garrick's "fraud" statement was "an expression of pure opinion and, thus not actionable" for that reason as well.

Moreover, "no reasonable jury could find that Garrick acted with actual malice when writing the 'fraud' statement." And since Colodny was a limited public figure, the absence of actual malice was fatal to his case. Colodny had argued that actual malice could be inferred from Garrick's "grossly inadequate" investigation. But Judge Kovachevich ruled that argument was

"without merit," because Garrick had cited at least 13 sources that corroborated his prediction the book would be shown to be a "fraud."

Finally, the judge ruled that the doctrine of "fair comment" barred Colodny from recovering, because Garrick "certainly 'had an interest'" in responding to assertions made in the *Tribune* columns, both as John Dean's lawyer and as a subject of those columns.

For all of these reasons, Judge Kovachevich granted Garrick's and his firm's motions for summary judgment and dismissed the case against them.

Colodny v. Iverson, Yoakum, Papiano & Hatch, 936 F.Supp. 917, 1996 U.S.Dist.LEXIS 12603 (M.D.Fla. 1996) [ELR 18:11:9]

Immigration and Naturalization Service abused discretion by denying visa to Canadian hockey player Stu Grimson who is enforcer for NHL s Detroit Red Wings

Some would say that Stu Grimson is just getting a taste of his own medicine, courtesy of the U.S. Immigration and Naturalization Service. Hockey fans know Grimson as an "enforcer" for the NHL's Detroit Red Wings — and a mighty successfully one at that. According to NHL television analysis Darren Pang, in 1996, Grimson was the third rated and third highest paid enforcer in the League.

Grimson's stature as an enforcer meant little to the INS however. As a Canadian citizen, Grimson needs a visa to play for the Red Wings. U.S. immigration law does give visa priority to aliens with "extraordinary ability" in athletics; and INS regulations allow such ability to be shown by evidence indicating the alien "has risen to the very top of the [alien's] field of endeavor."

When Grimson first sought a visa, the INS concluded that he did not have extraordinary ability, and it denied his petition. Grimson filed suit in federal District Court in Illinois where he made a more favorable impression on Judge Robert Gettleman. The judge ruled that on the basis of the record as it then stood, he "would be compelled to conclude that [the INS's] decision to reject out of hand [Grimson's] particular abilities as a hockey player, as well as his having a sustained career in the NHL based on those abilities, was an abuse of discretion." However, Judge Gettleman did not enter judgment against the INS immediately. Instead, he remanded the case to the INS for reconsideration (ELR 17:9:20).

The INS did reconsider, but it reached the same conclusion and again denied Grimson the visa he needs

to continue playing for the Red Wings. Grimson went back to Judge Gettleman, and this time the judge has granted Grimson's motion for summary judgment and has ordered the INS to issue him a visa.

According to the judge, it was "apparent" that the INS had refused to give Grimson a visa because of "its distaste for the role he plays on a hockey team." This was so, because the INS had argued that the "necessity" of the role of "enforcer" was "debatable," and the NHL "itself has never condoned the kind of activity that [Grimson] is known for, as evidenced by the number of penalty minutes he is charged." The INS said that "the amount of penalties [Grimson] amasses is indicative of the amount of fighting he does but . . . does not equate to extraordinary ability."

Judge Gettleman, by contrast, has a finer appreciation for the role of an enforcer in the NHL. He said that if fighting were not a "necessary and accepted"

element of the game, the league would simply ban fighting altogether." Moreover, "the role of an enforcer is . . . also to protect team stars from being roughed up by the opposing team." Since the evidence showed that Grimson was among the "top players in the world" at what he does, the INS had abused its discretion by denying him a visa, Judge Gettleman concluded.

