IN THE NEWS

Houghton Mifflin is enjoined from publishing "The Wind Done Gone" in infringement suit filed by owner of copyright to "Gone With the Wind"; court finds substantial similarity between the two, and rejects fair use defense

Later this summer, Houghton Mifflin Company was to have published The Wind Done Gone by author (and songwriter) Alice Randall. Those plans have been cancelled, however, because federal District Judge Charles Pannell has issued a preliminary injunction barring Houghton Mifflin from publishing the book.

If the enjoined book's title reminds you of Margaret Mitchell's Gone With the Wind, you're right. Randall's The Wind Done Gone is not an authorized sequel to Mitchell's 1936 mega-bestseller, however. It is admittedly unauthorized, and that's part of what got it enjoined. The question of whether it's a sequel at all was a central issue decided by Judge Pannell, on his way to issuing the preliminary injunction.

The lawsuit in which the injunction was issued is a copyright infringement case against Houghton Mifflin, filed by Suntrust Bank as the Trustee of the Mitchell Trusts, the current owners of the still-valid copyright to Gone With the Wind. (Though first published in 65 years ago, Gone With the Wind's copyright hasn't yet expired, because in 1978 the duration of copyrights to then-published works was extended from 56 to 75 years. Later, as a result of the Sony Bono Copyright Term Extension Act, the duration of those copyrights was extended an additional 20 years, so Gone With the Wind's copyright will last through 2031.)

As described by Judge Pannell, Randall's The Wind Done Gone "chronicles the diary of a woman named Cynara, the illegitimate daughter of Planter, a plantation owner, and Mammy, a slave who cares for his children." The judge found that the Randall's book infringes the copyright to Gone With the Wind because it: "(1) explicitly refers to Gone With the Wind in its foreword; (2) copies core characters, character traits, and relationships from Gone With the Wind; (3) copies and summarizes famous scenes and other elements of the plot from Gone With the Wind; and (4) copies verbatim dialogue and descriptions from Gone With the Wind."

In its failed attempt to ward off a preliminary injunction, Houghton Mifflin contended that "while The Wind Done Gone may have borrowed 'ideas' from Gone With the Wind, such borrowing does not constitute copyright infringement since there is no substantial similarity in a protectible expression."

Judge Pannell disagreed however. "The characters of Gone With the Wind are copyrightable, apart from the story they inhabit, and cannot be used in a new work without the permission of the copyright owner," the judge said. "The Wind Done Gone uses fifteen fictional characters from Gone With the Wind, incorporating their physical attributes, mannerisms, and the distinct features that Ms. Mitchell used to describe them, as well as their complex relationships with each other. Moreover," he added, "the various locales (Atlanta, Tara or Tata, Twelve Oaks or Twelve Slaves Strong, Charleston), settings, characters, themes, and plot of The Wind Done Gone closely mirror those contained in Gone With the Wind."

Judge Pennell did acknowledge that there are significant differences between the two novels. Gone

With the Wind "is a third person epic," he said, while The Wind Done Gone" is told in the first person as an intimate diary . . .." Nevertheless, he found, The Wind Done Gone "does not simply comment on the antebellum South by giving the untold perspective of a mulatto slave who is sold from the plantation, develops a relationship with a caucasian, lives well and travels the world. Rather, the new work tells Gone With the Wind's story, using its characters, settings, and plot." Moreover, "The Wind Done Gone continually appropriates direct quotes from Gone With the Wind." And "[t]he first 100 pages of the work essentially retell the central chapters of Gone With the Wind, by reducing them to several pages of text."

For these reasons, the judge found "as a matter of fact that the substantial similarities between the two works involve actionable copyrightable elements and that an average lay observer or a reasonable juror would find the works substantially similar in expression."

Randall has said that she was motivated to write her book by historical inaccuracies in Gone With the Wind, and that she intended her book to be a criticism of Mitchell's portrayal of the South. This meant that even if The Wind Done Gone was substantially similar to Gone With the Wind, Randall's book might have been protected from infringement liability by the fair use doctrine. Houghton Mifflin so argued, but Judge Pannell disagreed.

The judge did the four-part fair use analysis required by the Copyright Act, and he found that at least three of those factors counted against fair use. The only factor that didn't count against fair use was the nature of The Wind Done Gone. While the judge agreed with Houghton Mifflin that Randall's book is "transformative," he found that is transformative only in part, and that it also is commercial. Thus, the judge didn't seem to count this factor either for or against fair use.

The nature of Gone With the Wind counted against fair use, because it is a creative work.

The amount and substantiality of what was copied also counted against fair use, because in Judge Pannell's view, Randall copied more than was necessary. "The Wind Done Gone could have copied significantly less of the memorable parts of the original," he said, "and its parodic character 'would have come through.'"

Finally, the effect of The Wind Done Gone on market value of Gone With the Wind also counted against fair use, because if published, Randall's book would be likely to have a negative effect on the value of sequel rights to Mitchell's book. This was significant, because the Mitchell Trusts have authorized the publication of sequels. In 1991, they licensed Warner Books to publish a sequel entitled "Scarlett" by Alexandra Ripley. And the Trusts have since authorized St. Martin's Press to publish a second sequel, in return for an advance "well into seven figures."

Suntrust Bank v. Houghton Mifflin Co., U.S.D.C., N.D.Ga., Case No. 1:01-CV-701-CAP (N.D.Ga. 2001), available at www.gand.uscourts.gov/documents/101cv701pre.pdf [ELR 22:12:4]

California Supreme Court affirms ruling that artist Gary Saderup infringed Three Stooges' rights of publicity by reproducing their likenesses on lithographs and T-shirts

Artist Gary Saderup successfully persuaded the California Supreme Court that works of art may be entitled to First Amendment protection against right of publicity claims by celebrities, even if those works are mass reproduced on lithographs and T-shirts. The court made plain, however, that First Amendment protection does not extend to all such works.

Moreover, the court determined that Saderup's charcoal drawing of The Three Stooges - though created with "undeniable skill" - was among those artworks not entitled to First Amendment immunity from right of publicity liability. As a result, the court has affirmed a $225,000 judgment against him - a judgment that had previously been upheld by the California Court of Appeal (ELR 20:12:12)).

At the heart of this important decision is a California statute, first enacted in 1984, that protects the publicity rights of celebrities (and others) after their deaths, if their rights are registered and certain other conditions are satisfied. In cases where it applies, the statute prohibits the unauthorized use of a person's identity in advertising or on products; and it permits that right to be transferred by contract, trust or will.

Saderup was sued by Comedy III Productions, Inc., the company to which The Three Stooges' rights of publicity had been transferred, because he mass reproduced his Three Stooges drawing on lithographs and T-shirts that he sold for profit.

Saderup did not dispute that The Three Stooges' publicity rights were eligible for protection under the California statute, or that those rights had been registered, or that they had been transferred to Comedy III. Rather, Saderup argued that he should not be held liable for two reasons: because the statute applies only to advertisements, not to lithographs or T-shirts; and because applying it to his work would violate his First Amendment free speech and press rights.

In an opinion by Justice Stanley Mosk, the California Supreme Court unanimously rejected both of these arguments.

Justice Mosk had no difficulty determining that the statute applies to lithographs and T-shirts, as well as to advertising. He noted that before the statute was enacted in 1984, an existing 1971 statute - granting publicity rights only to the living - contained no language expressly prohibiting the unauthorized use of a person's identity on products. The language of the 1971 statute merely prohibited such uses in advertising. In 1984, however, that 1971 statute was amended to add language prohibiting unauthorized uses on "products, merchandise or goods"; and that same language was written into the 1984 statute protecting the publicity rights of the deceased. "By producing and selling . . . lithographs and T-shirts," Justice Mosk concluded, "Saderup thus used the likeness of The Three Stooges 'on . . . products, merchandise, or goods' within the meaning of the statute."

The more difficult question was whether Saderup's First Amendment rights would be violated by applying the statute to his work. Justice Mosk recognized a conflict between the right of publicity statute and the First Amendment. He even held that the Court of Appeal had been in "error" when it ruled that Saderup was not protected by the First Amendment because he had reproduced his drawing. "[R]eproductions are equally entitled to First Amendment protection," the Justice said.

