

## INTERNATIONAL CASES

### **German record store challenges legality of German record-rental right; Cologne Regional Court responds by referring question to European Court of Justice**

The German record-rental right has been put in jeopardy, and with it, the fate of exclusive record-rental rights throughout Europe. The legality of the record-rental right has been challenged by Music Point Hokamp GmbH, a record store that rents compact discs, and which was sued for copyright infringement for doing so by Metronome Musik GmbH.

Metronome Musik, a German record company, obtained an interlocutory injunction against the record store owner. The injunction was based on the exclusive

record-rental right given to record companies by German copyright law and European Community Directive 92/100. However, the record store owner argued that the record-rental right is itself an illegal violation of the fundamental freedom to choose an occupation, which is guaranteed by Article 12 of Germany's Basic Law and by European Community law.

The Cologne Regional Court thought the record store's argument may have merit. It said that it "is in doubt as to whether [Directive 92/100] is compatible with Community law in so far as the Member States are given the right . . . to prohibit the hiring-out and lending of originals and copies of . . . protected works, without the right to hire out and to lend being exhausted by the sale of the originals and copies in question. . . ."

The court acknowledged that the rental-right was enacted to "safeguard the extremely large and risky investments of phonogram manufacturers. . . ." But the

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court found that the record store had introduced evidence that the market situation did not seem to support this justification. For example, the store offered evidence that compact disc sales in Germany increased 225% between 1991, when record rentals were legal, and enactment of the rental right. The store introduced a Polygram report to shareholders which said that compact disc sales in Europe were "very encouraging . . . particularly [in] Germany." And the store introduced a BMG press release saying that German-speaking countries had made the "largest contribution" to its financial results for the 1994-95 fiscal year.

As a result, the Cologne court has referred the following question to the European Court of Justice: "Is the introduction of an exclusive rental right, contrary to the principle of the exhaustion of distribution rights, by Article 1(1) of Council Directive 92/100 of 19 November 1992 on rental and lending rights and on certain

rights related to copyright in the field of intellectual property compatible with Community law, in particular Community fundamental rights?"

*Metronome Musik GmbH v. Music Point Hokamp GmbH*, Landgericht (Regional Court) Koln (Cologne), [1997] ECC 325 (available in LEXIS Eurcom Library, Cases File) [ELR 19:2:4]

**French student infringed reproduction and performance rights of Art Music and Warner Chappell France by digitizing musical works by Michel Sardou and posting them on student's web page on his school's Internet server, Paris court rules**

The urge to post music on the World Wide Web - even without the consent of copyright owners - is

apparently irresistible, all around the world, including France. Francois-Xavier Bergot is a student at the Ecole Nationale Supérieure Des Telecommunications where he has his own "private" web page on the ENST student server. Bergot has used his server space to store digitizations of the songs of a number of artists, including 20 songs by those of fellow Frenchman Michel Sardou. Bergot did this without Sardou's consent or the consent of the companies to which Sardou assigned his reproduction and performance rights, Art Music France and Warner Chappell France.

Those two companies, as well as Sardou himself, responded by suing Bergot for the infringement of their rights. And the Tribunal de Grande Instance in Paris has ruled in their favor, though it has not awarded them all of the remedies they sought.

The Tribunal rejected Bergot's argument that it was legal for him to digitize Sardou's songs because

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they were intended for his private use. The Tribunal explained that "by permitting third parties connected to the Internet to visit his private pages and to take copies [of songs he had posted there] . . . when the very purpose of the Internet is said to be to offer such transparency and conviviality, Mr. Bergot encouraged the collective use of his reproductions." The Tribunal also rejected Bergot's contention that if there was a violation of others' rights, the violation was committed by those who visited his web site rather than by him. "It matters not," said the Tribunal, "that he himself did not carry out positive acts of transmission because an authorization to take copies is implicit in the right to visit private pages."

Nonetheless, because the Tribunal concluded that Bergot did not intend to do any harm or make a profit, it did not award the plaintiffs the money damages they had sought. Nor did the Tribunal require Bergot and his school to publicize the judgment at their expense, as the

plaintiffs had requested. Instead, the Tribunal decided that the plaintiffs themselves could issue at their own expense a statement that "any reproduction by digitization of musical works protected by copyright which may be made available to persons connected to the Internet network must be expressly authorized by the owners or assignees of the rights."

*Art Music France v. L'Ecole Nationale Supérieure Des Telecommunications*, Tribunal de Grande Instance (District Court) Paris, [1997] EEC 97 (available in the LEXIS Eurcom Library, Cases File) [ELR 19:2:4]

## WASHINGTON MONITOR

### **WTO Appellate Body affirms and expands United States' victory in case challenging Canadian restrictions on Sports Illustrated and other American magazines**

The Appellate Body of the World Trade Organization has affirmed a finding by a WTO Dispute Settlement Panel that Canada's 80% excise tax on "split-run" magazines violates international trade rules established by the General Agreement on Tariffs and Trade (GATT 1994). In addition, the Appellate Body found that Canada's postal subsidy for domestic magazines also violates GATT 1994, reversing the Panel's earlier decision in favor of Canada on that issue. Canada did not appeal the Panel's findings in favor of the United States that



Canada's import ban on certain magazines and its discriminatory "commercial" postal rates violated GATT rules, so those conclusions remain unchanged.

The WTO Appellate Body's decision is the latest step in a proceeding that began in March 1996 when the U.S. Trade Representative requested consultations under GATT 1994 with Canada concerning Canadian laws affecting magazines, especially 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 would have put the Canadian edition of Sports Illustrated out of business, and was the latest in a series of Canadian measures to protect the Canadian magazine publishing industry from U.S. competition. 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 consultations with Canada failed to produce a solution, the United States requested that a WTO panel be formed to consider these issues. The panel's final report was issued in March of this year, and it found: that Canada's import ban violates GATT Article XI; and that Canada's 80% excise tax violates Canada's national treatment obligations under GATT Article III:2. The Panel also found that 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; but the Panel found that this violation was excused in the case of Canada's so-called "funded" postal rates,

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because those rates qualified as a permitted "subsidy" within the meaning of GATT Article III:8(b). (ELR 18:11:16)

Canada appealed the Panel's conclusion that its 80% excise tax violates GATT Article III:2. And the United States appealed the Panel's conclusion that the "funded" postal rates qualify as permitted subsidies under GATT Article III:8(b).

In its report, the Appellate Body rejected Canada's claim regarding the excise tax, and affirmed the Panel's conclusion that the excise tax was inconsistent with Article III:2 of GATT 1994. With respect to the U.S. appeal on "funded" postal rates, the Appellate Body reversed the decision of the Panel and concluded that these postal rates do not constitute permitted subsidies under Article III:8(b) of GATT 1994. The effect of this decision on Article III:8(b) is that these postal rates

have been determined to violate Article III:4 of GATT 1994.

Canada will now be asked by the WTO to bring its laws "into conformity" with Canada's obligations under GATT 1994.

*Canada - Certain Measures Concerning Periodicals*, AB-1997-2 (WTO 1997) (available from the WTO's web site, <http://www.wto.org/dispute/distab.htm>) [ELR 19:2:6]

## RECENT CASES

### **Supreme Court declares unconstitutional provisions of Communications Decency Act that criminalize transmission of indecent or patently offensive material to minors**

The United States Supreme Court has declared unconstitutional provisions of the Communications Decency Act that criminalize the "knowing" transmission of "indecent" or "patently offensive" material to minors over the Internet. In so ruling, the Court affirmed the decision of a three-judge District Court that had reached the same conclusion last year. (ELR 18:9:18)

In an opinion by Justice John Paul Stevens, the Supreme Court held that these two provisions of the Act abridge the First Amendment's free speech guarantee, because they are ambiguous concerning the scope of

their coverage and thus lack the precision the First Amendment requires of statutes that regulate speech. The provisions are vague, Justice Stevens explained, because the Act does not define the terms "indecent" or "patently offensive," and thus will "provoke uncertainty among speakers about how the two standards relate to each other and just what they mean."

In earlier cases the Supreme Court had upheld the constitutionality of statutes that regulate the content of radio and television broadcasts, and the Government relied on those cases heavily in arguing the Communications Decency Act is constitutional as well. But Justice Stevens found that the Internet differs from radio and television broadcasting in three significant ways. First, the Internet does not have a history of extensive government regulation, as broadcasting does. Second, the Internet's channels of communication are not scarce, as are broadcasting's. And third, the Internet is not "invasive,"

as broadcasting is. The Court made particular note of the fact that Internet users are unlikely to encounter adult material on the Internet "by accident."

The Court did uphold the constitutionality of a provision of the Act which criminalizes the knowing transmission of "obscene" material to minors over the Internet. But it did so only because "obscene" material receives no First Amendment protection at all, so that provision of the Act was not challenged by any of the 47 organizations that filed this case.

*Reno v. American Civil Liberties Union*, 1997 U.S. LEXIS 4037, 1997 WL 348012 (1997) [ELR 19:2:7]

**John Grisham's novel "The Chamber" is not substantially similar to non-fiction memoir of lawyer who represented serial killer Ted Bundy, so court dismisses lawyer's copyright infringement case**

John Grisham and Michael Crichton have lots in common. Both are best-selling novelists whose books have been turned into successful movies. Both have been sued for copyright infringement. And both have won dismissal of those copyright lawsuits before trial, on the grounds that their novels are not substantially similar to the books written by those who sued them.