Grimson v. I.N.S, 934 F.Supp. 965, 1996 U.S.Dist. LEXIS 10204 (N.D.Ill. 1996) [ELR 18:11:10]

NFL players claims that Houston Oilers compelled them to participate in abusive rehabilitation program are preempted by federal labor law and should be resolved by arbitration under collective bargaining agreement, federal appellate court rules; Supreme Court denies players petition

Sherman Smith and Tracy Smith signed contracts to play for the Houston Oilers for the 1994 season. During pre-season training camp, however, both were injured. NFL teams are not permitted to terminate players while they are recovering from injuries, so according to the two players, the Oilers offered to settle their contracts for a "meager" sum if they left voluntarily. Neither player would, and as a result, they alleged, the Oilers compelled them to participate in an abusive and phony rehabilitation program. Their allegations were made in a complaint filed in state court asserting tort claims for coercion, duress, extortion, assault, battery, and intentional infliction of emotional distress.

The Oilers removed the case to federal court and then sought dismissal of all of the players' claims on the grounds that "their resolution turned on an analysis of the collective bargaining agreement between the NFL and the players union, and that the claims therefore had to be resolved pursuant to the CBA's arbitration provisions." The District Court agreed as to all but the infliction of emotional distress claims and did dismiss them. The emotional distress claim was not dismissed, however; it was instead remanded to state court.

Both sides appealed, and the Oilers have emerged victorious. In a decision by Judge Patrick Higginbotham, the Court of Appeals has ruled that all of the players' claims would require analysis of the NFL collective bargaining agreement, and thus were preempted by federal labor law. Labor law requires arbitration of all disputes the parties agreed to arbitrate. And thus the appellate court affirmed the dismissal of those claims the lower court had dismissed; and it ordered the dismissal of the one claim the lower court had remanded to state court.

The United States Supreme Court has denied the players' petition asking that it hear the case.

Smith v. Houston Oilers, Inc., 87 F.3d 717, 1996 U.S.App.LEXIS 15755 (5th Cir. 1996), cert. denied, 117 S.Ct. 510, 1996 U.S.LEXIS 7184 (1996) [ELR 18:11:10]

University of Wisconsin fans who bought, but did not receive, tickets to 1994 Rose Bowl game have no claim against UCLA, despite allegation that UCLA was responsible for ticket shortage

UCLA played the University of Wisconsin in the 1994 Rose Bowl game, and thousands of Wisconsin fans bought travel and ticket packages from tour operators in order to attend the game. When they got to Pasadena, however, many of those fans found that there were no game tickets available to them — in part, they

alleged, because UCLA had failed to distribute tickets in accordance with the terms of the Rose Bowl agreement between the PAC-10 and Big Ten conferences.

The fans' understandable disappointment and ire resulted in a lawsuit against the tour operators with whom they had done business, and against UCLA. Though filed in the state of Wisconsin, where their claims were likely to receive a sympathetic hearing, the trial court dismissed the suit against UCLA, and that dismissal has been affirmed by the Wisconsin Court of Appeals.

The appellate court has held that the complaining fans were not "third party beneficiaries" of the contract between the PAC-10 and The Big Ten, and thus could not sue for its alleged breach. The court also rejected the fans' negligence claim, saying that for public policy reasons, the fans could not recover against UCLA for its alleged failure to allocate tickets in a manner that assured

Wisconsin fans would receive all that they wanted. The court also rejected "conspiracy" and "interference with contract" allegations.

Anderson v. Regents of University of California, 554 N.W.2d 509, 1996 Wisc.App.LEXIS 905 (Wis.App. 1996) [ELR 18:11:11]

Financing arrangements for sports stadia in San Diego and Detroit receive approval of appellate courts

Financing arrangements for the construction and expansion of sports stadia have become enormously complex. Mix that complexity into the hot political atmosphere that often swirls around stadia decisions, and litigation is more likely than championships. Two recent

cases involving stadia in San Diego and Detroit illustrate the point.

San Diego's Jack Murphy Stadium is home to the NFL's Chargers and Major League Baseball's Padres. It was first built in the mid-'60s, and by the mid-'90s was in need of expensive renovation. In order to finance the project, the City of San Diego entered into a complex lease-back arrangement with the San Diego Public Facilities Financing Authority.