Rather than distinguishing between original art works and reproductions, the California Supreme Court "formulate[d] instead what is essentially a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation." When this test was applied to Saderup's drawing, the Supreme Court concluded that "there are no such creative elements here and that the right of publicity prevails."

The test adopted by the California Supreme Court is a new one. Justice Mosk had to resort to something new, because most right of publicity cases arise out of advertisements; and commercial speech receives less First Amendment protection than other types of expression. This case, however, "does not concern commercial speech," the Justice said, because

"Saderup's portraits of The Three Stooges are expressive works and not an advertisement for or endorsement of a product." Moreover, he added, the fact that Saderup's art appeared on T-shirts did not result in reduced First Amendment protection.

What matters, Justice Mosk explained, is "whether the celebrity likeness is one of the 'raw materials' from which an original work is synthesized, or whether the depiction or imitation of the celebrity is the very sum and substance of the work in question. We ask, in other words, whether a product containing a celebrity's likeness is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness."

"Furthermore," the Justice added, "in determining whether a work is sufficiently transformative, courts may find useful a subsidiary inquiry, particularly in close cases: does the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted?" If not, "then there would generally be no actionable right of publicity." This is so, because "When the value of the work comes principally from some source other than the fame of the celebrity - from the creativity, skill, and reputation of the artist - it may be presumed that sufficient transformative elements are present to warrant First Amendment protection." However, Justice Mosk added, even if the value of the work comes primarily from the celebrity, "it does not necessarily follow that the work is without First Amendment protection - it may still be a transformative work."

The reason that these tests did not carry Saderup to success was that the Supreme Court could "discern no significant transformative or creative contribution. His undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of The Three Stooges so as to exploit their fame. Indeed, were we to decide that Saderup's depictions were protected by the First Amendment, we cannot perceive how the right of publicity would remain a viable right other than in cases of falsified celebrity endorsements. Moreover, the marketability and economic value of Saderup's work derives primarily from the fame of the celebrities depicted. While that fact alone does not necessarily mean the work receives no First Amendment protection, we can perceive no transformative elements in Saderup's works that would require such protection."

Comedy III was represented by Bela G. Lugosi, Robert N. Benjamin and Caroline H. Mankey, Benjamin Lugosi & Benjamin, Glendale. Saderup was represented by Brand Cooper and Edward C. Wilde, Cooper Kardaras & Scharf, Pasadena.

Comedy III Productions, Inc. v. Gary Saderup, Inc., Supreme Court of California, No. S076061 (Cal. 2001), available at www.courtinfo.ca.gov/opinions/documents/S076061.PDF [ELR 22:12:5]

INTERNATIONAL DEVELOPMENTS

German Court of Appeal affirms copyright infringement judgment against AOL Germany, on account of uploading and downloading of MIDI music files from AOL server in United States

The unauthorized distribution of music recordings over the Internet is a worldwide phenomenon. Though MP3 files have been the format of choice of infringers in copyright cases litigated in the United States, MIDI files were at the heart of a recent decision in Germany. MIDI files are digital music recordings made with a keyboard connected to a computer. The technological differences between MP3 and MIDI files should not have been relevant to the outcome of the case, and ultimately they weren't - though the technical nature of MIDI files was one of several issues raised in the case.

A German Court of Appeal has affirmed a judgment for 99,000 Deutsche Marks (about $44,000) against AOL Germany on account of the unauthorized uploading and downloading of MIDI files from a "MIDI forum" hosted on an AOL server in the United States. The judgment was won by Hit Bit Software GmbH, a German company that produces MIDI files for sale on disk and over the Internet.

The Hit Bit MIDI files at issue in the case were instrumental versions of songs entitled "Get Down," "Samba de Janeiro" and "Freedom." They were recorded by a musician who had listened to earlier recordings of the songs, wrote arrangements suitable for MIDIs, and then recorded them in Hit Bit's studio. The musician assigned his rights in the MIDIs to Hit Bit, which obtained the necessary "utilization rights" (what in the U.S. would be called "mechanical licenses") from GEMA, Germany's mechanical (and performing) rights society.

Hit Bit sold these MIDIs for 29.90 Deutsche Marks (just over $13) each, primarily to solo vocalists who use them as instrumental accompaniment while performing at dances and the like.

In its defense to Hit Bit's infringement suit, AOL Germany argued that: AOL Germany didn't know that Hit Bit's files were being downloaded from the AOL MIDI forum, and thus it could not be held liable under German law; MIDI files aren't "sound recordings" of the type protected by German copyright law; Hit Bit isn't the owner of any rights that might exist in the MIDI files; and AOL Germany couldn't be held liable for downloads from a server located in the United States.

None of these arguments was successful.

In a unanimous three-judge decision, the Court of Appeal held that a provision of Germany's Teleservices Law that makes providers of communications services liable for "illegal content" only if they have knowledge of the "illegal content" does not apply "in cases of copyright infringement."

The appellate court also ruled that MIDI files are "sound recordings" protected by German copyright law. Indeed, the appellate court found AOL Germany's "view that MIDI files are not sound recordings" to be "incomprehensible."

It held that the MIDI files at issue in the case embodied their performer's exclusive rights to reproduce and distribute them under German copyright law, which rights he validly transferred to Hit Bit, and these rights were not controlled by GEMA because neither Hit Bit nor the performer were GEMA members.

And the appellate court held that although the AOL members who uploaded and downloaded Hit Bit's MIDI files were "responsible for the infringement . . . in the first place," AOL Germany was "responsible alongside them." This was so, the court explained, regardless of whether AOL Germany was itself the host of the MIDI forum - something which was not the case - or whether AOL Germany merely provided "the point of presence" over which copying was done.

AOL Germany was not protected from liability by the fact that AOL warned subscribers that only non-copyrighted MIDIs could be uploaded and downloaded from its MIDI forum. "In view of the anonymity of the

Internet," the court explained, "these notices were not suitable to limit substantially the well-founded risk of infringement of rights by AOL members through the setting up of the forum. . . ."

Hit Bit Software was represented by Poll & Ventroni, Munich. AOL Germany was represented by Schwartz and Associates, Munich.

Hit Bit Software GmbH v. AOL Bertelsmann Online GmbH, Oberlandesgericht Munich, 29th Civil Division, Case No. 29 U 3282/00 (8 March 2001), available at www.juriscom.net/en/txt/jurisde/da/olgmunich20010308.pdf [ELR 22:12:7]

WASHINGTON MONITOR

Librarian of Congress adopts decision of Copyright Arbitration Royalty Panel allocating among songwriters and publishers Digital Audio Recording royalty fees for 1995-1998

Songwriters Alicia Carolyn Evelyn and Eugene "Lambchops" Curry, along with Curry's publisher TaJai Music, Inc., are entitled to miniscule shares of the Digital Audio Recording royalty fees collected by the Copyright Office for 1995, 1997 and 1998 - much to their chagrin. They had been hoping, and litigating, for 1% of those fees each, even though thousands of other songwriters and music publishers were entitled to share in those fees as well.

The fees in question are those that are paid by manufacturers (and importers) of "digital audio recording devices" and "digital audio recording media," as a consequence of the Audio Home Recording Act of 1992 (ELR 14:7:13). (In everyday language, these fees are referred to as "blank tape" and "digital recorder" royalties.) Two-thirds of those royalties are allocated (by the Act) to the recording industry (to be divided among record companies, featured recording artists, non-featured vocalists, and non-featured musicians). The other one-third is allocated to the music publishing industry, to be divided equally between songwriters and music publishers.

The shares allocated to songwriters and publishers are called the Musical Works Funds. All songwriters and publishers - except for Evelyn, Curry and his publisher - were able to agree among themselves, without litigation, on how the Musical Works Funds for 1995 through 1998 should be allocated. Since, however, Evelyn and Curry did not agree, a Copyright Arbitration Royalty Panel proceeding was conducted, to determine their rightful shares.