Michael Crichton's most recent victory came in a case in which he was wrongly accused of copying Jurassic Park from a series of children's books about dinosaurs. (ELR 18:10:5)

Grisham's initiation into the fraternity of wrongly-accused plagiarists came in the wake of the 1994

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publication of his novel *The Chamber*. The copyright infringement lawsuit filed against him was ironic in two respects. First, the book he was accused of copying, *Defending the Devil: My Story as Ted Bundy's Last Lawyer*, was published after Grisham's novel. Second, as its title says, *Defending the Devil* was written by a lawyer - one who once was an associate at Wilmer, Cutler & Pickering in Washington, D.C. - and thus she, more than most plagiarism plaintiffs, ought to have known from the start that her chances for winning the case were virtually nil.

Grisham responded to the case as most defendants in cases like this do: with a motion for summary judgment. He argued, quite logically, that since *Defending the Devil* wasn't published until after his novel, he didn't have access to it and thus didn't and couldn't have copied it. The plaintiff, Polly Nelson, responded by arguing that she had submitted a draft of her book to

Grisham's publisher, Doubleday, years before; and she asked the court to infer that her draft was passed around Doubleday and eventually landed in Grisham's hands.

"As weak as the suggested inference is," Judge Royce Lamberth said, "summary judgment on the issue of access would be inappropriate at this time, before completion of discovery." Judge Lamberth was able to say this without concern, because he ruled that Nelson's "case fails for another reason making the question of access ultimately irrelevant."

The other reason Nelson's case failed was that her book and Grisham's novel are not substantially similar. *Defending the Devil* is Nelson's memoir of the years she spent representing Ted Bundy on appeal, while he was on death row. Grisham's *The Chamber* is a fictional account of the representation of a death row inmate by his grandson. Nelson, in real life, and the fictional grandson in Grisham's book both worked for large law firms; and

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both books recount their protagonists' ultimately unsuccessful efforts to save their clients from death. These similarities, and those that naturally follow from them, are all the books have in common though. And that is not enough for copyright infringement.

Nelson attempted to show more significant similarities, using charts that purported to establish parallels between the two books. But Judge Lamberth "question[ed] their usefulness," because "many of the textual examples appear to be taken out of context and in fact allege similarity when there is none to be found." Nelson argued there were similarities because both books describe "the presence of the media, politicians, and jail house personnel," and she pointed to "the similar frenzy with which last minute appeals are made by each of the attorneys." But "these are all stock events and scenes that are expected in any book about the representation of a death row inmate," Judge Lamberth explained, and

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"because Grisham did not copy any unique expressions of Nelson, there is no infringement."

The judge also noted that the concept and feel of the two books are different. "Defending the Devil is a non-fictional account of Nelson's attempt to save Bundy from the electric chair. . . . In contrast, The Chamber is a novel that tells a much more personal story." The settings of the books are different, as are their plots and time lines. Nelson also argued that she and Grisham's main character were substantially similar; but the judge didn't think so. "Admittedly, both are recent law school graduates who, as associates in large law firms, represent death row inmates. But the similarities end there," he said.

In his conclusion, Judge Lamberth responded to Nelson's "concern that a ruling against her will be a dangerous acknowledgment that those who write their own memoirs cannot expect to receive protection from the

copyright laws." The judge said that her expression is protected by copyright, but "this protection does not give her the right to claim a monopoly on the stories of young attorneys who represent inmates on death row."

*Nelson v. Grisham*, 942 F.Supp. 649, 1996 U.S. Dist. LEXIS 14945 (D.D.C. 1996) [ELR 19:2:7]

**Rodney Dangerfield wins libel case against Star Magazine, but court refuses to award him punitive damages; Supreme Court denies his request to re-view case**

Rodney Dangerfield doesn't get the respect he deserves - not any from Star Magazine; and not enough, he would probably say, from the courts.

Back in 1990, Star Magazine published an article about Dangerfield headlined "Vegas Casino Accuses Caddyshack Funnyman: Rodney Dangerfield Swills Vodka by the Tumblerful, Smokes Pot All Day and Uses Cocaine." These are serious allegations, even when made about a Las Vegas comedian; and Dangerfield responded in the predictable way. He sued the Star and its parent company, GP Group, Inc., for libel.

The case went to trial before federal District Court Judge Ronald Lew in 1995. At trial, Dangerfield did one more thing: he proved the article was false and defamatory and that the Star had acted with at least reckless disregard of the truth when it published fabricated anecdotes. As a result, Judge Lew found the Star to be liable, and he awarded Dangerfield \$45,002 in damages: \$1 for emotional distress, \$1 for damage to his reputation, and \$45,000 in presumed damages.

Dangerfield had sought punitive damages as well, but Judge Lew did not award any against the Star, because the evidence showed that the Star had a negative net worth.

Moreover, Judge Lew dismissed Dangerfield's claim against GP Group, because there was no evidence that it "had any involvement at all in the investigation of, writing of, fact checking or other editing of the article. At most the evidence show that GP supervised the non-editorial aspects of publishing and distributing Star Magazine." This meant that GP had not acted with the "actual malice" that would have been necessary to enter judgment against it. As a result, GP's net worth - which apparently is quite substantial - was not relevant in determining whether punitive damages could have been awarded.

After the trial, Dangerfield sought to amend his case, and asked for a new trial, in order to assert a claim

that GP was the alter ego of the Star. If it were, this would have made GP's net worth relevant for the purpose of awarding punitive damages. But Judge Lew denied Dangerfield's request.

Dangerfield appealed, but without success. In an unpublished opinion, the Court of Appeals affirmed Judge Lew's decision not to permit Dangerfield to amend his case or to grant a new trial, and it affirmed his ruling that GP's net worth was not relevant for the purpose of deciding whether punitive damages could be awarded.

Dangerfield petitioned the Supreme Court to review the case, but the Court has denied his petition.

*Dangerfield v. Star Editorial, Inc.*, 1996 U.S.App.LEXIS 23401 (9th Cir. 1996) (unpublished opinion), 97 F.3d 1458, 1996 U.S.App.LEXIS 38347 (9th Cir. 1996) (Table Case Format), cert. denied, 117



S.Ct. 1552, 1997 U.S. LEXIS 2681 (1997) [ELR 19:2:8]

**Compulsory license for "phonorecords" does not cover karaoke compact discs that permit video display of lyrics along with audio play of recordings, federal appellate court holds, in decision that affirms injunction in favor of publisher of "Satisfaction" and other songs by Mick Jagger and Keith Richards**

Mick Jagger and Keith Richards have made some legal history. A case involving seven of their rock-and-roll classics - including "Satisfaction (I Can't Get No)" and "Jumpin Jack Flash" - has confirmed a legal principle that many (perhaps most) music lawyers thought was so, and now they know for sure. The Copyright Act's "compulsory license" provision does not cover compact

discs that permit video displays along with audio play of music recordings, not even when the video display is limited to the words of the songs' lyrics and contains no other visual images. A federal Court of Appeals has so held, in an opinion that affirms a preliminary injunction won by ABKCO Music, Jagger's and Richards' music publisher.

The copyright compulsory license provision - found in section 115 of the Copyright Act - permits a record company to manufacture and sell "cover" versions of previously-recorded songs if the record company follows certain statutory notice requirements and pays legally mandated (rather than voluntarily negotiated) royalties. This compulsory license is available only for "phonorecords" which are defined to be recordings of "sounds, other than those accompanying [an] audiovisual work" which is a work consisting of sounds and "related images."

Performance Tracks, Inc., makes karaoke compact discs which permit audio play of songs and video play of the words of the songs' lyrics, though not other images. "Despite many requests," ABKCO has never licensed Jagger's and Richards' classics for karaoke use. So when Performance Tracks decided to use those songs on its discs, it purported to exercise a right to do so under the compulsory license provision of the Copyright Act. ABKCO quickly obtained a temporary restraining order and a preliminary injunction against Performance Tracks; and that injunction has been affirmed.

Though the Court of Appeal acknowledged that this was "a case of first impression," it also found the "applicable legal principles" to be "well-settled." In an opinion by Judge Richard Owen, the appellate court ruled that the compulsory licenses claimed by

Performance Tracks "do not give it the right to publish the compositions' lyrics on a screen."

The court rejected the company's argument that its discs are "phonorecords" and that the compulsory license thus permits it to include lyrics. This was "both factually and legally flawed," Judge Owen explained, because Performance Tracks' discs "constitute `audio-visual works,' since they `consist of a series of related images' - the lyrics - `together with accompanying sounds' - the music." The appellate court also rejected the company's argument that Congress "would include" its discs within the definition of "phonorecords" if Congress were to redefine "phonorecords" today. Said the court: "what Congress may or may not do in the future to redefine the term is not for us to speculate."

Editor's note: Though this case did not involve discs that include visually attractive images as well as recorded sounds, this case also makes it clear that the

compulsory license does not cover such discs. Judge Owen thought those types of discs presented an even easier case, saying that the companies that make them "must acquire synchronization or `synch' licenses from the copyright owners of the songs to legally manufacture" them.

*ABKCO Music, Inc. v. Stellar Records, Inc.*, 96 F.3d 60, 1996 U.S.App.LEXIS 24657 (2d Cir. 1996) [ELR 19:2:9]

**Songs written for Jewish movies produced during 1930s were "works made for hire" under 1909 Copyright Act, so District Court dismisses infringement counterclaims made against licensed distributor of movies by company that claimed to have acquired exclusive video rights to songs from composer's successor**

Back in the 1930s, Joseph Green wrote, directed and produced two movies: "Yidl Mitn Fidl" and "Mamele." (In English: "Yiddle with a Fiddle" and "Little Mother.") Green hired well-known composer Abraham Ellstein to compose songs for those movies, and Ellstein did so - traveling to Poland at Green's expense to write the songs while the movies were being produced there.