Funds for the renovation were to be raised by the Financing Authority by selling bonds to the public; and those who bought the bonds were to be repaid from rent paid by the City to the Authority. This complex arrangement was allegedly used in order to avoid a provision of the California Constitution that prohibits cities from incurring long-term debt without a two-thirds vote of the city's electorate. The initial decision to renovate Jack Murphy Stadium was made without such a vote. (A

subsequent decision to expand the renovation still further was put to a municipal vote early this year.)

The City then sought judicial validation of the arrangement, asserting that even though no vote had been taken, the arrangement was nevertheless valid under the "Offner-Dean rule." That rule was the result of California Supreme Court decisions which held that a city may incur long-term obligations without voter approval, so long as the debt incurred by the city in any one year can be paid from the city's income for that year. The Jack Murphy Stadium lease-back arrangement satisfied that standard, the California Court of Appeals has ruled, because the bonds issued by the Financing Authority provide that if the City fails to make its required rental payments, the Authority can take possession of the Stadium; but neither the Stadium nor the bondholders will have the right to demand immediate payment of the amount due on the rest of the lease or the bonds.

For years, Major League Baseball's Detroit Tigers have played in Tiger Stadium. The stadium itself has a fan club, so when plans were made to build an entirely new stadium for Tiger home games, the Tiger Stadium Fan Club filed suit, hoping to prevent that from happening.

The Fan Club's strategy featured an attack on the financing package that had been assembled for construction of the new stadium. Some \$26 million of that financing (out of a total of \$230 million) had come from payments made by Indian tribes that run gambling casinos in Michigan pursuant to an agreement entered into with the state's governor (in settlement of a lawsuit brought by the Indians under the federal Indian Gaming Regulatory Act).

The \$26 million in Indian gaming money had gone from the Indians to a Michigan Strategic Fund; from there to the Detroit Downtown Development

Authority; and from there into a fund for the construction of the new stadium. The Michigan Legislature did *not* vote on whether to use the Indian gaming money for the new stadium; and thus, according to the Fan Club, the use of that money for a new stadium would violate the Michigan Constitution.

The Michigan Court of Appeals disagreed with the Fan Club, however. The court noted that the Michigan Constitution requires legislative appropriation only of money that is to be paid out of the "state treasury." The Indian gaming money had never gone into the state treasury, and thus was not paid out of it. Nor should the gaming money have gone into the state treasury. Thus legislative appropriation was not necessary. And the use of Indian gaming money to pay for a portion of the costs of the construction of a new baseball stadium is proper, the appellate court ruled.

City of San Diego v. Rider, 55 Cal.Rptr.2d 422, 1996 Cal.App.LEXIS 738 (Cal.App. 1996); Tiger Stadium Fan Club, Inc. v. Governor, 553 N.W.2d 7, 1996 Mich.App.LEXIS 193 (Mich.App. 1996) [ELR 18:11:11]

Boxing promoter adequately alleged fraud, RICO and Illinois Boxing Act claims against Don King and others, based on Craig Houk s allegedly intentional loss to Julio Cesar Chavez in July 1995 fight that lasted only 96 seconds

In July 1995, Julio Cesar Chavez beat Craig Houk in the first round of a professional boxing match at the United Center in Chicago. The fight took only 96 seconds, because Houk allegedly threw the fight in return for \$10,000 paid by Don King Productions, the

corporation to which Chavez was then under exclusive contract. This allegation was made by the fight's promoter, Jose Venzor, in a civil complaint charging boxing promoter Don King, King's corporation and others with fraud and violations of the federal RICO Act and the Illinois Professional Boxing and Wrestling Act. According to Venzor, his business as a fight promoter was injured by Houk's allegedly intentional loss to Chavez.

Don King Productions and its co-defendants moved to dismiss Venzor's case. But Judge Marvin Aspen, Chief Judge of the Federal District Court in Chicago, has denied their motions, ruling that Venzor's complaint adequately alleges facts which if proved would constitute fraud and violations of those Acts.

In order to establish a violation of the federal RICO Act, Venzor had to allege and will have to prove that Houk not only threw his July 1995 fight with Chavez, but also intentionally lost a January 1994 fight

with Meldrick Taylor and a September 1994 fight with Gary Murray, both of whom — like Chavez — were also alleged to be under contract to Don King Productions.