The CARP decided that: Evelyn is entitled to 0.000614% of the Writer's share of the Musical Works Fund for 1995, 0.000130% for 1997, and 0.000144% for 1998; and Curry and his publisher are entitled to 0.001966% for 1995 and 0.001027% for 1997, each, of the Writer's and Publisher's shares. The balance of the Funds - more than 99.99% for each year - has been allocated to the songwriters and publishers who settled (to be divided among them in whatever percentages they have agreed). The Register of Copyrights recommended that the CARP's decision be adopted; and the Librarian of Congress has done so.

The CARP determined what percentages Evelyn, Curry and his publisher were entitled to receive by calculating what percentage of all recordings sold during those years were recordings of songs they had written and published. Ironically, they didn't submit any evidence concerning sales (or performances) of their recordings. Instead, the other parties to the proceeding - the songwriters and publishers who had settled among themselves - provided the CARP with evidence concerning sales of Evelyn and Curry's songs.

Evelyn, Curry and his publisher were content to simply demand 1% each, for two reasons.

First, virtually all of the songwriters and publishers who settled among themselves were represented by ASCAP, BMI, SESAC, the Harry Fox Agency, the Songwriters Guild of America, and Copyright Management, Inc. Evelyn and Curry argued that those organizations did not have legal authority to represent individual songwriters and publishers in digital royalty proceedings.

However, the CARP found that Copyright Act permits them to, and that they had followed the procedures for doing so required by Copyright Office regulations. The Register of Copyrights agreed, as has the Librarian of Congress.

Second, the settling parties obtained data concerning sales of recordings of songs written by Evelyn and Curry from SoundScan. Evelyn and Curry objected that SoundScan data should not have been used, because it did not include record club, computer or foreign sales.

The CARP ruled that foreign sales data would have been irrelevant, because foreign sales do not generate digital royalties collected or distributed by the Copyright Office. Also, while data concerning record club and computer sales would have increased the number of sales of songs by Evelyn and Curry, it wouldn't have increased their percentages, because that data would have increased the number of sales of the settling songwriters and publishers too.

The Register of Copyrights and the Librarian have agreed that the CARP had used a correct method to calculate the percentages due to Evelyn, Curry and his publisher, because they offered no evidence at all, and their assertion that they were entitled to 1% each "is merely a statement of opinion."

Distribution of 1995, 1996, 1997, and 1998 Digital Audio Recording Technology Royalties, Librarian of Congress, Copyright Office, 66 Federal Register 9360 (Feb. 7, 2001)[ELR 22:12:8]

RECENT CASES

Warner Bros. did not infringe artist's copyright in office building towers by depicting them in movie "Batman Forever," because copyright protection for architectural works permits pictures to be taken of publicly visible portions of "architectural works" even if they would have qualified as "sculptural works" as well, Court of Appeals affirms

The Second Bank of Gotham is not a real bank. It appears in the Warner Bros. movie "Batman Forever." But in real life, the Bank's exterior is a set of towers that are part of an office building and its streetwall located in downtown Los Angeles.

The streetwall towers were designed by artist Andrew Leicester. When Leicester learned that his work had been shown in "Batman Forever" without his consent, he was not pleased. Indeed, he was so displeased that he registered his copyright in the towers (and related structures) as a "sculptural work." And he sued Warner Bros. for copyright infringement.

Leicester's lawsuit was based on the principle that the owner of a copyright to a "sculptural work" has the exclusive right to reproduce that work, photographically as well as in other ways, even if the work is on display in a public place. Thus, movie producers who shoot scenes on public plazas that feature copyrighted sculptures need to get copyright licenses (as well as shooting permits).

On the other hand, the owner of a copyright to an "architectural work" has somewhat different rights. The owner of an architectural work copyright has the legal right to prevent (or be compensated for) the construction of a new building that is copied from the copyrighted architectural work - but not the right to prevent or be compensated for photos "or other pictorial representations" of the architectural work, if it is visible from a public place.

The towers that are portrayed in "Batman Forever" as the Second Bank of Gotham are visible from a public place. As far as Warner Bros. was concerned, that should have been the end of the matter. Federal District Judge Harry Hupp agreed, and thus entered judgment for the studio. Leicester did not agree and so appealed. But in a 2-1 ruling, the Ninth Circuit Court of Appeals has affirmed.

Copyright protection for architectural structures themselves dates back only to the Architectural Works Copyright Protection of 1990. Before then, though architectural plans were protected as graphic works, buildings usually were denied protection because they are "useful articles." When Congress gave copyright protection to buildings in 1990 (in section 120 of the

Copyright Act), it exempted pictures, paintings, photographs and other pictorial representations of publicly visible buildings from that protection.

Congress, however, did not make it perfectly clear whether the new protection for architectural works was the only protection that could be claimed for buildings - including parts that previously would have qualified for protection as sculptural works - or whether elements that qualify as sculptural works could still be protected as "sculptural works" even though they are parts of buildings.

The difference mattered, because if Leicester's towers are protected only as architectural works, the "pictorial representation" exemption gave Warner Bros. the right to include those towers in "Batman Forever." On the other hand, if Leicester's towers are still protected as "sculptural works," there is no exemption that authorized Warner Bros. to include them in "Batman Forever."

Writing for the Court of Appeals' majority, Judge Pamela Ann Rymer concluded that Leicester's towers are part of the office building - not separate from it - and that therefore the only copyright protection they have is as an "architectural work." This meant that the "pictorial representation" exemption applied, and protected Warner Bros. from liability.

Judge Rymer held that it did not matter whether the towers could be "conceptually separated" from the building, as Leicester argued. She concluded that "conceptual separability" didn't matter, because if it did, then the exemption authorizing pictorial representations of buildings would have to be determined case-by-case. As Judge Rymer read the legislative history of the Architectural Works Copyright Protection Act, Congress intended the exemption to be clear enough that photographers and others can easily determine whether it is available.

Judge Wallace Tashima concurred in a separate opinion of his own, largely devoted to rebutting the points made by dissenting Judge Raymond Fisher.

Judge Fisher would have remanded the case to the District Court for further findings on whether Leicester's towers can be conceptually separated from the rest of the building, because he would have ruled that if they can, the towers are entitled to separate protection as "sculptural works," from which there is no "pictorial representation" exemption protecting Warner Bros. Judge Fisher came to this conclusion, because he believed that the only purpose of the 1990 Act was to give architects protection they didn't previously have - not to take away protection that sculptors did previously have.

Leicester was represented by Gregory B. Wood, Merchant Gould Smith Edell Welter & Schmidt, Los Angeles. Warner Bros. was represented by Robert M. Schwartz, O'Melveny & Myers, Los Angeles.

Leicester v. Warner Bros., 232 F.3d 1212, 2000 U.S.App.LEXIS 29767 (9th Cir. 2000)[ELR 22:12:9]

Federal District Court rules that The Coasters and other recording artists assigned digital rights to their record companies in contracts signed in 1950s and 1960s, and that MP3.com did not infringe artists' Lanham Act rights by including their names in search engine responses

The battle over who has the right to control digital versions of recorded music has been reported so far as a three-way contest between: (1) digital distributors like MP3.com, and those who facilitate digital distribution like Napster; (2) record companies; and (3) music publishers.

The rights of recording artists usually have been grouped with those of their record companies. But four sets of recording artists filed what they hoped would become a landmark case establishing that recording artists are the true owners of the rights to digital versions of their recordings. Thus far, their claims have failed. And based on a decision by federal District Judge Jed Rakoff, it doesn't appear as though the case is likely to be revived, at least in federal court.

A class action complaint filed by The Coasters, The Chambers Brothers, The Drifters and The Main Ingredient alleged that they and similarly situated artists own the rights to digital versions of recordings made before the Digital Performance Rights in Sound

Recordings Act became effective in 1996. The complaint further alleged that MP3.com violated their Lanham Act rights by including their names in that site's search engine results, thereby implying that the named artists endorsed or sponsored MP3.com.

In response to defense motions to dismiss, Judge Rakoff rejected both allegations.