If there was a contract between Green and Ellstein, it was lost; and Green's memory of its terms was

admittedly vague. Ellstein passed away sometime before 1966, so his recollection is no longer available.

More than a half-century later, Green gave the National Center for Jewish Film the exclusive right to distribute these two movies. In 1988, a company known as Ergo Media acquired exclusive video rights to the songs from a music publisher that claimed to have acquired them from another publisher named Henry Lefkowitz to whom Ellstein assertedly assigned them back in 1938.

The National Center for Jewish Film and Ergo Media have sued one another in federal court over which of the two of them has the exclusive right to distribute videos containing these songs. District Judge William Young has now ruled that Ergo does not.

The judge has ruled that under the 1909 Copyright Act's version of the "work made for hire" doctrine, the songs were works made for hire, and as such, Green

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- not Ellstein - was the owner of the copyrights. The judge rejected Ergo's contention that since Ellstein was "at most a commissioned composer" and "certainly not an employee of Green," Green would have acquired the songs' copyrights only for their first term and not for their renewal terms. (Ergo advanced this theory, because Ellstein's widow renewed the songs' copyrights in her name in 1966, and she sided with Ergo in the case, rather than with the National Center.)

The judge added that even if Ellstein once owned the songs' copyrights, "there were fatal flaws in the chain of title from Ellstein to Ergo." This was so, because there was no evidence concerning Ellstein's alleged transfer to Henry Lefkowitz, nor any evidence of the alleged transfer from Lefkowitz to the publisher from whom Green acquired his claimed rights.



As a result, Judge Young has granted the National Center's motion for partial summary judgment dismissing Ergo's counterclaim based on the songs.

*National Center for Jewish Film, Inc. v. Goldman*, 943 F.Supp. 113, 1996 U.S.Dist.LEXIS 16655 (D.Mass. 1996) [ELR 19:2:9]

**Federal statute requiring National Endowment for the Arts to consider "decency" and "respect" for American values when selecting grant recipients violates due process and free speech rights of applicants, federal appeals court affirms**

Back in 1990, homoerotic photographs by Robert Mapplethorpe and blasphemous ones by Andres Serrano created a furor on Capitol Hill, because both artists had

received grants from the National Endowment for the Arts. As a consequence, the NEA governing statute was amended to require the NEA to consider "decency" and "respect" for American values when selecting future grant recipients.

Shortly thereafter, performance artists Karen Finley, John Fleck, Holly Hughes and Tim Miller were denied fellowships, because of the "decency and respect" clause, they alleged. They made this allegation in a federal court lawsuit seeking to have the clause declared unconstitutional; and they were successful. District Judge Wallace Tashima ruled in their favor (ELR 14:3:3) and then certified the case for immediate appeal. The artists' money damage claims were thereafter settled (ELR 15:3:28), but the government's appeal from their attack on the constitutionality of the statute was not dismissed.

Now the artists have won that part of their case too. In an opinion by Judge James Browning, the Court of Appeals has affirmed Judge Tashima's decision that the "decency and respect" clause is unconstitutional, on two grounds.

First, the clause violates the Fifth Amendment due process clause, because "decency and respect" are terms that "are inherently ambiguous, varying in meaning from individual to individual." And thus the clause fails to specify the standard of conduct expected of NEA grant recipients.

Second, the "decency and respect" clause violates the First Amendment free speech clause, because it authorizes the NEA to discriminate among grant applicants on the basis of the viewpoints of their speech, and because the government "made no attempt to articulate a compelling interest served by the provision" as would be required in order for the clause to survive strict scrutiny.

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Judge Andrew Kleinfeld dissented.

*Finley v. National Endowment for the Arts*, 100 F.3d 671, 1996 U.S.App.LEXIS 28837 (9th Cir. 1996) [ELR 19:2:10]

**Operators of Pebble Beach, Pinehurst and Harbour Town golf courses win partial victory in service mark and trade dress suit against owner of Texas golf courses whose holes are replicas of "18 of America's most famous golf holes"**

Dennis Wilkerson, Barron Jacobsen and Jim Williams have done something others only dream about. They have made golf their business, and they have done so successfully. They and others attribute their success to an ingenious concept. Knowing that a famous golf

course architect and well-designed golf holes could not guarantee the success they sought, they "decided to replicate golf holes from famous golf courses in the United States." And that is what they did, first in a course near Houston and then in one near Dallas, both of which they called "Tour 18."

In its first year of operation, the Houston-area course - which cost just \$5 million to build - generated profits of \$1.7 million!

Among the golf course holes "Tour 18" replicates are those from Pebble Beach (California), Pinehurst (North Carolina), and Harbour Town (Hilton Head Island, South Carolina). The operators of these three courses "are not pleased about the success their golf holes and service marks have generated for Tour 18." And they expressed their displeasure in a federal case alleging service mark and trade dress infringement, as well as other claims.

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The case was tried before Judge David Hittner, whose 50-page decision suggests he too must be a golf enthusiast. Judge Hittner awarded victory to the plaintiffs, but only partially. The judge has granted the plaintiffs a narrowly-tailored injunction against "Tour 18," but no damages.

The plaintiffs' service mark claims were based on Tour 18's prominent and frequent use of the "Pebble Beach," "Pinehurst" and "Harbour Town" names on Tour 18's brochures, scorecards and other written materials, as well as Tour 18's use of a replica of Harbour Town's famous lighthouse on signs, literature and advertising.

Judge Hittner ruled that the plaintiffs' service marks are valid - Pebble Beach's and Pinehurst's because they are registered, and Harbour Town's because it is distinctive and because it has acquired secondary

meaning even if it were geographically descriptive rather than distinctive.

The judge also found that Tour 18's use of the plaintiffs' service marks created a likelihood of confusion. He acknowledged that golfers playing at Tour 18 would not be confused into thinking they were playing at the plaintiffs' courses. But "they may still be confused into believing Pebble Beach [and the other courses] sponsored or approved Tour 18's use of their service marks and golf hole designs or that the parties are otherwise affiliated."

Judge Hittner rejected Tour 18's contention that its use of the plaintiffs' service marks was a permitted fair use as comparative advertising. This defense failed in part because Tour 18's use of the plaintiffs' service marks was "not . . . merely limited to comparative advertising." Rather, Tour 18 used the plaintiffs' marks to identify its own golf holes and to distinguish its own

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services from those offered by other golf courses. "As a matter of law, such usage constitutes service mark usage, and precludes Tour 18's reliance on a fair use / comparative advertising defense," the judge held.

The plaintiffs' trade dress claims were based on "the shapes of plaintiffs' golf holes, the length and width of the holes, the placement and shape of sand and water hazards, the size and shape of the greens, the slope and elevation of the holes, and the golf holes' surrounding vegetation," as well as the design and appearance of Harbour Town's red and white striped lighthouse. These claims were more novel than the service mark claims, and the plaintiffs did not do as well with them. Judge Hittner found that the Pebble Beach and Pinehurst holes Tour 18 had replicated were not arbitrary and distinctive as compared to other golf holes, and that these two holes had not acquired secondary meaning. As a result,



these two holes were not protected against copying by Tour 18.

On the other hand, the judge did find that the Harbour Town hole replicated by Tour 18 is inherently distinctive, and in any event has acquired secondary meaning, so it is protected against confusingly similar copying. Judge Hittner also found that Tour 18's copying was confusingly similar - not because Tour 18 players would think they were playing at Harbour Town, but because they were likely to think that Tour 18 had sought and received permission from Harbour Town's operator to replicate its lighthouse and hole.

The plaintiffs did not show they had lost sales or suffered injury to their reputations, so there was no basis for awarding them actual damages. The judge also declined to award them any portion of Tour 18's profits, because deciding what portion of its profits were attributable to its infringements would have been too

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speculative. In this case, he said, "injunctive relief, rather than an award of profits, is the appropriate remedy."

Thus, Judge Hittner has issued an injunction prohibiting Tour 18 from using the plaintiffs' names, or any picture of Harbour Town's lighthouse, in connection with its promotion, advertising or sale of golfing services. In addition, Tour 18 has been ordered to remove its replica of the Harbour Town lighthouse. But "Tour 18 is not required to alter the playable surface of the golf holes in question." And it is permitted to use the plaintiffs' service marks "to the limited extent necessary to inform the public which holes it copied." Tour 18 also has been ordered to place a prominent legend on its advertisements and other written materials disclaiming "any association, affiliation, sponsorship of permission from the owners of the golf holes Tour 18 copied."

*Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F.Supp. 1513, 1996 U.S.Dist.LEXIS 20046 (S.D.Tex. 1996) [ELR 19:2:10]

**Illinois High School Association, which has long used "March Madness" to designate its annual basketball tournament, does not have the right to prevent an NCAA licensee from using that term in connection with a CD-ROM game, federal Court of Appeals holds**

The Illinois High School Association has learned a lesson that all trademark owners should take note of: be vigilant in the enforcement of your rights or you'll lose them. Trademark owners have long known of the risk that once valid trademarks may become "generic," and thus no longer protectible. "Aspirin" and "Thermos"

are two well-known examples. But in a case "of first impression," Judge Richard Posner has taken this principle a significant step further and has ruled that "dual-use" terms should be "assimilat[ed]" to generic terms, "for the sake of effective communication."