The Illinois Professional Boxing and Wrestling Act does not expressly create a private cause of action for its violation. But Judge Aspen has ruled that it does create an implied private cause of action.

Venzor v. Gonzalez, 936 F.Supp. 445, 1996 U.S.Dist. LEXIS 9588 (N.D.III. 1996) [ELR 18:11:12]

Briefly Noted:

Cease-and-desist letter sent by Famous Music to video producer in Kansas did not give Kansas court personal jurisdiction over Famous, so video producer's declaratory relief suit against Famous and Paramount Pictures was transferred to California. A Kansas company produced a "Top Gun" training video that included footage and music lifted from Paramount Pictures' feature film of the same name. The video company had not obtained licenses from Paramount or from Famous Music (Paramount's music publishing subsidiary) authorizing it to do so. So when Paramount and Famous learned of the video, they sent the video company routine cease-and-desist letters, addressed to the company's Kansas office. For some reason, the video company thinks that its video does not infringe Paramount's or Famous' copyrights or trademarks; and it filed a declaratory relief lawsuit, in Kansas federal court, hoping to obtain a judicial ruling to that effect. Famous, however, does not do business in Kansas, so it filed a motion to dismiss or to transfer the case to California. District Judge Thomas Van Bebber has

granted that motion. He ruled that mailing a cease-anddesist letter to Kansas does not satisfy the requirements of the Kansas long-arm statute, and thus Kansas courts do not have personal jurisdiction over it. As a result, Judge Van Bebber transferred the video company's declaratory relief lawsuit to the Central District of California. Though Paramount does do business in Kansas, the judge also transferred the case against Paramount to California, because the video company's claims against both Paramount and Famous "turn upon factual allegations that are entangled," and thus he concluded that the "interests of justice" would best be served if the entire case were transferred. Electronic Realty Assoc. v. Paramount Pictures Corp., 935 F.Supp. 1172, 1996 U.S.Dist.LEXIS 13167 (D.Kan. 1996) [ELR 18:11:13]

CNBC s America s Talking does not infringe America Speaks trademark. CNBC's use of the name "America's Talking" in connection with cable-TV programming does not infringe "America Speaks," a registered trademark used by its owner in connection with videotaped "man-on-the-street" surveys for business clients, a federal Court of Appeals has held. This was so, the court explained, because CNBC's programming was unrelated to the plaintiff's services, and thus there was no likelihood of confusion. Murray v. Cable National Broadcasting Co., 86 F.3d 858, 1996 U.S.App.LEXIS 19527 (9th Cir. 1996) [ELR 18:11:13]

Appellate court affirms dismissal of lawsuit filed by terminated football coach against college and former players. After almost a decade at Juniata College, including three years as its head football coach,

Bradley Small was terminated. The end came after an unsuccessful football season, and after some of his players wrote a letter of complaint to a college vice president. Coach Small responded with a lawsuit alleging breach of contract against the college, and interference with employment relations and infliction of emotional distress against the complaining players. The trial court granted the defendants' motion for summary judgment, and the Pennsylvania Superior Court has affirmed. The appellate court ruled that the coach had been employed pursuant to a series of one-year contracts, and that the college personnel manual — which contained provisions concerning termination "for cause" and conflict resolution procedures — did not convert those one-year contracts into a contract for permanent employment. Since the college had paid the coach for the balance of the year in which he was terminated, it had not breached his contract. The appellate court also held that the players'

complaints about the coach did not constitute an intentional interference with the coach's employment relationship. Nor were the players' complaints "so extreme and outrageous" as to constitute the tortious infliction of emotional distress. *Small v. Juniata College*, 682 A.2d 350, 1996 Pa.Super.LEXIS 2518 (Pa.Super. 1996) [ELR 18:11:13]