The judge's succinct opinion noted that the artists' contracts, entered into during the 1950s and 1960s with several leading record companies, all contained provisions giving those record companies the right to manufacture, distribute and permit public performances of the artists' recordings "by any method now known, or hereafter to become known," or words to that effect. "[N]o reasonable person could understand the contract to assign only the rights relating to vinyl records, with plaintiffs retaining the digital rights," Judge Rakoff concluded.

The judge also concluded that MP3.com's use of the artists' names in search engine results "is simply a permissible 'nominative use' i.e., a fair use of the artist's name as a necessary means of accurately identifying the inventory in question offered by MP3.com."

As a result, Judge Rakoff dismissed all of the artists' federal claims against their record companies as well as the artists' Lanham Act claim against MP3.com.

The artists also alleged two claims under New York state law. The first was that their record companies violated contractual and fiduciary duties by releasing CDs in unencrypted form, thereby enabling customers to make unauthorized digital versions. The second was that MP3.com's use of their names in search engine results violated their rights of publicity (under sections 50 and 51 of the New York Civil Rights Law). Judge Rakoff did not rule on those claims. Because he dismissed the artists' federal claims, he declined to exercise pendent jurisdiction over these state law claims, and he dismissed them without prejudice.

The artists were represented by Fred Taylor Isquith, Wolf Haldenstein Adler Freeman & Hertz, New York City. The record companies were represented by Jay Cohen, Paul Weiss Rifkind Wharton & Garrison, New York City; Katherine B. Forrest, Cravath Swaine & Moore, New York City; Charles B. Ortner, Proskauer Rose, New York City; and Suzan Arden, Pryor Cashman Sherman & Flynn, New York City. MP3.com was represented by Jeffrey A. Conciatori, Orrick Herrington & Sutcliffe, New York City; and Michael G. Rhodes, Cooley Godward, San Diego.

Chambers v. Time Warner, Inc., 123 F.Supp.2d 198, 2000 U.S.Dist.LEXIS 17475 (S.D.N.Y. 2000)[ELR 22:12:10]

Newspaper's unauthorized publication of copyrighted nude photo of Miss Puerto Rico was a fair use, appellate court affirms

The case filed by professional photographer Sixto Nunez against Puerto Rican newspaper El Vocero presents a classic - or at least interesting - clash between a newspaper's right to cover (or in this case, uncover) the news, and a photographer's rights under copyright law to control the publication of his photographs.

The photo in question was of model Joyce Giraud, in the nude. Miss Giraud was Miss Puerto Rico in the 1997 Miss Universe contest. And Puerto Ricans, apparently, considered it to be a matter of some controversy that their representative in the Miss Universe contest had posed nude.

Responding to that controversy, El Vocero legally obtained a copy of the photo, possibly from one of the modeling agencies to which Nunez himself had distributed it. The newspaper then published the photo, along with several articles about the controversy it had sparked, without getting Nunez's permission.

Nunez sued the paper's publisher for copyright infringement. But District Judge Jaime Pieras dismissed the case on the grounds that El Vocero's publication of the photo was a fair use.

Writing for the Court of Appeals, Judge Juan Torruella has affirmed.

Judge Torruella found that because El Vocero had highlighted the photo on its front cover, its use was exposed as "commercial," which would count against fair use. But the informative nature of the use and newspaper's good faith in crediting the photo to Nunez, coupled with the fact that it would have been difficult to cover the controversy without reprinting the photo, meant that on the whole the nature of the newspaper's use was either neutral or favored fair use.

Though the photo itself was creative, the nature of the photo ultimately favored fair use also, because Miss Giraud had commissioned the photo for the purpose of "semi-public dissemination," and because Nunez had not sought to control its dissemination, had not registered its copyright until after it appeared in the newspaper, and had not sought non-disclosure agreements or even oral promises from modeling agencies not to redistribute it.

Although the entire photo was published, Judge Torruella held that this was of little consequence to the fair use analysis, because "to copy any less than that would have made the picture useless to the story." Finally, the judge ruled that the effect on the market for the photo favored fair use, because its publication in El Vocero increased demand for the photo, and "any potential market for resale directly to the newspaper was unlikely to be developed."

Nunez was represented by Jose Guillermo Gonzalez. The company that publishes El Vocero was represented by Juan R. Marchand-Quintero.

Editor's note: This case illustrates the inherent manipulatability of the fair use factors. Another equally persuasive decision could have been written that reached the opposite conclusion. Indeed, in Los Angeles News Service v. KCAL-TV Channel 9 (ELR 19:10:13), another Court of Appeals held that an unauthorized news broadcast of video (of the beating of Reginald Denny) was not a fair use. This case could have been interesting (and cert-worthy) if it had held that the fair use doctrine creates a "newsworthiness" exception to copyright protection. But Judge Torruella explicitly declined to so hold - noting that the Supreme Court itself "frowned upon such an exception" in Harper & Row v. Nation (ELR 7:2:6), the case in which the Supreme Court held that the Nation's copying some 200 words from former President Ford's memoirs was not a fair use, even though it was newsworthy.

Nunez v. Caribbean International News Corp., 235 F.3d 18, 2000 U.S.App.LEXIS 33453 (1st Cir. 2000)[ELR 22:12:10]

Company that made "Michael Myers" mask pursuant to license from producers of movie "Halloween" win copyright and trade dress infringement suit filed against it by company that created "Michael Myers" mask for movie's producer

John Carpenter's 1978 movie "Halloween" featured a character named "Michael Myers" who wore an all white mask while terrorizing a small midwestern town. The movie's popularity created a market for "Michael Myers" masks - a market so valuable that a dispute over similar masks found its way to federal District Court more than two decades after the movie's release.

Don Post Studios, Inc., is the company that originally created the "Michael Myers" mask for "Halloween's" producer. Post, however, did not retain the copyright to the mask. Indeed, when Post decided it wanted to manufacture "Michael Myers" masks, the movie's producer denied Post's request for a license. As a result, Post made a "strikingly similar" mask, without a license, which it calls "Don Post the Mask."

Cinema Secrets, Inc., did obtain a license from "Halloween's" producer to make and sell "Michael Myers" masks. Naturally, since Post's mask and Cinema Secrets' mask both are similar to the mask in the movie, they're similar to one another as well. This similarity caused Post to sue Cinema Secrets for copyright and trade dress infringement. But Post's suit has not been successful.

Federal District Judge Eduardo Robreno has entered judgment for Cinema Secrets, on three grounds.

First, Judge Robreno ruled that Post's copyright in its mask is invalid, because "Don Post the Mask" is not original. This was so, the judge explained, because the evidence showed that "Don Post the Mask" was copied by Post from the mask it had created earlier for "Halloween." In addition to "striking similarities" between the two, Post's original copyright registration application disclosed that it was a derivative work based on a preexisting mask. When that application was rejected by the Copyright Office, Post filed a new application asserting that the mask was an original creation; and it was that application that resulted in a copyright registration for "Don Post the Mask."

Second, Judge Robreno also found that even if the "Don Post the Mask" copyright were valid, Cinema Secrets did not infringe it, because Cinema Secrets independently created its mask. This was so, the judge explained, because the evidence showed that after Cinema Secrets obtained its license from "Halloween's" producer, Cinema Secrets used images from the movie to create its mask, and didn't copy anything from "Don Post the Mask."

Finally, the judge rejected Post's trade dress infringement claim, because Post's mask had not acquired secondary meaning. Post admitted that consumers associate its mask with the "Michael Myers" character and the mask he wore in the movie, rather than with Don Post Studios. But since Post doesn't own the "Michael Myers" character, that association was of no help to Post.

Don Post Studios was represented by Steven L. Friedman, Dilworth Paxson, Philadelphia. Cinema Secrets was represented by Karol A. Kepchar, Panitch Schwarze Jacobs & Nadel, Philadelphia.