The issue arose when the IHSA took exception to GTE Vantage's use of the phrase "March Madness" in connection with a CD-ROM basketball game Vantage produces. Vantage licensed the term from the NCAA whose "Final Four" championship games have been called "March Madness" since 1982 when broadcaster Brent Musburger first referred to them as such.

Those who live outside Illinois might wonder why the IHSA would object to an NCAA licensee's use of "March Madness," since outsiders are likely to associate that term only with the NCAA. The reason IHSA objects is that it has been using the term "March Madness" in connection with its own annual basketball tournament

since the early 1940s - some 40 years before anyone ever used the term in connection with the NCAA, and a full half-century before the NCAA began licensing others to use it.

Alas, IHSA did nothing about the NCAA's use of the term until now. And now it is too late, Judge Posner has held. This is not the result of "laches"; Vantage didn't even assert a laches defense. This is something much more fatal. Because IHSA did nothing, "March Madness" "is the name of two basketball tournaments, IHSA's and the NCAA's." The consequence: "A trademark owner is not allowed to withdraw from the public domain a name that the public is using to denote someone else's good or service, leaving that someone and his customers speechless."

As a result, Judge Posner affirmed a District Court ruling that denied IHSA the preliminary injunction it had sought. Then Judge Posner went one unusual step

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further. He offered the unsolicited opinion that "since the suit appears to lack any merit, the district court on remand should enter judgment for the defendant . . . unless, as we greatly doubt, IHSA is able to find another arrow in its quiver."

IHSA sought review by the Supreme Court, but the Court has denied its petition.

*Illinois High School Association v. GTE Vantage, Inc.*, 99 F.3d 244, 1996 U.S.App.LEXIS 28258 (7th Cir. 1996), cert. denied, 117 S.Ct. 1083, 1997 U.S. LEXIS 1310 (1997) [ELR 19:2:12]

**Hockey equipment manufacturer is enjoined from selling sticks bearing name of NHL player Mark Messier who had granted exclusive right to do so to competing manufacturer; court rejects fair use defense**

Mark Messier has been voted the Most Valuable Player in the National Hockey League, twice. He has played for two NHL teams: the Edmonton Oilers and the New York Rangers. And his name appears on hockey sticks made by two separate companies: Hillerich & Bradsby Co. and Christian Brothers, Inc.

Hillerich & Bradsby is happy of course about Messier's MVP awards and is happy that he now plays for the Rangers because New York is one of the largest media markets in the world. It's quite unhappy however that Messier's name shows up on Christian Brothers' hockey sticks, because Messier and Hillerich & Bradsby

have a contract with one another that gives Hillerich the exclusive right to use his name on hockey equipment.

As a result, Hillerich & Bradsby has sued Christian Brothers in federal court in Minnesota, alleging claims under section 43(a) of the Lanham Act, under that state's Deceptive Trade Practices Act, and under common law right of publicity.

Christian Brothers does not assert that Messier authorized its use of his name. Instead, it asserts that it is customary in the industry for hockey stick makers to identify the shapes of their blades by affixing the names of NHL players who use blades of that shape. Christian Brothers says that this custom makes its use of Messier's name a "fair use."

Hillerich & Bradsby has won the first period of this legal faceoff. District Judge John Tunheim has ruled that Hillerich is likely to prevail all three of its legal claims, and has rejected Christian Brothers' fair use



defense. The judge acknowledged that Christian Brothers "could advertise that it makes a stick that is the shape of those used by Messier." But this "does not stand for the proposition that [it] can place the name 'Messier' on its product."

For this reason, the judge has issued a preliminary injunction that bars Christian Brothers from selling any more sticks with Messier's name on them, and requiring the company to recall and deliver for destruction any such sticks still in inventory.

*Hillerich & Bradsby Co. v. Christian Brothers, Inc.*,  
943 F.Supp. 1136, 1996 U.S. Dist. LEXIS 16702  
(D.Minn. 1996) [ELR 19:2:12]

**Federal Court of Appeals reinstates due process case filed by former Cal Berkeley basketball coach Lou Campanelli based on statements made to the press by athletic director and vice chancellor shortly after coach was fired**

Cal Berkeley basketball coach Lou Campanelli was fired in 1993, mid-way through the season. The problem wasn't his win-loss record; he was 10-7 that season and had a better winning percentage overall than the four Cal basketball coaches who had preceded him. No, Campanelli's problem - the one that got him fired - was the way he treated his players.

Cal's athletic director recommended that Campanelli be fired after overhearing the coach's post-game speech to the team following a loss to Arizona. The speech was "profane and abusive," the athletic director told a reporter for the San Francisco Chronicle, after

Campanelli had been fired. Cal's vice chancellor gave reporters a similar explanation for the coach's fate.

Campanelli acknowledged that Cal had not breached his contract by firing him. But he responded to the statements made to the press by the school's athletic director and vice chancellor with two lawsuits. One was filed in California state court for defamation. The other was filed in federal court, under 42 U.S.C. section 1983, and alleged that the two school officials deprived him of his liberty interest without due process of law by making negative public statements regarding his termination.

Campanelli's state court case for defamation didn't get far. It was dismissed for failure to state a claim; and that dismissal was affirmed by the California Court of Appeal (ELR 18:8:13). At first, the coach did no better with his federal court case. It too was dismissed for failure to state a claim. However, on appeal, Campanelli has turned things around with the federal case. The

Ninth Circuit Court of Appeals has reversed the dismissal of the coach's case, and has remanded it for further proceedings.

In an opinion by Judge William Norris, the appellate court has held that Campanelli's complaint does state a valid claim, because it adequately alleges all of the elements of the claim he is making. First, it adequately alleges that the offending statements "stigmatize" him. Second, it adequately alleges that the statements were made "in the course of" his termination, even though they weren't made until a week or so later. And third, it adequately alleges that the statements were "substantially false."

The alleged falsity of the offending statements was also at the heart of Campanelli's state court defamation action. In that case, both the trial court and the Court of Appeal held that Campanelli himself had admitted, in pleadings, the essential truth of the statements.

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That was one of the reasons his state court case was dismissed. In the federal case, District Judge Fern Smith also decided that Campanelli had admitted in pleadings the substantial truth of the offending statements; and that was one of the reasons Judge Smith dismissed it. On appeal, however, Judge Norris disagreed. As he read the pleadings, "we cannot hold . . . that Campanelli has conceded the truth of the defendants' alleged charges." And that is one of the reasons the appellate court has reinstated Campanelli's case.

*Campanelli v. Bockrath*, 100 F.3d 1476, 1996 U.S.App. LEXIS 30237 (9th Cir. 1996) [ELR 19:2:13]

**Preliminary injunction should not have required Turner Entertainment to recall allegedly infringing "Laurel & Hardy" videos from retail stores and wholesalers, because copyright owner's delay in filing lawsuit showed that any harm caused by alleged infringement was not irreparable, federal appellate court rules**

Back in the days when movies were silent, Stan Laurel and Oliver Hardy starred in a series of short films that have had a continuing life in the marketplace, and in the courts. MGM acquired a license to use those shorts in order to produce a 90-minute movie called "Laurel & Hardy's Laughing 20's," the copyright to which MGM registered and later assigned to Turner Entertainment. Eventually, "Laurel & Hardy's Laughing 20's" was released as a homevideo and was available in retail stores as recently as 1995.

The wrinkle that brought these shorts back to court after so many years was this: the original license that permitted MGM to use the shorts to make "Laughing 20's" was for 28 years, renewable in 7-year increments upon written notice and the payment of \$500. Naturally, Turner was subject to the renewal requirement too, after it acquired MGM's rights. But somehow, "Turner allegedly botched the renewal of its license to use the shorts in June of 1993." This meant that Turner's continued distribution of "Laughing 20's" infringed the copyrights to the shorts that were included in the movie. That at least is what has been alleged by Richard Feiner and Company which now owns the exclusive video rights to the shorts themselves.

Feiner sued Turner for copyright infringement, and obtained a preliminary injunction that did two things. It prohibited Turner from making or selling any new copies of "Laughing 20's," and it required Turner to

recall existing copies from retail stores and wholesalers that may still have copies in inventory.

Turner appealed the recall order portion of the preliminary injunction (though not the portion that bars it from making or selling new copies). And the Court of Appeals has reversed that portion of the injunction, so that Turner does not have to recall existing copies. In an opinion by Judge James Oakes, the appellate court noted that in order to obtain a preliminary injunction, a plaintiff must demonstrate irreparable harm (among other things). While the law presumes that irreparable harm is caused by copyright infringement, Judge Oakes explained that "The presumption may be rebutted, if the defendant is able to demonstrate that the plaintiff delayed in bringing an action requesting preliminary injunctive relief."

In this case, it took Feiner 18 months to discover that Turner had failed to renew its license, even though

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it "long knew about the film," and also knew about the expiration date of the license and the terms for its renewal. Although the renewal notice and payment would not have gone directly to Feiner, Judge Oakes said that "nothing prevented Feiner from contacting the appropriate party to obtain the information he lacked." Thus, the appellate court concluded, "the lower court incorrectly excused this portion of Feiner's delay" when it issued the recall order.