Amateur soccer coach not entitled to judicial relief when placed on probation for assaulting an official. An Oklahoma appellate court has affirmed the dismissal of a lawsuit filed by an amateur soccer coach against the United States Soccer Federation and others. The lawsuit complained about the procedures that were followed when the defendants placed the coach on probation for assaulting an official. The court ruled that the coach could not prove any facts which would have

entitled him to judicial relief, because the federal Amateur Sports Act of 1978 provides that eligibility disputes are to be determined by arbitration rather than by litigation, and the coach's lawsuit was really just an effort to appeal from the administrative decision made pursuant to that Act. *Cantrell v. U.S. Soccer Federation*, 924 P.2d 789, 1996 Okla.App.LEXIS 78 (Okla.App. 1996) [ELR 18:11:13]

Municipal prohibition against sale or rental of adult videos on Sunday violates First Amendment. The owner of a video store in East Providence, Rhode Island, has won a preliminary injunction against that city's enforcement of a regulation prohibiting the sale or rental of "adult oriented x-rated videos on Sundays or Holidays." Federal District Judge Mary Lisi has ruled that the regulation is content-based — because it applies

only to adult videos — and thus violates the First Amendment, because East Providence had not shown that the sale or rental of adult videos in particular had caused any "secondary effects" which the city could legitimately curb. *Faraone v. City of East Providence*, 935 F.Supp. 82, 1996 U.S.Dist.LEXIS 11416 (D.R.I. 1996) [ELR 18:11:13]

Spectator injured at stock car race entitled to trial, despite signed release. A spectator who was injured when a car crashed through a guard rail during a stock race at the Lorain County Speedway is entitled to a trial on his personal injury claim, an Ohio Court of Appeals has held, even though the spectator had signed a waiver and release document when he entered the track's pit area. The injured spectator alleged that he was not given time to read the release, that it was

partially obscured, and that he did not understand it. For these reasons, the court concluded that a question of fact existed about whether there was a "meeting of the minds" by which the spectator "knowingly" released the track owner and others from liability. The court also found there to be questions of fact about whether the spectator assumed the risk of injury, and whether the injury was the result of gross negligence. *Harsh v. Lorain County Speedway, Inc.*, 675 N.E.2d 885, 111 Ohio App.3d 113, 1996 Ohio App.LEXIS 1866 (Ohio App. 1996) [ELR 18:11:14]

Sponsor of Toughman Contests must have license from Ohio State Boxing Commission. A "Toughman Contest" is a "prize fight" or "boxing match" under Ohio law, and thus the sponsor of such a contest needed to have a license from the Ohio State

Boxing Commission, the Ohio Court of Appeals has held. The court rejected the sponsor's argument that toughman contests were more like the distinct sport of kick boxing and thus no such license was necessary. *Ohio State Boxing Commission v. Adore, Ltd.*, 673 N.E.2d 1016, 110 Ohio App.3d 288, 1996 Ohio App. LEXIS 1457 (Ohio App. 1996) [ELR 18:11:14]

Suit for emotional distress allegedly inflicted by Nightline broadcast is dismissed. A federal District Court in Ohio has dismissed a suit for negligent infliction of emotional distress, filed by a viewer of a 1994 "Nightline" broadcast entitled "Rwanda: The New Killing Fields." According to the complaining viewer, the program — without warning or disclaimer — showed a woman being "hacked to death and decapitated," and as a result he became "violently ill" immediately after

seeing the segment. The court granted ABC's motion to dismiss on the grounds that the viewer was not himself in physical peril, as required for recovery under Ohio's negligent infliction of emotional distress law. The court also ruled that the viewer's claim was preempted by the Federal Communications Act, because ABC's ability to broadcast uniform programming in all 50 states would "surely be disrupted" if claims concerning images shown on nationwide television were subject to resolution by state-law tort suits. Dicks v. Capital Cities/ABC, Inc., 933 F.Supp. 694, 1996 U.S.Dist.LEXIS 10745, 10746 (S.D.Ohio 1996) [ELR 18:11:14]