Don Post Studios, Inc. v. Cinema Secrets, Inc., 124 F.Supp.2d 311, 2000 U.S.Dist.LEXIS 17403 (E.D.Pa. 2000)[ELR 22:12:11]

Proposed "Ballpark Initiative" that would have allowed voters to block construction of new San Diego Padres ballpark was invalid, California appellate court affirms

In 1998, the citizens of the City of San Diego voted to authorize construction of a new ballpark for the San Diego Padres. On the basis of that vote, the City made a deal with the Padres that required certain conditions to be satisfied, before the City became committed to the project. As written, the deal enabled the San Diego City Council to determine whether those conditions were satisfied.

If built, the ballpark will be both beautiful and convenient, and a tremendous boon to Padres fans as well as businesses in the downtown area. Nonetheless, not all San Diegans are pleased with the deal, and two of them - Michael Dunkl and Philip Zoebisch - actively sought to block the project. Their weapon of choice was a ballot initiative - commonly known as the "Ballpark Initiative" - that would have given San Diego voters a chance to reverse their 1998 decision by voting against further work on the ballpark.

Technically, the Ballpark Initiative would have allowed citizens of San Diego to vote that the necessary conditions had not been satisfied, thus bringing the project to a halt. In other words, the Initiative would have taken the authority to decide whether those conditions had been satisfied out of the hands of the City Council and put that authority in the hands of San Diego voters.

Soon after Dunkl and Zoebisch began collecting signatures to place the Ballpark Initiative on the ballot, the City and the Padres sued them, seeking a judicial declaration that the Initiative was invalid. A California

Superior Court agreed, and that judgment has been affirmed on appeal.

In an opinion by Justice Richard Hoffman, the California Court of Appeal has ruled that the Ballpark Initiative was invalid, because it would have replaced City administrative discretion with voter approval - something that is "not permitted" under California law and was thus "beyond the power of the voters to adopt."

Dunkl and Zoebisch were represented by J. Bruce Henderson, Glendale, and Kent C. Wilson, San Diego. The City of San Diego was represented by Charles A. Bird, Luce Forward Hamilton & Scripps, San Diego. And the Padres were represented by Mark C. Zebrowski, Gray Cary Ware & Freidenrich, San Diego.

City of San Diego v. Dunkl, 103 Cal.Rptr.2d 269, 2001 Cal.App.LEXIS 30 (Cal.App. 2001)[ELR 22:12:12]

Federal court reinstates suit by Seattle Art Museum against gallery that allegedly defrauded purchasers of stolen Matisse painting from whom Museum acquired it

Federal District Judge Robert Lasnik has granted the Seattle Art Museum's motion for reconsideration in a case the Museum filed against the Knoedler-Modarco Gallery. The Museum's lawsuit arises out of a 1954 transaction by which the Gallery sold a Matisse painting entitled "L'Odalisque" to Virginia and Prentice Bloedel, from whom the Museum acquired it in 1991.

The painting had been stolen by the Nazis during World War II, and when the heirs of its former owners learned that the Museum had it, they demanded and received its return. The demand was made in a suit against the Museum; and in that case, the Museum filed a third-party complaint against the Gallery, alleging that the Gallery had defrauded the Bloedels when it sold them the painting in 1954.

Originally, Judge Lasnik dismissed the Museum's complaint against the Gallery on the grounds that the Museum did not have standing to assert a claim for fraud that may have been perpetrated on the Bloedels (ELR 21:11:15). In so ruling, the judge rejected the Museum's arguments that it did have standing.

After judgment was entered against it, the Museum acquired an assignment from the Bloedels' heirs of any fraud claims they had against the Gallery. The Museum then made a motion for reconsideration. The motion reargued the points that Judge Lasnik had previously rejected, and it added the new fact that since the judge's original ruling, it acquired an assignment of the Bloedels' heirs' fraud claims.

Judge Lasnik concluded that his earlier ruling had been correct, on the legal issues presented to him then. But he has granted the Museum's motion, nevertheless, on the grounds that the Museum had since gotten an assignment of the fraud claim from those who previously had it: the Bloedels' heirs.

"It is not clear to the Court why [the Museum] waited until judgment had been entered in this case to obtain the Assignment, which was arguably the easiest solution to its standing problem," the judge said. "Nonetheless, now that the Assignment has been made, the Court finds that, as a matter of equity, [the Museum] should be permitted its day in Court so that this case may be disposed of on the merits."

The Museum is represented by Stuart R. Dunwoody, Davis Wright Tremaine, Seattle. The Gallery is represented by Timothy G. Fielden, Stoel

Rives, Seattle, and Sara Goldberg, Paul Weiss Rifkind Wharton & Garrison, New York City.

Rosenberg v. Seattle Art Museum, 124 F.Supp.2d 1207, 2000 U.S.Dist.LEXIS 7770 (W.D.Wash. 2000)[ELR 22:12:12]

Art gallery violated Oregon trade practices act by falsely telling animation art collector that it was offering him all of gallery's drawings from early Mickey Mouse cartoon "Plane Crazy," when in fact gallery owner had retained three for himself

Back in 1928, Walt Disney produced a Mickey Mouse cartoon called "Plane Crazy." It took 10,000 drawings to create that early film, and the current whereabouts of most of those drawings is unknown.

What is known is that in 1997, a La Jolla, California, gallery called The Animation Collection, Inc., sold 47 of those drawings to an art collector named Daniel Feitler for $30,000. The reason this is known is that three months after he purchased those drawings, Feitler sued The Animation Collection in Oregon state court, alleging that the gallery had violated the Oregon Unlawful Trade Practices Act by misrepresenting certain facts at the time of the sale.

The gallery told Feitler that its "cost" for the drawings was $30,000, when in fact the gallery paid for the drawings with cash only in part. It paid the rest by giving its supplier other drawings - something the gallery never revealed to Feitler.

The gallery also told Feitler that the 47 drawings it was selling were all of the "Plane Crazy" drawings in its possession. In fact, the gallery had 50 drawings, and its owner kept three for himself.

An Oregon trial judge ruled in favor of the gallery. The trial judge decided that the gallery had not misrepresented its "cost" for the drawings, and that telling Feitler that 47 drawings was all the gallery had was not a misrepresentation about a material characteristic of the drawings that were sold.

Feitler took the case to the Court of Appeals of Oregon where he has had some success. In an opinion by Judge Rick Haselton, the appellate court agreed that the gallery had not misrepresented its cost, because the evidence showed the gallery had in fact paid $30,000 in consideration for the drawings, and it was legally immaterial whether all of that was in cash or was part in cash and part in drawings.

On the other hand, Judge Haselton ruled that the gallery had violated the Oregon statute by telling Feitler that he was getting all of the drawings the gallery had, when in fact it had three more. "In the context of collectible items," the judge explained, "the existence or nonexistence of other items within the same finite set is a fact of significance to any reasonable collector."

Feitler hasn't won the whole case yet, however. Judge Haselton has remanded it to the trial court for further findings on whether Feitler actually relied on the gallery's misrepresentation in deciding to buy the 47 drawings. If, but only if, Feitler can prove that he wouldn't have purchased the 47 drawings for $30,000 if he had known there were three more, he will be entitled to recover his "ascertainable loss" as a result of his reliance on the gallery's misrepresentation.

Feitler was represented by Greg O'Neill. The Animation Collection was represented by Greg Hendrix, Hendrix & Brinich, Bend.

Feitler v. The Animation Collection, Inc., 13 P.3d 1044, 2000 Or.App.LEXIS 1874 (Or.App. 2000)[ELR 22:12:13]

Dismissal of defamation suit by eye clinic against ABC and Sam Donaldson, complaining of PrimeTime Live broadcast, is affirmed; clinic failed to show what ABC would have learned, if it had conducted investigation that it "recklessly" failed to conduct

It took ABC and reporter Sam Donaldson several years - as well as two trips to the Court of Appeals - to do so. But they finally have prevailed in a defamation (and related claims) lawsuit filed against them by the Desnick Eye Services clinic. The lawsuit was triggered by a "PrimeTime Live" segment that reported that clinic employees had tampered with a diagnostic machine to make it appear as though elderly patients needed cataract surgery when in fact they didn't.