Editor's note: This decision arose at the preliminary injunction stage of this case. The consequences of a copyright owner's delay may be different if a plaintiff wins the case and requests a permanent injunction. Judge Oakes noted this distinction but didn't resolve it. On the one hand he said, "Although delay for purposes of preliminary-injunction analysis may be similar to the equitable consideration of laches in shaping appropriate final relief, our refusal to approve the issuance of a

preliminary injunction should not prevent a lower court from considering the full panoply of available remedies when it fashions permanent relief." On the other hand, he also observed that it has been suggested that when the infringing work is a separately copyrighted derivative work (like "Laughing 20's"), "an injunction is not always the proper remedy for infringement. . . . Should Feiner prevail at trial, the district court will have to decide whether [this suggestion] counsels for damages rather than a permanent injunction in this case." Judge Oakes then added a citation to a law review article he himself had written in which he argued that "Injunctive relief should remain a matter of informed discretion in the law of copyright. . . ." This is not a view shared by all judges, however. When Universal urged the court to award damages rather than a preliminary injunction in the "12 Monkeys" case, District Judge Miriam Cederbaum rejected the argument, saying "The Copyright Law

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does not condone the practice of `infringe now, pay later.'" (ELR 18:6:3).

*Richard Feiner and Company, Inc. v. Turner Entertainment Co.*, 98 F.3d 33, 1996 U.S.App.LEXIS 27303 (2d Cir. 1996) [ELR 19:2:13]

**Book publishers win copyright infringement suit against Michigan copyshop; Court of Appeals affirms trial court's ruling that unauthorized "cour-sepacks" are not permitted by fair use doctrine; Supreme Court denies request to hear case; case is settled on terms that benefit all AAP members**

Princeton University Press, MacMillan and St. Martin's Press have won an important victory - for themselves and for most other members of the book

publishing industry - in a copyright infringement suit against a company known as Michigan Document Services. MDS is a photocopy shop based in Ann Arbor. A staple of its for-profit business is the preparation of "coursepacks" which are professor-designed anthologies of materials copied from books and periodicals.

Before 1991 or so, copyshops like MDS and Kinko's often made coursepacks without getting licenses from the owners of the copyrights to the included materials. In that year, however, a federal District Court held - in a case filed against Kinko's by Basic Books and seven other publishers - that the unlicensed making of coursepacks amounted to copyright infringement and was not permitted by the fair use doctrine. (ELR 13:6:17) Thereafter, the case was settled for a reported \$1.9 million; and since then, Kinko's and most other copyshops have obtained licenses and paid royalties in connection with coursepacks. Coursepack royalties

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received by Princeton, MacMillan and St.Martin's have amounted to some \$500,000 a year.

MDS however sought no licenses and paid no royalties, even after the Kinko's decision - not even when its coursepacks included as many as 95 pages from a single (316-page) book. MDS's owner, James M. Smith, consulted a lawyer who told him that while it was "risky" to produce coursepacks without permission, there were "flaws" in the Kinko's decision. Smith also conducted his own study of the fair use doctrine and concluded that Kinko's had been "wrongly decided."

As things have turned out, it was Smith's analysis of the fair use doctrine that was "flawed," not Kinko's, though the question was closer than some would have expected. A federal District Court ruled against MDS, enjoined it from copying any of the three publishers' existing or future works without permission, and awarded them \$30,000 in statutory damages (ELR 16:7:10).

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Later, the court also awarded the publishers their attorneys fees of \$295,000 and another \$30,000 in costs (ELR 16:12:24).

MDS appealed and won a surprising and temporary victory from a three-judge panel of the Sixth Circuit Court of Appeals - a victory that was vacated when that court agreed to rehear the case en banc. Now the full 13-judge court has ruled against MDS and in favor of the publishers.

In an opinion by Judge David Nelson, an 8-to-5 majority of the Court of Appeals has affirmed the District Court's ruling that MDS's coursepacks infringed the copyrights owned by the three publishers, and that the fair use doctrine does not authorize unlicensed coursepacks. In so ruling, the appellate court followed the Kinko's case, as well as the American Geophysical photocopying case won by scientific journal publishers in 1994 (ELR 14:11:8, 16:10:18, 17:10:11) and the

Williams & Wilkins photocopying case won by medical journal publishers in 1975.

MDS was successful on appeal with respect to one issue. The lower court had found its infringements to be "willful," and that may have affected the amount of the judgment entered against it. The Court of Appeals acknowledged that the fair use doctrine "is one of the most unsettled areas of the law," as was "illustrated by the forcefully argued dissents and the now-vacated panel opinion" in this case. Under these circumstances, Judge Nelson said, Smith's belief that the fair use doctrine would permit MDS to make coursepacks was not so unreasonable that doing so would be willful infringement. The appellate court therefore remanded the case for reconsideration of the amount of the damage award.

MDS petitioned the Supreme Court for review, but the Supreme Court denied its petition. Shortly thereafter, the case was settled on terms that permanently

enjoin MDS from making coursepacks that contain more than one page of copyrighted material belonging to any one member of the Association of American Publishers - not merely Princeton, MacMillan and St. Martin's. (The AAP's announcement concerning the settlement says nothing about how much, if anything, MDS agreed to pay in damages or for attorneys fees and costs.)

*Princeton University Press v. Michigan Document Services*, 99 F.3d 1381, 1996 U.S.App.LEXIS 29132 (6th Cir. 1996), cert. denied, 117 S.Ct. 1336, 1997 U.S. LEXIS 2124 (1997) [ELR 19:2:14]



**In two unrelated cases involving sales of imported copyrighted goods, Ninth Circuit Court of Appeals rules that one defendant infringed copyright owner's exclusive right to import goods into U.S. even though goods were made in U.S. and shipped abroad before being imported into U.S., but other defendant did not infringe because goods were imported with the "implied authority" of the copyright owner; Supreme Court agrees to hear case in which infringement was found**

Hair care products and Lladro figurines seem to have little in common with each other, and little or nothing to do with the entertainment industry. But by coincidence, these very different products were the subject of two decisions involving the same issue, in two unrelated cases, handed down by the Ninth Circuit Court of Appeals just two weeks apart. And both have to do with an

issue that is of importance in the entertainment industry: namely, the exclusive right of copyright owners to import goods into the United States for the purpose of selling them here.

At first glance, a copyright owner's exclusive right to import goods into the U.S. seems to be unqualified. This is so because section 602(a) of the Copyright Act clearly states that "Importation into the United States, without the authority of the owner of the copyright . . . is an infringement of the exclusive right to distribute. . . ."

However, the scope of this right is not as clear as it seems at first, because of the "First Sale Doctrine." That Doctrine is found in section 109(a) of the Copyright Act which provides that despite the exclusive right to distribute, "the owner of a particular copy . . . is entitled, without the authority of the copyright owner, to sell or otherwise dispose" of it.

The question that has been presented to courts many times in many contexts is whether the exclusive right to import applies even to goods that have been purchased abroad (despite the First Sale Doctrine), or whether instead the First Sale Doctrine applies to goods purchased abroad and thus permits them to be imported even without the consent of the copyright owner. Over time, court decisions have worked out an accommodation of these two sections, so both have been given effect.

Thus, it has appeared that goods manufactured and purchased abroad could not be imported into the U.S. without the copyright owner's consent. Courts have given two reasons for this result: the First Sale Doctrine (like the rest of the Copyright Act) simply does not apply abroad; and this result is the only way to give effect to the copyright owner's exclusive right to import.

On the other hand, it has appeared (until now) that if goods are manufactured in the United States and then sold to a foreign buyer, they may be purchased from that buyer and imported into the U.S. without the copyright owner's consent. Courts have given two reasons for this result as well: the First Sale Doctrine applies to all goods that are first sold in the United States, even those that are then shipped abroad; and this result still permits copyright owners to get the benefit of copyright ownership when they decide on the price to be charged when they make that first sale.

Now, the Ninth Circuit has upset this accommodation, in a manner that favors copyright owners over importers. In a case involving hair care products bearing copyrighted labels, that court has held that unauthorized importation infringes the copyright owner's exclusive importation right even though the imported goods were manufactured in the United States, and were sold and

shipped abroad, purchased abroad, imported into the U.S. and then sold here. In an opinion by Judge Dorothy Nelson, the court explicitly "decline[d] to adopt the approach taken by the Third Circuit in *Sebastian*" - the case that held that when goods are made in the U.S. and then sold and shipped abroad, the First Sale Doctrine does apply so such goods may be imported without the copyright owner's consent.

Judge Nelson explained that the court rejected the Third Circuit's approach, because the copyright owner's exclusive right to import "would be rendered meaningless if section 109(a) [the First Sale Doctrine] were found to supersede the prohibition on importation. . . ."

Because Judge Nelson's decision creates a conflict between the Ninth and Third Circuits on this issue, the importer asked the Supreme Court to hear the case, and the Supreme Court has granted the importer's petition. The case will be heard during the Supreme Court's

next term, and a decision is expected late in 1997 or during the first half of 1998.

In a separate case involving the sale in the U.S. of copyrighted Lladro figurines made in Spain and imported from Mexico, the Ninth Circuit has ruled against the copyright owner and in favor of the U.S. retailer. Since the figurines were manufactured abroad, it appeared at first that their importation into the U.S. would have infringed the copyright owner's exclusive right to distribute (even before the Ninth Circuit decided the hair products case two weeks later). In this case, however, the copyright owner did not manufacture the figurines itself. Instead, it licensed another company to make them in Spain, and the copyright owner authorized its licensee to sell the figurines "to all countries of the world. . . ." Some figurines were sold to a store in Mexico, from which they were purchased by a distributor who imported them into the U.S. and resold them to

Costco which resold them here and got sued by the copyright owner for doing so.