Fish mannequins may be copyrightable, even though they are useful. Taxidermy mannequins used to mount fish skins may be eligible for copyright protection, even though they are "useful articles," a federal Court of Appeals has held. Judge Guido Calabresi held that fish mannequins are useful in the sense that they "portray their appearance," and "That makes them copyrightable." Whether the mannequins at issue in this case actually are copyrightable depends on whether there are so few ways to portray fish that the "merger doctrine" deprives them of protection. The merger doctrine holds that where the idea of a work and its expression merge, because there are few ways to express the idea, protection cannot be given to the expression because doing so would protect the idea. The District Court had held that there are so few ways to express the idea of fish that the merger doctrine did prevent the plaintiff's fish mannequins from being protected by copyright (ELR 17:7:13). The District Court reached this conclusion before it considered evidence about whether the defendant's mannequins were substantially similar to plaintiff's. While it was logical to consider copyrightability before infringement, Judge Calabresi ruled that the lower court should have considered evidence of substantial similarity before deciding whether the merger doctrine applied, because the court would then have had before it more information about whether there were other ways to express the idea of fish. *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320, 1996 U.S.App.LEXIS 15297 (2d Cir. 1996) [ELR 18:11:14]

WASHINGTON MONITOR

Turner Entertainment successfully opposes unauthorized application to register Gilligan's Island trademark; Trademark Trial and Appeal Board agrees that use of mark for suntan lotion and related products, without Turner's consent, would be likely to cause confusion

As improbable as it may seem, "Gilligan's Island" and the British Empire have something in common: the sun never sets on either. "Gilligan's Island" of course is a television series. Newly-produced episodes were on the air for only three seasons from 1964 to 1967. But even though those episodes are now 30 years old or more, they have remained on the air in syndication ever since.

Turner Entertainment acquired the rights to "Gilligan's Island" in 1986 and has aired it on TNT as often as six days a week. Moreover, since 1988, Turner has licensed the "Gilligan's Island" trademark for use by other companies on a wide variety of merchandise including beach items like towels, bags and umbrellas.

Thus it was with some consternation that Turner learned that a fellow named Ken Nelson had filed an application with the Patent and Trademark Office asserting

that he intended to use "Gilligan's Island" as a trademark in connection with his sale of suntan lotion, lip balm, shampoo, soap and related products. While clearly an enterprising and entrepreneurial kind of a guy, Mr. Nelson was not among those who had been licensed by Turner.

In response, Turner filed an opposition to Nelson's application, and then a motion for summary judgment. Proceedings of this sort are heard by the Trademark Trial and Appeal Board, and the legal issues and standards used by the Board are similar to those that would be applied by a federal court in an infringement action. In this case, the issue was whether Nelson's use of "Gilligan's Island" was likely to cause consumer confusion concerning the source or sponsorship of his products.

Nelson claimed there would be no confusion, because his products were so different from the television series, and because his channels of distribution were so different from the channels used by sellers of Turner-licensed merchandise. (He intended to sell his stuff by mail order from his home.) Turner of course thought otherwise. And the Trademark Trial and Appeal Board has agreed with it.

The Board noted that it has become common for trademarks to be used on "collateral" merchandise unrelated to the goods or services on which they were originally used, and that Turner had in fact issued licenses for the use of "Gilligan's Island" on collateral goods. Moreover, Nelson's intended goods were relatively inexpensive and subject to purchase on impulse, and would be purchased by the same classes of customers who would buy Turner-licensed merchandise. All of this leads to the conclusion that consumer confusion would occur, and Nelson produced no evidence to the contrary.

The Board therefore granted Turner's motion for summary judgment, finding there to be no genuine issues of material fact requiring an actual trial. And the Board refused Nelson's application to register "Gilligan's Island" as his own mark.

Turner Entertainment Co. v. Nelson, 38 USPQ2d 1942, 1996 TTAB LEXIS 31 (TTAB 1996) [ELR 18:11:15]

Federal Communications Commission adopts rules for digital television service

The FCC has adopted rules that lay the ground-work for introducing digital television (DTV) to the American people as early as 1998 in some cities and no later than 2006 elsewhere. DTV is expected to provide brilliant, high definition pictures, multiple digital-quality

program streams, as well as CD-quality audio programming and advanced digital services, such as data transfer or subscription video.