Early in the case, it was dismissed entirely, in response to ABC's motion for summary judgment (ELR 16:6:28). The Court of Appeals affirmed the dismissal of all of the clinic's claims, except its defamation claim (ELR 17:1:20). The defamation claim had been dismissed on the grounds that the objected-to statement about the diagnostic machine could not have injured the clinic's reputation more than other statements in the broadcast, as to which the suit made no objection.

The Court of Appeals remanded the defamation claim for further proceedings on the grounds that the clinic's failure to object to certain statements did not constitute an admission of their truth. On remand, however, the truth or falsity of those other statements, or the statement at issue in the case, was never determined. Instead, the District Court dismissed the defamation claim again, on the grounds that the clinic had not shown that the objected-to statement about tampering with the diagnostic machine was made by ABC and Donaldson with "actual malice."

Since the clinic was a public figure, it had to show that ABC and Donaldson knew the tampering statement was false, or that they suspected it was false and deliberately closed their eyes to that possibility. The clinic thought that it could satisfy this standard, because before the "PrimeTime Live" broadcast, the clinic's lawyer gave ABC information that "should have set off warning bells," according to federal Court of Appeals Judge Richard Posner.

Judge Posner, who wrote the Court of Appeals' decision the second time the case went to that court, even went so far as to say that "it was conceivable" that ABC's "failure to follow up" on the clinic's information "was reckless." Unfortunately for the clinic, it didn't offer evidence "to indicate what following up would have revealed."

This was "fatal" to the clinic's case, Judge Posner explained, because "without any indication that ABC would have learned [that the machine tampering charges] were false . . . there is no evidence of a casual connection between ABC's alleged recklessness and the injury to the clinic." For this reason, the Court of Appeals affirmed the dismissal of the case.

The clinic was represented by Julie A. Bauer and Steven F. Molo, Winston & Strawn, Chicago. ABC and Donaldson were represented by Michael M. Conway, Hopkins & Sutter, Chicago.

Desnick v. American Broadcasting Companies, Inc., 233 F.3d 514, 2000 U.S.App.LEXIS 27038 (7th Cir. 2000)[ELR 22:12:13]

Digital On-Demand is enjoined from continued use of Muze recorded music database and clips, because Digital used Muze's data and clips in ways that competed with Muze and were not authorized by license agreement

Muze, Inc., isn't the highest profile company in the music business, even though most record buyers are familiar with its service. Muze owns a remarkable database of bibliographic information about more than 1.5 million recordings, as well as a database of clips from music CDs. These databases enable record store customers to listen to samples from CDs they may wish to buy from a store's physical inventory. And Muze has installed its systems in many stores, including the music departments of some 250 Barnes & Noble stores.

Digital On-Demand was once in a related but non-competing business. It made equipment that would enable retail store customers to "burn" custom CDs and "special order" CDs that were not in a store's physical inventory. To get its business started, Digital needed an information database and music clips. And since Digital's business and Muze's complimented rather than competed with one another, Muze licensed its databases to Digital on terms that gave Muze a percentage of Digital's sales.

Digital was then acquired Alliance Entertainment Corp., and Digital's business plan changed. Instead of providing stores with custom-burn and special-order equipment, Digital began using Muze's database and clips to provide stores with equipment that enabled customers simply to listen to CD clips - exactly the business that Muze already was in. Adding injury to insult, Barnes & Noble cancelled orders it had already placed with Muze to install Digital's new listen-only equipment.

In response, Muze terminated Digital's license, and sought a preliminary injunction barring Digital's further use of Muze's database and clips. Federal District Judge Laura Swain has granted Muze's request.

The licensing agreement from Muze to Digital contained language that was quite specific to the unique businesses in which the two companies are engaged. Not surprisingly, that language was susceptible to conflicting interpretations and was in fact interpreted differently by Muze and Digital.

Judge Swain, however, noted that one provision of the license favored Muze's interpretation, regardless of how disagreements about the meanings of other provisions might turn out. The provision that caught the judge's eye was one that authorized Digital to use Muze's data only on certain types of in-store terminals. When Digital's business plan changed, and it began to compete directly with Muze, Digital began using a different - and unauthorized - type of terminal.

For that reason, Judge Swain concluded that Digital had committed a material breach of the license agreement. Because Muze had shown that it was already suffering irreparable harm from Digital's unauthorized uses, the judge granted Muze's request for a preliminary injunction barring Digital's further use of Muze's database or clips.

Muze was represented by Andrew Baum, Darby & Darby, New York City. Digital On-Demand was represented by Marya Lenn Lee, Donovan & Yee, New York City.

Muze, Inc. v. Digital On-Demand, Inc., 123 F.Supp.2d 118, 2000 U.S.Dist.LEXIS 16755 (S.D.N.Y. 2000)[ELR 22:12:14]

Kansas City Royals win refund of use tax paid to Missouri in connection with promotional items given to home game customers

The Kansas City Royals have won a refund of just over $45,400 in use taxes the Missouri Director of Revenue insisted the team pay for promotional items it purchased from out-of-state vendors. The items in question were things like baseball caps and gloves, trading cards and T-shirts.

Missouri law requires buyers to pay use tax on merchandise purchased from other states, if the merchandise is used in Missouri. However, the law provides that if the merchandise is purchased for resale, no use tax need be paid.

The Director of Revenue decided that the Royals had to pay use tax on the promotional items, because they were given - not sold - to Royals customers. The

Supreme Court of Missouri has ruled otherwise however.

In an opinion by Judge Ann Covington, the court held that the Royals' promotional items were sold, within the meaning of the use tax law, because customers had to buy admission tickets to games in order to get the items. The sale price of the items was built in to the sale price of the tickets, the judge reasoned. It didn't matter, Judge Covington added, that the price of an admission ticket did not vary with the value of the promotional item, even though the cost to the Royals of the different items did vary.

The Royals also sought but didn't get a refund of $2,650 in use tax paid on yearbooks the team purchased from out-of-state printers. Though the yearbooks were sold at concession stands - and thus would have been exempt from use tax - the team didn't adequately identify yearbooks on its refund claim, and thus the

Royals were not entitled to a refund as matter of Missouri procedural law.

The Royals were represented by Edward F. Downey, Jefferson City. The Director of Revenue was represented by Jeremiah W. Nixon, Missouri Attorney General, Jefferson City.

Kansas City Royals Baseball Corp. v. Director of Revenue, 32 S.W.3d 560 (Mo. 2000), 2000 Mo.LEXIS 75 (Mo. 2000)[ELR 22:12:15]

Bowling Green properly bought back season ticket licenses when holder of football season tickets refused to pay increased service charge

Max E. Rayle used to be a Bowling Green University season ticket holder, but he isn't any more.

Back in 1981, Rayle paid $1,000 each for the right to buy two tickets in the Stadium Club section of Bowling Green's football stadium. From then until 1997, he paid $32 to $75 per season ticket and an additional $50 to $75 in per seat "service charges." During all of those years, all service charges went towards the cost of the complimentary refreshments given to Stadium Club members and the salaries of students who worked in the Club.

In 1998, the University decided to renovate the Stadium Club, and it decided that Club members should pay for it. As a result, the University hiked the ticket price and service charge to $1,000 a year per seat. At the time it so notified Stadium Club members, including Rayle, the University further advised Club members that if they didn't want to pay the increased charges, the University would "buy back" their seat licenses for the $1,000 per seat they originally paid for them.

Rayle wasn't willing to pay $1,000 per seat, and in due course, the University sent him a check for $2,000 and resold his seats to someone else. In response, Rayle sued for breach of contract. But he hasn't been successful.

Judge Fred Shoemaker has held that under the terms of Rayle's original contract with Bowling Green, Rayle was entitled to retain his two seats only if he bought season tickets and paid the Stadium Club service fee. The judge found that Rayle's refusal to pay the charges constituted a breach of contract by him, and that Bowling Green did not breach their contract by increasing the service fee even though the increase was "substantial."

Rayle argued that his right to buy tickets were "goods" in which he had a property interest. But Judge

Shoemaker disagreed. He characterized the contract between Rayle and the University as a "personal seat license." And the judge found that the University had been reasonable in valuing the license at $1,000 per seat - the amount that Rayle had paid 16 years before.