In an opinion by Judge Andrew Kleinfeld, the Ninth Circuit noted that under section 602(a) of the Copyright Act, importation violates the distribution right of the copyright owner only if the importation is done "without the authority of the owner of the copyright. . . ." Judge Kleinfeld also noted that this section of the Act does not require the "authority" to be in writing. Thus the court held that the authority may be "implied." And in this case, authority to import could be implied, because the copyright owner had given the manufacturer a license to sell "to all countries of the world." Moreover, when the figurines were sold to the store in Mexico, the store was not contractually prohibited from selling to customers who would export them to other countries. Judge Kleinfeld said that if the store in Mexico had been barred from selling to customers who would export them

from Mexico, the store may have been willing to pay less for the figurines than it did, because its customer pool would have been smaller. Since the store was not restricted in that way, it did not pay less; and the copyright owner presumably received a price that reflected the possibility that the figurines would be resold outside of Mexico, as they eventually were.

Editor's note: One of the arguments made - without success - by the defendant in the hair products case was that the copyright owner had not proved the hair products were imported "without . . . authority." Judge Nelson rejected this argument on the grounds that "Section 602(a), by its plain terms, places the burden on the defendant to prove that the allegedly infringing goods were imported with the authorization of the U.S. copyright owner" - something the defendant did not do. In the Lladro figurines case, however, Judge Kleinfeld put the burden on the copyright owner to prove the



defendant imported without authority, and ruled for the defendant because "in this case, the copyright owner . . . failed to establish that the importation into the United States was `without the authority of the owner of the copyright.'" Thus, there is now a conflict within the Ninth Circuit itself on the question of who has the burden - the copyright owner or the defendant - of proving whether the goods were imported with the copyright owner's authority!

*L'Anza Research International, Inc. v. Quality King Distributors, Inc.*, 98 F.3d 1109, 1996 U.S.App.LEXIS 27451 (9th Cir. 1996), cert. granted, 1997 WL 134348, 1997 U.S. LEXIS 3536 (1997); *Disenos Artisticos E Industriales, S.A. v. Costco Wholesale Corp.*, 97 F.3d 377, 1996 U.S.App.LEXIS 26335 (9th Cir. 1996) [ELR 19:2:15]

**Los Angeles News Service is awarded \$60,000 in statutory copyright damages against news agency that made unauthorized copies of videotapes of L.A. riots including Reginald Denny beating, but District Court denies claim for damages for transmission to Europe and Africa**

In 1992, Los Angeles police officers were acquitted on charges they had beaten Rodney King. Their acquittal sparked a riot in Los Angeles that resulted in more beatings, those of Reginald Denny and others. Those beatings, like King's, were caught on videotape too. The "Beating of Reginald Denny" and other scenes of the L.A. riots were taped by Los Angeles News Service, an independent newsgathering company owned by Robert and Marika Tur.

Los Angeles News Service makes its living by licensing rights to its news tapes to television stations and

others; and that is what it did with the videos it took of the beatings of Reginald Denny and a "Man in [a] White Panel Truck." Among the licenses it issued for these tapes was one to NBC for its use on the "Today" show.

Somehow, NBC overlooked or misunderstood the limited nature of its license, and NBC transmitted the "Today" show - including LA News Service's video - to the New York office of Visnews, a television news service jointly owned by NBC, Reuters and the BBC. Visnews made its own copy of the program and retransmitted it to subscribers in Europe and Africa. This interfered with LA News' ability to license its videos in those territories, and LA News responded by filing a copyright infringement suit.

District Judge Kim Wardlaw has ruled in favor of LA News Service, though the amount of the award - \$60,000 in statutory damages - was no doubt less than it hoped to get.

The two most important legal issues in the case were: whether Visnews' actions were excused by the fair use doctrine; and whether LA News Service could recover damages for the transmission of its videos to Europe and Africa, as well as for infringements that took place in the United States. Each side prevailed on one issue and lost on one issue.

On the fair use issue, the judge rejected Visnews' contention that its actions were non-infringing "fair use." It had made a strong and almost persuasive argument that they were, because in an earlier, separate and unreported case, Judge Richard Gadbois had held that the unlicensed broadcast of LA News' videos of the riot by television station KCAL-TV was a fair use. But Judge Wardlaw ultimately decided that the earlier ruling was not collateral estoppel in this case, because KCAL and Visnews are in different businesses and thus used the videos differently, and because it was not shown that

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Visnews had used the same segments as KCAL had broadcast. After doing the statutory four-part analysis, Judge Wardlaw concluded that only one of the factors - the nature of the copyrighted works - weighed in favor of fair use; and thus Visnews' use was not fair.

On the issue of whether LA News could recover for the transmission of its videos to Europe and Africa, the judge ruled in favor of Visnews. United States copyright law does not reach foreign countries, so "extraterritorial acts" do not infringe U.S. copyright. The Ninth Circuit so held, as recently as 1994, in the Subafilms case (ELR 16:5:10); and that is the case on which Visnews relied. LA News, however, sought to distinguish Subafilms by emphasizing that in this case, Visnews had made an unauthorized videotape copy of LA News' videos, and had done so in New York City before transmitting the images from that unauthorized copy to Europe and Africa.

Judge Wardlaw agreed that if a defendant made unauthorized copies in the U.S. and then sold them in Europe, the copyright owner could recover the profits the defendant made from those European sales. In this case, however, Visnews' copy was not sold abroad. Moreover, while the transmission of images from that tape began in New York City, the transmission ended abroad. And therefore, the transmission did not infringe U.S. copyright, because the transmission was not complete until the signal was received in Europe and Africa.

LA News was unable to prove its actual damages, because its evidence concerning lost sales was inadmissible hearsay. But it was entitled to recover statutory damages. LA News sought increased statutory damages, arguing that Visnews' infringement was willful. But Judge Wardlaw found that the evidence did not prove Visnews acted willfully. Visnews sought a reduction in statutory damages; but the judge found that it had not

proved that it was unaware and had no reason to believe that its acts constituted an infringement. As a result, Judge Wardlaw awarded LA News \$20,000 for each of two infringements of the "Beating of Reginald Denny" tape, and \$10,000 for each of two infringements of the "Beating of Man in White Panel Truck."

*Los Angeles News Service v. Reuters Television International*, 942 F.Supp. 1265, 1996 U.S.Dist.LEXIS 13582 (C.D.Cal. 1996), 942 F.Supp. 1275, 1996 U.S.Dist. LEXIS 15869 (C.D.Cal. 1996) [ELR 19:2:17]

**Appellate court affirms radio station's victory in copyright suit filed against it by company that creates promotional contests similar to one used by station; contest was not sufficiently original to be protected by copyright**

Radio station WPOR in Portland, Maine, has won a seemingly bitter dispute with a company that creates radio promotional contests. At issue in the case was whether a promotional contest used by WPOR was copied from a similar contest created by CMM Cable Rep, in violation of that company's copyright, trademark or trade dress rights. Ultimately, two courts and one jury answered that question by deciding that WPOR had not violated any of CMM's rights. But it has taken four published decisions - two by a federal District Court and two by the Court of Appeals - to get to that point. (The



earlier decisions are reported at ELR 17:1:19, 17:3:23, 17:9:22.)

By the time the case got to the appellate court for the second and final time, the only issue still alive was whether WPOR infringed a copyright claimed by CMM in a promotional contest it marketed to radio stations under the name "Payroll Payoff" and in printed brochures used in connection with that contest. WPOR's contest, which the station called "Payday Contest," was similar to CMM's and it used similar printed brochures.

The heart of CMM's case was in the similarities between the two contests and their printed materials. The flaw in CMM's case was that CMM had "borrowed" the idea for its contest from an earlier radio promotion created by someone else. The earlier contest was aimed at women and did not involve printed materials. CMM built on that idea by creating a contest that would

appeal to men as well as women and included printed materials.

But the Court of Appeals affirmed the District Court's ruling that CMM's additions to the earlier idea were not sufficiently original to give CMM copyright protection for its version of the contest. And while CMM's printed materials were protected by copyright, the jury found WPOR had not copied any copyright-protected portions of those materials.

*CMM Cable Rep, Inc. v. Ocean Coast Properties, Inc.*,  
97 F.3d 1504, 1996 U.S.App.LEXIS 24955 (1st Cir.  
1996) [ELR 19:2:18]

**Manufacturer of disc containing "new levels" of play for computer game "Duke Nukem 3D" infringed game's copyright by reproducing game scenes on packaging for new level disc and including game scenes and sounds as screen savers on new level disc, but new levels themselves do not infringe game's copyright, federal district court rules in granting limited preliminary injunction**

"Duke Nukem 3D" is a computer game in which players attempt to kill monsters and other evil creatures. It comes with 29 levels of play. In case those aren't enough, it also comes with a game "editor" that allows players to create their own "new levels." Moreover, the game's exit-message tells players that if they create new levels of their own, they can pass them on to friends and even upload them "to other Dukers on-line."

Some 300 new levels have been created and uploaded by "Duke Nukem" customers. A company known as Microstar downloaded these 300 new levels from the Internet, and sells them (61,000 copies already!) on a disc that Microstar calls "Nuke It." "Duke Nukem's" manufacturer objected, and when Microstar filed a declaratory relief lawsuit, the manufacturer responded with a copyright and trademark infringement cross-complaint and sought a preliminary injunction. Federal District Judge Marilyn Huff has granted the injunction, though not quite as broad a one as had been requested.