The FCC adopted its new rules as required by the Telecommunications Act of 1996, in which Congress directed the FCC to issue licenses for digital television to currently-licensed television broadcasters. The new licenses permit broadcasters to use a new digital channel as well as their existing analog channel during a transition period. At the end of the transition period, broadcasters will have to "return" the analog channel — that is, stopping using it, so it can be made available to others for different uses.

To bolster DTV's chance for success, the new FCC rules allow broadcasters to use their channels according to their "best business judgment." Thus broadcasters will be able to put together whatever packages of digital products they believe will best attract

customers, and broadcasters will be able to develop partnerships with others to help make the most productive and efficient use of their channels. These new digital services could include data transfer, subscription video, interactive materials, audio signals, and whatever other innovations broadcasters can promote and use profitably. The FCC believes that giving broadcasters flexibility in their use of their digital channels will allow them to put together the best mix of services and programming to stimulate consumer acceptance of digital technology and the purchase of digital receivers.

The FCC has required the affiliates of the top four networks in the top 10 markets to be on the air with a digital signal by May 1999, though a number of broadcasters in those markets — which contain 30% of all American households — have committed to begin digital operations within just 18 months. Affiliates of the top

four networks in markets 11 through 30 must be on the air by November 1999.

The FCC noted that while digital technology will change the nature of television, broadcasters remain public trustees, whether they use analog or digital technology. This is so because the Telecommunications Act of 1996 specifically provides that broadcasters' public interest obligations extend to the digital environment. The FCC has said that it may adopt new public interest rules for digital television, though no proceeding to do so has been initiated yet.

In the Matter of Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service, Fifth Report and Order, Report No. MM 97-8, MM Docket No. 87-268 (FCC 1997) [ELR 18:11:15]

United States Trade Representative negotiates bilateral copyright agreement with Vietnam

The United States and Vietnam have agreed on the terms of a bilateral copyright treaty, the first trade agreement negotiated by the Clinton Administration with Vietnam. The new treaty was announced by U.S. Trade Representative Charlene Barshefsky whose office represented the United States in those negotiations.

According to Ambassador Barshefsky, "The agreement will provide U.S. copyrighted works the same protection that Vietnamese nationals receive in Vietnam. It is an important first step in establishing intellectual property rights protections for U.S. companies and begins to address key issues necessary for the normalization of trade relations."

The bilateral copyright agreement establishes for the first time a legal framework for the protection of American art, music, movies, choreography and other works against copyright infringement in Vietnam. American copyright owners have been concerned by the growth of copyright piracy in Vietnam, including the unlicensed broadcast of American movies by government-owned television stations, and the establishment of CD factories in Ho Chi Minh City.

The bilateral agreement provides for national treatment of U.S. copyrighted works. It gives American copyright owners the exclusive right to authorize or prohibit the reproduction, public performance and public display of their works. The agreement also provides for "full and effective" enforcement of copyrights within Vietnam, including civil actions, criminal procedures and penalties, and border enforcement. [ELR 18:11:16]

United States wins WTO case challenging Canadian restrictions on Sports Illustrated and other American magazines

A dispute settlement panel established under the auspices of the World Trade Organization (WTO) has found that several Canadian measures restricting or discriminating against U.S. magazine exports are inconsistent with GATT 1994. The offending measures include Canada's import ban on magazines containing advertisements directed to Canadian consumers, Canada's 80% excise tax on "split-run" magazines, and Canadian postal rates that are higher for imported magazines than for Canadian magazines. The panel has recommended that Canada bring these measures into conformity with GATT 1994.

Canada had argued that these measures, one of which had the effect of forcing *Sports Illustrated*

Canada out of the Canadian market, were necessary to advance Canadian culture. In announcing the U.S. victory, United States Trade Representative Charlene Barshefsky responded to Canada's culture argument by saying, "While we are supportive of efforts to promote national identity through cultural development, we cannot allow Canadian entities to use 'culture' as an excuse to provide commercial advantages to Canadian products or to evict U.S. firms from the Canadian market. We will continue to vigorously oppose actions of this type that harm U.S. interests, whether taken by Canada or by other countries."