The judge also found that the University had been "reasonable to assess the cost of renovations to those who would gain the most benefit from renovations." As a result, Judge Shoemaker entered judgment in favor of the University.

Rayle was represented by Scott T. Coon, Bowling Green. The University was represented by Betty D. Montgomery, Ohio Attorney General.

Rayle v. Bowling Green State University, 739 N.E.2d 1260, 2000 OhioCtClLEXIS 38 (Ohio Ct.Cl. 2000)[ELR 22:12:15]

Court refuses to dismiss gender discrimination suit against National Karate-Do Federation arising out of Federation's decision to withdraw women's team from World Championships

The U.S.A. National Karate-Do Federation will have to defend itself against a gender discrimination claim brought by Ilyse Gellar Sternberg, a member of the Women's Kumite Team, in federal District Court in Brooklyn. Sternberg's suit was triggered by the Federation's decision to withdraw its Women's Kumite Team - though not its men's team - from the 1998 World Championships in Brazil.

Sternberg had already traveled to Brazil before the Federation withdrew her team. Though she complained to the Federation, Sternberg alleges that the Federation did not conduct an impartial and unbiased investigation. She made this allegation in a complaint that alleges that the Federation's decision to withdraw the women's team, but not the men's team, from the 1998 Championships constituted a violation of Title IX, the Equal Protection Clause, and the Amateur Sports Act.

Hoping to get out of the case easily, the Federation made a motion to dismiss. But federal District Judge Jack Weinstein has denied that motion.

Sternberg alleges that the Federation receives direct and indirect financial assistance from the federal government, and that its activities are educational in nature, thus making Title IX's ban on gender discrimination applicable to its activities. The judge has ruled that Title IX is applicable, if Sternberg proves two things: that the Federation receives federal financial support, perhaps as a result of grants from the U.S. Olympic Committee which does receive federal money; and that the training camps run by the Federation are educational in nature.

In connection with Sternberg's Equal Protection claim, the judge ruled that the "withdrawal of an official United States team from World Championships for reasons of gender discrimination" may be a governmental decision.

And Judge Weinstein ruled that even if the Amateur Sports Act does not provide athletes with a "broad" right to bring private lawsuits, a "narrow right of action regarding sex discrimination by national governing sports bodies may be implied." Moreover, the judge added that Sternberg "may be able to demonstrate that exhaustion of administrative remedies [within the Olympic Committee] is not a prerequisite to her bringing this Sports Act claim."

Sternberg was represented by Jonathan N. Fuchs, New York City. The Federation was represented by

Frederick M. Molod, Molod Spitz DeSantis & Stark, New York City.

Sternberg v. U.S.A. National Karate-Do Federation, Inc., 123 F.Supp.2d 659 (E.D.N.Y. 2000)[ELR 22:12:16]

Classification of imported "X-Men," "Spiderman" and other Marvel Comics action figures as "dolls" or "toys" can't be done by summary judgment, because classification depends on whether figures have "non-human" features that are "readily apparent"

To virtually all parents, the question of whether action figures are "dolls" or "toys" is nonsense, because most parents know that "dolls" are one type of "toy."

To the U.S. Customs Service, however, the question makes a great deal of sense, for this reason: under the Harmonized Tariff Schedule of the United States, importers of "dolls representing humans" must pay a 12% duty, while importers of "toys" only have to pay a 6.8% duty.

This surprising provision of American law came to light when Toy Biz, Inc., imported a bunch of "X-Men," "Spiderman" and other Marvel Comics action figures from China, and got socked with a 12% duty. According to the Customs Service, 12% is what was due, because the action figures were "dolls" representing humans.

Not so, said Toy Biz. It claimed the action figures were "toys," because each contains some non-human features, and thus a 6.8% duty was all that was due.

Disputes of this kind are litigated in the United States Court of International Trade. In this case, each side was so convinced that it was correct that Toy Biz and the Customs Service both made motions for summary judgment. Both have been disappointed.

Judge Delissa Ridgway has ruled that although non-human features make an action figure a "toy," the non-human feature must be obvious to a casual observer. "Customs cannot reasonably be required to closely scrutinize every detail of every figure in a search for non-human features, in order to classify the figure as a doll or a toy," the judge explained.

Thus, in order for a figure to be a 6.8% toy instead of a 12% doll, an action figure must have (1) a readily apparent feature that is (2) clearly non-human to a casual observer.

In this case, Toy Biz and the Customs Service agreed that some of the action figures have readily apparent features. They could not agree, however, whether those features would be clearly non-human to a casual observer. With respect to other figures, Toy Biz and the Customs Service couldn't even agree whether they had readily apparent features, let alone whether those features would be clearly non-human to a casual observer.

As a result, Judge Ridgway concluded that summary judgment would not be the appropriate procedure for deciding this case.

Toy Biz was represented by Sherry L. Singer and Indie K. Singh, Singer and Singh, New York City. The Customs Service was represented by David W. Ogden, Assistant Attorney General.

Toy Biz, Inc. v. United States, 123 F.Supp.2d 646, 2000 U.S.C.I.T.LEXIS 174 (CIT 2000)[ELR 22:12:16]

Dismissal of lawsuit by injured race car driver against International Motor Sports Association is affirmed

Fabrizio Barbazza is an "elite professional race car driver" but a less successful litigant. He was injured in a crash during the 1995 Road Atlanta Grand Prix, because, he alleged, of the negligence of the race's organizer, the International Motor Sports Association, and an amateur driver named Ray Hendricks.

Hoping to recover compensation for his injuries, Barbazza sued the Association and Hendricks in Georgia state court. But the trial judge granted a defense motion for summary judgment. And that ruling has been affirmed by the Court of Appeals of Georgia.

In an opinion by Judge John Ellington, the appellate court noted that Barbazza had signed a waiver of liability, releasing the Association and other drivers for damage caused by their negligence "or otherwise." This release, the judge ruled, "demanded summary judgment" as to Barbazza's simple negligence claims.

Under Georgia law, an injured party may recover for acts of "gross" negligence despite a valid release. But in this case, Judge Ellington ruled that none of the actions about which Barbazza complained amounted to "gross" negligence. Thus, summary judgment dismissing those claims was proper too.

Barbazza's other claims, for fraud and misrepresentation, were barred, because he "assumed the risks of his injuries as a matter of law," the judge held.

Moreover, there was no evidence that the Association had caused Barbazza's injuries by allowing Hendricks to enter or remain in the race.

Finally, Barbazza alleged that the Association had not followed all of the safety standards of the

Federation Internationale de l'Automobile (commonly known as "FIA"), even though the Association had allegedly promised to do so in writing. Judge Ellington rejected this claim, because he held that a reference to FIA in the race entry form did not express "plainly and explicitly" the Association's agreement to "strictly implement all FIA standards." And the appellate court was "not willing to imply such an undertaking from the language of the document," Judge Ellington concluded.

Barbazza was represented by Frank R. McKay, Sartain McKay & Crowell, Gainesville. The Association and Hendricks were represented by M. David Merritt, McLain & Merritt; George R. Neuhauser, Nall & Miller; and Dennis J. Webb, Webb Carlock Copeland Semler & Stair, Atlanta.

*Barbazza v. International Motor Sports Asso*ciation, 538 S.E.2d 859, 2000 Ga.App.LEXIS 1087 (Ga.App. 2000)[ELR 22:12:17]

New York statute requiring safety devices for performances from aerial apparatus applies to swimming pool high dives, but performers may be culpable or assume the risk if they are injured while performing without such devices, court rules in case resulting from injury during comedy high dive performance at Fantasy Island

Michael Murach was permanently paralyzed from the neck down as a result of a fall from a 3-meter diving board while performing a comedy routine at a show at Fantasy Island during the summer of 1990. The aftermath of that tragic accident is still being litigated in New York state court, where each of those who might be liable for Murach's injuries is arguing that someone else is.