In order to use Microstar's "Nuke It," players must have a copy of "Duke Nukem." Moreover, all of the audiovisual elements that appear on screen when players are using "Nuke It" originate from "Duke Nukem," not from "Nuke It." The new level files contained on Microstar's "Nuke It" disc are simply data

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files. This influenced Judge Huff to rule that the manufacture of "Duke Nukem" does not own a copyright in the data files that house the new levels of play. The judge therefore held that the new levels on Microstar's "Nuke It" disc do not infringe copyright. This ruling made moot Microstar's contention that the exit-message inviting players to create and share new levels of their own constituted a waiver of any claims for copyright infringement the manufacturer of "Duke Nukem" might otherwise have had.

On the other hand, Microstar's packaging for its disc includes 30 screen shots reproduced from scenes in "Duke Nukem," and the judge found that those reproductions do infringe copyright. Also, some versions of Microstar's disc contain screen saver images taken from "Duke Nukem," and those infringe as well. As a result, the judge has issued a preliminary injunction requiring Microstar to stop making and recall discs with infringing

images on their packages and to stop including infringing screen savers on its discs.

The judge ruled against the trademark counterclaims, because Microstar had begun affixing a disclaimer sticker to its "Nuke It" packaging which adequately prevented any likelihood of confusion. Trade dress and false advertising claims were rejected as well.

*Microstar v. Formgen, Inc.*, 942 F.Supp. 1312, 1996 U.S. Dist. LEXIS 16000 (S.D. Cal. 1996) [ELR 19:2:18]

**Court of Appeals reinstates million-dollar jury verdict against ABC in defamation action brought by company that made garbage recycling machine which "World News Tonight" said "does not work"; Supreme Court denies ABC request to review case**

Garbage recycling is a two-step procedure. The garbage itself has to be processed, usually by a machine of some sort. Then the processed materials have to be sold to someone who will use them to make something else. If the processing machine doesn't operate properly, the procedure doesn't work. If the machine does work, but the processed materials can't be sold, the procedure doesn't work. The problem with television news is that precise, multi-step explanations like this are rarely used. Instead, TV reporters use everyday conversational language which may result in the loss of potentially important nuances. Just such a loss of nuance has resulted in a

judgment of more than a million dollars against ABC in a defamation action filed by Lundell Manufacturing Company, a company that once manufactured garbage recycling machines.

Berrien County, Georgia, was one of Lundell's customers. It bought a Lundell garbage recycling machine, and the machine operated just fine. Unfortunately, Berrien County couldn't sell the by-products at a price that would cover the machine's operating expenses. Berrien County taxpayers were upset by this, of course.

In 1992, ABC's "World News Tonight" broadcast a report on Berrien County's predicament as part of the program's continuing series "Anger in America." During that segment, reporter Rebecca Chase said "taxpayers are angry that they are stuck with a three million dollar debt for this garbage recycling machine that they never approved and does not work." Lundell responded with a



defamation suit, saying that it never sold another machine after that broadcast.

The case was tried to a jury which found in favor of Lundell and returned a verdict of \$900,000 for injury to the company's reputation and another \$158,000 for lost profits. However, the trial court granted ABC's post-verdict motion for judgment as a matter of law, ruling that the report was substantially true. The trial court did so, because it agreed with ABC that when the report said the "garbage recycling machine . . . does not work," the report meant that the recycling system did not work because the machine's by-products could not be sold for enough to cover the machine's operating costs. The trial court also ruled that even if the report had been false, there was insufficient evidence to support the lost profits portion of the jury's verdict.

Lundell appealed, and has won a reinstatement of the jury's full verdict. In an opinion by Judge John

Gibson, the appellate court ruled that "Contrary to ABC's interpretation, the statement did not identify the system as not working, but the machine itself." Moreover, Judge Gibson added, "When the language used is capable of two meanings, including the one ascribed by a complainant, it is for the jury to decide the meaning conveyed." The appellate court nevertheless reviewed a videotape of the report itself, and said "we are satisfied that a reasonable jury could conclude that the statement that the machine 'does not work' meant that the machine was inoperable."

ABC also attacked the amount awarded as damages, arguing that federal courts in the District of Columbia had ruled that corporations have no personal reputations and thus could recover only lost profits. Judge Gibson was not persuaded by those cases, however. He said, "Iowa courts . . . appear to uniformly allow business entities to recover damages for injury to

their reputation as well as lost profits"; and those are the cases Judge Gibson chose to follow. The appellate court also ruled that evidence that Lundell never sold another machine after the ABC broadcast was "more than sufficient" to support the jury's lost profits award.

ABC sought review by the Supreme Court, but the Court has denied ABC's petition.

*Lundell Manufacturing Company, Inc. v. American Broadcasting Companies, Inc.*, 98 F.3d 351, 1996 U.S.App.LEXIS 26790 (8th Cir. 1996), cert. denied, 117 S.Ct. 1470, 1997 U.S. LEXIS 2557 (1997) [ELR 19:2:19]

**Wisconsin's two-year statute of limitations applies to libel lawsuit filed by sports agent against publisher of former client's autobiography, even though case's only connection with Wisconsin is that 41 copies of the book were sold there, and even though claim would be barred by one-year limitation periods elsewhere**

Sports agent A.J. Faigin once represented Buffalo Bills quarterback Jim Kelly. Their relationship was briefly recounted by Kelly in his autobiography *Armed and Dangerous*. That brief passage has sparked (at least) two libel lawsuits: one by Faigin against Kelly and his co-author, sportswriter Vic Carucci, in federal court in New Hampshire; and a second by Faigin against the book's publisher, Doubleday Dell, in federal court in Wisconsin. So far, the cases have not produced any published rulings on the merits of Faigin's defamation

claim. But they have produced two rulings on issues of civil procedure.

Regular readers of these pages may recall that in Faigin's suit against Kelly and Carucci, a federal District Court in New Hampshire has held that it has personal jurisdiction to hear the case, even though only 36 copies of the book were sold there, and even though Kelly and Carucci both live in New York and Faigin lives in California. (ELR 18:6:16)

Now, in Faigin's case against Doubleday Dell, a federal Court of Appeals has held that a federal District Court in Wisconsin mistakenly dismissed the case because it incorrectly ruled that it was time-barred by the one-year statute of limitations found in the law of New York and California. The lower court thought New York or California law was applicable because Doubleday Dell is located in New York, Kelly and Carucci live in New York, and Faigin lives in California. Also, while

Wisconsin has a two-year statute of limitations for defamation claims, it also has "borrowing statute." Wisconsin's borrowing statute provides that if an action is filed in Wisconsin based on a "foreign cause of action," the applicable statute of limitations is whatever statute of limitations is shorter between Wisconsin's and the other state's. The lower court concluded that Faigin's case was based on a "foreign cause of action," because it involved a claim that arose primarily in California (where Faigin lives) or New York (where Doubleday, Kelly and Carucci are located).

But the Court of Appeals has reversed that decision, ruling that Wisconsin's own two-year statute of limitations applies to Faigin's case. The difference between Wisconsin's two-year period and California and New York's one-year period matters, because Faigin filed his suit more than one year but less than two years after the book was published.

In an opinion by Judge Ilana Diamond Rovner, the appellate court held that the Wisconsin borrowing statute does not clearly indicate which state's law should be applied when injuries are suffered in several states at once, as they usually are in defamation cases, rather than in just one state. Judge Rovner concluded that when injuries are suffered in Wisconsin as well as elsewhere, the cause of action is not "foreign," and thus Wisconsin's statute of limitations should apply. This result was necessary, Judge Rovner said, in order to give defamation plaintiffs the full benefit of Wisconsin's two-year period. Otherwise, their claims would be barred by the shortest statute of limitations found in the law of any state where publication may have occurred.

Judge Terence Evans dissented. He said that the rule adopted by the majority would simply encourage forum-shopping - something he thought had occurred in this very case, since none of the parties was located

there, and Wisconsin's only contact with the case resulted from a mere 41 copies of the book being sold there while 99.86% of the book's sales were made elsewhere.

*Faigin v. Doubleday Dell Publishing Group*, 98 F.3d 268, 1996 U.S.App.LEXIS 26776 (7th Cir. 1996) [ELR 19:2:20]



**High school drama teacher stated valid First Amendment claim against Board of Education that transferred her to another school in retaliation for her selection of the play "Independence" for performance by students in her advanced acting class, federal appellate court rules**

Margaret Boring is a drama teacher at a high school in North Carolina. By 1991, she had been teaching in the Buncombe County school district for 12 years, and had developed a "national reputation for excellence in teaching drama and directing and producing theater." Indeed, plays she produced have won a number of awards, and many of her students have received theater-related scholarships to college - \$260,000 in scholarships for 1992 graduates alone.

But in fall of 1991, Boring did something that threatens to have a serious impact on her career. She

selected the play "Independence" to be performed by students in her advanced acting class. "Independence" is a drama that "powerfully depicts the dynamics within a dysfunctional, single-parent family." The family consists of a divorced mother and her three daughters, one of whom is a lesbian and another of whom is pregnant with an illegitimate child. Perhaps not surprisingly, the play created controversy. A parent complained to the high school principal. And at the end of the school year, the principal transferred Boring to a junior high school.

Boring appealed to the Board of Education which upheld the transfer. In response, Boring sued, alleging that she was transferred in violation of her First Amendment rights. A federal District Court disagreed, however, and granted the Board's motion to dismiss for failure to state a claim.

The Court of Appeals has reversed, and has remanded the case for further proceedings. Writing for a

majority of the panel, Judge Diana Gribbon Motz has held that Boring's selection of "Independence" was protectable expression under the First Amendment. Although the judge acknowledged that school officials have the right to restrict a teacher's speech if they have "legitimate pedagogical reasons" for doing so, the record in this case did not reveal whether the Board had any such reasons because the case was dismissed - before any evidence was introduced - for failure to state a claim. "Although the First Amendment affords a teacher only limited refuge in this context," Judge Motz said, "we conclude that it does not leave a teacher so completely without protection that her complaint failed to state a claim."