The WTO decision is one step in a process that was begun in March 1996 when the U.S. Trade Representative initiated a "section 301" investigation and requested "consultations" under GATT 1994 after Canada's parliament imposed an 80% tax on revenue from advertisements placed in Canadian editions of so-

called "split-run" magazines. (Split-run magazines are periodicals sold both in Canada and abroad, in which the Canadian edition contains advertisements directed at a Canadian audience.) The tax was calculated to put the Canadian edition of *Sports Illustrated* out of business, and it was the latest in a series of Canadian measures adopted to protect the Canadian magazine publishing industry from U.S. competition. For example, since the mid-1960s, Canada has banned the importation into Canada of magazines that contain even small amounts of advertising directed at Canadian consumers. And for many years Canada has charged higher postage rates for magazines not produced in Canada by Canadian-owned companies.

When the U.S.-Canadian consultations failed to produce a satisfactory solution, the United States requested that a WTO panel be formed to consider these issues. A panel was established in June 1996. In its recently-released report, the Panel found that:

- Canada's import ban violates GATT Article XI, and is not justified as an exception under Article XX.
- Canada's 80% excise tax violates Canada's national treatment obligations under GATT Article III:2, because the tax drew an artificial distinction between split-run and non-split-run magazines, which are "like products," and applied the excise tax only to split-runs.
- Canada's discriminatory postal rates for magazines mailed in Canada accord less favorable treatment to imported magazines than to like Canadian magazines, in violation of GATT Article III:4.

WTO rules permit Canada to appeal the Panel's decision to the WTO Appellate Body which will have 60 days to rule on the appeal. [ELR 18:11:16]

DEPARTMENTS

In the Law Reviews:

Loyola of Los Angeles Entertainment Law Journal has published Volume 17, Number 2 as a symposium on The Sound of Silence: Reflections on the Use of the Gag Order with the following articles;

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Lawyers Have Free Speech Rights, Too: Why Gag Orders on Trial Participants Are Almost Always Unconstitutional by Erwin Chemerinsky, 17 Loyola of Los Angeles Entertainment Law Journal 311 (1997)

The Gag Order in the O.J. Simpson Civil Action: Lessons to be Learned? by Paul L. Hoffman, 17 Loyola of Los Angeles Entertainment Law Journal 333 (1997)

Gag Orders & Attorney Discipline Rules: Why Not Base the Former Upon the Latter? by Douglas E. Mirell, 17 Loyola of Los Angeles Entertainment Law Journal 353 (1997)

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Reviving Fallen Copyrights: A Constitutional Analysis of Section 514 of the Uruguay Round Agreements Act

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The American Bar Association Forum on the Entertainment and Sports Industries has published Volume 14, Number 4 of its Entertainment and Sports Lawyer, available from the ABA, 750 North Lake Shore Drive, Chicago, IL 60611-4497, with the following articles:

The Competition Behind the Scenes at the Atlanta Centennial Olympic Games by Jill Pilgrim, 14 Entertainment and Sports Lawyer 1 (1997) (for address, see above)

The Controlled Composition Clause: Is it Out of Control? by David Moser, 14 Entertainment and Sports Lawyer 3 (1997) (for address, see above)

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Terms of Engagement: The Scope of Employment in Multimedia by Mark Litwak, 20 Los Angeles Lawyer 28 (1997) (for address, see above)

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From Fan to Fanatic: Celebrity Stalkers by Rhonda B. Saunders, 20 Los Angeles Lawyer 37 (1997) (for address, see above)

Healthy Sampling: Digital Sampling by Danielle L. Gilmore and Kenneth L. Burry, 20 Los Angeles Lawyer 40 (1997) (for address, see above)

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Ice Patch on the Information Superhighway: Foreign Liability for Domestically Created Content by Alexander Gigante, 14 Cardozo Arts & Entertainment Law Journal 523 (1996)

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Global Intellectual Property in the Twenty-First Century by Hon. Bruce A. Lehman, Fordham Intellectual Property, Media & Entertainment Law Journal 9 (1996)

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