Judge Emory Widener dissented.

*Boring v. Buncombe County Board of Education*, 98 F.3d 1474, 1996 U.S.App.LEXIS 28290 (4th Cir. 1996) [ELR 19:2:20]

**New York City law that bars visual artists from selling their works in public places without vendors license violates their First Amendment and Equal Protection rights, federal appellate court rules**

Art is in the eye of the beholder. And so too is the difference between art that is mere merchandise and art that is protected speech.

The distinction between merchandise and speech was at the heart of a case about the constitutionality of a New York City law that requires visual artists to obtain a general vendors license in order to sell their works in public places. The law was challenged by artists who

couldn't get the necessary license, because the number of licenses the City will issue is limited to 853, and there is a three to five year wait to get one.

At first, the artists' challenge was not successful. Federal District Judge Miriam Cederbaum denied their request for a preliminary injunction, ruling that the law is constitutional. (ELR 18:3:15) On appeal, however, the artists have prevailed. In an opinion by Judge Robert Carter, the Court of Appeals has held that the law violates both the First Amendment and the Equal Protection clause.

Judge Carter rejected the City's suggestion that it could regulate the sale of visual art, just as it does the sale of merchandise. Rather, the judge said that "Visual art is as wide ranging in its depiction of ideas, concepts and emotions as any book, treatise, pamphlet or other writing, and is similarly entitled to full First Amendment protection." Indeed, in a passage that artists are likely to

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reproduce and hang in their studios, Judge Carter noted that "written language is far more constricting because of its many variants - English, Japanese, Arabic, Hebrew, Wolof, Guarani, etc. - among and within each group and because some within each language group are illiterate and cannot comprehend their own written language. The ideas and concepts embodied in visual art have the power to transcend these language limitations and reach beyond a particular language group to both the educated and illiterate."

The appellate court assumed that the law is content-neutral and would therefore pass constitutional muster if it were narrowly tailored to serve a significant governmental interest, and if it left open ample alternative channels of communication. Judge Carter also accepted New York City's argument that it has a significant interest in keeping public spaces free of congestion. Nonetheless, the law does not satisfy these

requirements, the appellate court concluded. Because of the long wait to obtain a license, the law effectively bars an entire category of speech. This was more than the City had to do to prevent congestion; a more narrowly tailored law that simply regulated the time, place and manner of visual art sales could have accomplished that purpose. Moreover, the law did not leave open alternative channels for many artists, because museum and gallery space are drastically limited in New York City.

Finally, Judge Carter concluded that the law also violates the Equal Protection clause, because those who sell newspapers, books and other written matter do not need a license. The distinction between visual art and written material does not satisfy the "rational basis test," he said.

*Bery v. City of New York*, 97 F.3d 689, 1996 U.S.App. LEXIS 26492 (2d Cir. 1996) [ELR 19:2:21]

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**Constitutionality of California statute banning sale of "matter" that is "harmful for minors" in unsupervised newsracks is upheld; First Amendment challenge by publishers, distributors and consumer of "Hollywood Playdates" and other periodicals is rejected**

The judges took a high-minded approach to the case, saying they came upon it "at the confluence of two streams of concern which flow through our polity - our concern for the protection of our First Amendment freedoms and our concern for the protection of our children." What the case involved, specifically, was the sale of adult periodicals, like Hollywood Playdates and The Sun, from sidewalk newsracks, and the way in which such sales are effectively banned by a recently-enacted California statute that penalizes the sale from



unsupervised vending machines of "matter" that is "harmful to minors."

The constitutionality of the statute was challenged by the publishers, distributors and a consumer of those publications. They argued that it violates the First Amendment, on its face, because it discriminates against the sale of certain publications on the basis of their content without being narrowly tailored to achieve a compelling state interest. This argument was rejected by federal District Judge Manuel Real who upheld the constitutionality of the statute. And that ruling has been affirmed on appeal, in an opinion by Judge Ferdinand Fernandez.

The appellate court agreed with the challengers on one issue: the statute is a content-based regulation and thus had to survive "strict scrutiny" in order to be constitutional. On the other hand, the appellate court agreed with California's Attorney General (and other

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California law enforcement officials) that the statute does survive such scrutiny. Judge Fernandez noted that there is a compelling state interest in protecting minors. And he concluded that the statute "tightly fits" that compelling interest. "Given the unusually easy availability of materials in . . . unsupervised newsracks, we find it difficult to see how the State could have fashioned a statute that accomplished its goals while leaving the newsracks themselves untouched," he explained.

The losing challengers petitioned the Supreme Court for certiorari, but the Court has denied their petition.

*Crawford v. Lungren*, 96 F.3d 380, 1996 U.S.App. LEXIS 23907 (9th Cir. 1996), cert. denied, 117 S.Ct. 1249, 1997 U.S. LEXIS 1679 (1997) [ELR 19:2:22]

**Federal Court of Appeals rules that Arkansas public television station could not exclude legally qualified candidate from televised debate on the grounds he was not a "viable" candidate, but Iowa public station could exclude candidates from debates on grounds they were not "newsworthy"; Supreme Court to review "viability" decision**

Hard cases sometimes require fine distinctions. And disputes about whether certain political candidates should be included in pre-election debates often result in hard cases. This point is perfectly illustrated by two recent decisions of the federal Court of Appeals for the Eighth Circuit in similar but separate cases brought by candidates who were excluded from debates broadcast by public television stations in their respective states.

In one case, the court ruled that the Arkansas Educational Television Network violated the First

Amendment rights of a candidate for Congress when it excluded him from a televised debate among the other candidates for the office he was seeking. Though the excluded candidate was "legally qualified," the Network did not permit him to participate because it concluded he was not a "viable" candidate.

In an opinion by Chief Judge Richard Arnold, the appellate court held that "a governmentally owned and controlled television station may not exclude a candidate, legally qualified under state law, from a debate organized by it on such a subjective ground. To uphold such a defense would, in our view, place too much faith in government. . . . Whether he was viable was, ultimately, a judgment to be made by the people of the Third Congressional District, not by officials of the government in charge of channels of communication."

The Arkansas Educational Television Network petitioned the Supreme Court to review the case, and the

Court has granted that petition. The Supreme Court will hear the Network's appeal next term and is likely to issue its decision during the first half of 1998.

Not long after it decided the Arkansas public television case, the Eighth Circuit decided a separate case that arose out of a decision by the Iowa Public Television network to exclude several candidates for Congress and the Senate from pre-election debates broadcast by it. The Iowa network had selected candidates for the debates on the basis of their "newsworthiness," and the excluded candidates were not selected because in the opinion of the network, they were not newsworthy.

In an opinion by Judge Frank Magill, the court ruled that the network had a compelling interest in presenting newsworthy programs, and thus the exclusion of candidates who were not newsworthy did not violate the First Amendment.

Judge Magill said that the court's earlier decision in the Arkansas public television case "cannot be read to mandate the inclusion of every candidate on the ballot for any debate sponsored by a public television station. Nor does [that case] suggest that public television station administrators, because they are government actors, have no discretion whatsoever in making broadcast determinations." Judge Magill sought to distinguish the Arkansas case from the Iowa case by saying, "Unlike 'viability,' which is ultimately for the voters to decide, 'newsworthiness' is peculiarly a decision within the domain of journalists."

Judge Magill's distinction between "viable" and "newsworthy" candidates did not satisfy Judge Arlen Beam who was one of the three judges assigned to the Iowa case. Judge Beam dissented, saying that "The court . . . seeks to distinguish the indistinguishable. . . . In my view, there can be no realistic argument advanced

that a subjective opinion by a government employee that a candidate is or is not 'newsworthy' is different from a subjective conclusion that he or she is not 'politically viable.' The inquiry involves two peas from the same analytical pod."

*Forbes v. Arkansas Educational Television Commission*, 93 F.3d 497, 1996 U.S.App.LEXIS 21152 (8th Cir. 1996), cert. granted, 117 S.Ct. 1243, 1997 U.S. LEXIS 1639 (1997); *Marcus v. Iowa Public Television*, 97 F.3d 1137, 1996 U.S.App.LEXIS 26771 (8th Cir. 1996) [ELR 19:2:22]

**Pony League violated Americans with Disabilities Act by refusing to permit 11-year-old boy with cerebral palsy to play baseball with 9 and 10-year-old players, federal District Court rules**

Pony Baseball, Inc., and its affiliated league in Hemet (California) violated the Americans with Disabilities Act by refusing to permit an 11-year-old boy with cerebral palsy to play in the division for 9 and 10-year-old players, District Judge Consuelo Marshall has ruled. The ADA requires organizations to make reasonable accommodations for people with disabilities. In this case, the judge found that the defendants rejected a request by the boy's father that his disabled son be permitted to "play down," based on their "assumed and unsubstantiated concerns of a possible risk of harm to the [boy] and other players, and insurance ramifications." This was illegal, Judge Marshall held, because the



baseball organizations should have made necessary and reasonable attempts to "ascertain what modifications, if any, were plausible in order to accommodate the [boy's] disability, either by permitting him to `play down'" or in some other way.

*Shultz v. Hemet Youth Pony League, Inc.*, 943 F.Supp. 1222, 1996 U.S.Dist.LEXIS 19739 (C.D.Cal. 1996) [ELR 19:2:23]

## DEPARTMENTS

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[ELR 19:2:24]