The New York legislature anticipated that an aerial apparatus performance could be dangerous, so it enacted a statute requiring safety devices. No safety device was provided at Fantasy Island. But in response to Murach's lawsuit, Fantasy Island and Murach's direct employer Maxwell Associates (with whom Fantasy Island contracted for Murach's services) argued that the statute doesn't apply to high dives into swimming pools. On that basis, Fantasy Island and Maxwell sought summary judgment. But Judge Joseph Glownia has denied their motion.

The judge has ruled that the statute - section 37.09 of the Arts and Cultural Affairs Law - does not exclude aquatic performers from its protection, and that there is "no inherent inconsistency" between the requirement of safety devices and high dives into water. In this case, Murach was injured when he fell off the diving board and struck his head on the cement deck around the pool, not as a result of a dive into water.

Thus, Fantasy Island and Maxwell will have to defend themselves against Murach's allegation that they are responsible for his injuries because they failed to provide legally required safety equipment.

On the other hand, the statute also prohibits performers from performing without required safety equipment. So Fantasy Island and Maxwell have alleged as affirmative defenses that Murach assumed the risk of his own injury and was himself "culpable" for his injuries.

Murach filed a motion asking that these affirmative defenses be stricken, and for summary judgment on the grounds that Fantasy Island and Maxwell should be held strictly liable. But Judge

Glownia denied that motion as well. The judge noted that the statute did impose a duty on Murach not to perform without safety equipment. As a result, the judge held that "strict liability in favor of [Murach] cannot be awarded."

Murach was represented by Daniel Hartman, Hartman Ball Brody & Kinney, Buffalo. Fantasy Island was represented by Debra Norton, Block & Colucci, Buffalo. And Maxwell Associates was represented by Richard Saraf, Saperston & Day, Buffalo.

Murach v. Island of Bob-Lo Co., Inc., 717 N.Y.S.2d 469, 2000 N.Y.Sup.LEXIS 462 (Sup. 2000)[ELR 22:12:17]

Previously Reported:

Former White House aides Jacqueline and Sydney Blumenthal have settled the defamation suit they filed against cyber gossip columnist Matt Drudge - by paying him $2,500! Drudge's allegedly defamatory statements about the Blumenthals were made in the Drudge Report, an online newsletter that is available through AOL. The Blumenthals had sued AOL as well as Drudge. But early in the case, AOL won a motion for summary judgment dismissing the case against it. AOL successfully relied on the Communications Decency Act of 1996, one section of which gives immunity to providers of interactive computer services for liability they might otherwise incur on account of material disseminated by them but created by others. Blumenthal v. Drudge (ELR 20:4:29). According to news reports, $900 of the $2,500 paid by the

Blumenthals to Drudge was to reimburse him for travel expenses his lawyer incurred in connection with a deposition that was cancelled without notice.

The United States Supreme Court has denied petitions for certiorari in: Contemporary Media, Inc. v. Federal Communications Commission, 121 S.Ct. 1355, 2001 U.S.LEXIS 2194 (2001), in which the D.C. Circuit Court of Appeals upheld the FCC's revocation of a radio station license on account of the station owner's conviction for sexually abusing children and for making misrepresentations to the FCC concerning the owner's continued involvement in station affairs (ELR 22:6:23); and Primetime 24 Joint Venture v. National Football League, 121 S.Ct. 1402, 2001 U.S.LEXIS 2486 (2001), in which the Second Circuit Court of Appeals affirmed a judgment that a satellite TV company had infringed the NFL's copyrights under United States law, by retransmitting U.S. television

broadcasts of NFL games to subscribers in Canada (ELR 22:4:10).
[ELR 22:12:18]

DEPARTMENTS

Book Note:
Music, Money, and Success: The Insider's Guide to Making Money in the Music Industry (Second Edition), by Jeffrey Brabec and Todd Brabec

Music, Money, and Success bills itself as an "Insider's Guide to Making Money in the Music Business." At first glance, its attractive cover and low price ($24.95) make it appear as though the book is for aspiring musicians. And indeed, the book's Introduction says that "It is intended for songwriters, composers,

[and] lyricists . . . ." Some of the book's chapters do reflect that intent. One for example is devoted to "Breaking into the Business" and another to the roles of lawyers, managers and agents.

But the book's Introduction also says that it was written for "agents, managers, [and] lawyers . . . ." And so it was. In fact, as between songwriters and their lawyers, it is lawyers who have the most to gain, because deal-making in the music business is a complicated thing that artists shouldn't do for themselves.

The reason that lawyers have so much to gain from this book is that it reveals the details of the whole range of music industry deals, including financial details that could never be gleaned from advance sheets or form books.

What makes the book reliable is that it was not only written as a "guide" for "insiders," it was written by insiders. Todd Brabec is Executive Vice President of ASCAP. And co-author Jeff Brabec (Todd's twin brother) is Vice President of Business Affairs for the Chrysalis Music Group. You can't get more "inside" the music business than that.

The scope of the book ranges from songwriting and publishing, to copublishing and administration, to record company and artist deals, and to the use of music in television, movies, commercials and Broadway plays. It covers public performance income, including an explanation of the payment rules of both ASCAP and BMI. It even discusses catalog purchases and joint ventures.

What makes the book remarkable and so valuable is that it is peppered with financial detail and illustrative computations. It's one thing to know that movie, television and video producers need licenses from music publishers and record companies to use recorded songs in the soundtracks of their productions. That conclusion flows purely from copyright law, and is something any lawyer would know just by looking at the Copyright Act.

However, it's quite another thing to know how much money publishers and record companies can reasonably expect to be paid for their rights. That critical financial detail is not revealed in the Copyright Act or in advance sheets. But it's the sort of thing the Brabecs reveal throughout Music, Money, and Success.

Here are just a few of the other financial disclosures to be found in this book:

* the public performance royalties a songwriter and publisher can hope to earn from a wide variety of uses (ranging from 6 cents for one radio performance of a song to $1,664,000 for 10 minutes of background music score per episode on a network television series airing for 10 years);

* the income a songwriter and publisher can hope their successful movie song will earn from all sources ($1,732,500 total, beginning with a $25,000 synch and video buy-out fee, and including $600,000 in U.S. radio and television performances, should the song become a hit single); and

* the amount that composers and lyricists can hope to earn from a successful Broadway musical's use of their work (more than $700,000 a year each, when the show is at its peak popularity).

Each of the book's authors has a day job, but to their credit, Music, Money, and Success gives readers advice that isn't always in the interests of the authors' employers.

For example, ASCAP will happily collect performance royalties earned abroad on behalf of songwriters and publishers who do not have foreign sub-publishing agreements. But the book's chapter on

"Foreign Countries" covers the advantages of subpublishing, the terms of a subpublishing agreement, and foreign performing rights societies - even though publishers who do have foreign subpublishing agreements, and songwriters who do affiliate with foreign performing rights societies, will not be using ASCAP to collect their foreign royalties.

Likewise, the book candidly advises artist representatives to "re-examine[]" and "re-negotiate[]" older recording agreements, because of the likelihood they do not treat income from digital download licenses or blanket digital performance licenses in an artist-favorable manner.

Music, Money, and Success is published by Schirmer Trade Books and is available in book stores and through www.musicandmoney.com.

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In the Law Reviews:

The Federal Communications Law Journal, published by Indiana School of Law-Bloomington, 201 S. Indiana Avenue, Bloomington, IN 47405, (812) 855-5952, has issued Volume 53 with the following articles:

Filth, Filtering, and the First Amendment: Ruminations on Public Libraries' Use of Internet Filtering Software by Bernard W. Bell, 53 Federal Communications Law Journal 191 (2001) (for address, see above)

Taking Account of the World As It Will Be: The Shifting Course of U.S. Encryption Policy by Tricia E. Black, 53 Federal Communications Law Journal 289 (2001) (for address, see above)

Book Review: In Search of Congressional Intent: The Communications Act: A Legislative History of the Major Amendments, 1934-1996 by William Malone, 53 Federal Communications Law Journal 375 (2001) (for address, see above)

The Berkeley Technology Law Journal has published Volume 16, Number 1, its Annual Review 2001, with the following articles:

Copyright: Acquisition and Ownership: Collective Works: Tasini v. New York Times Co., 16 Berkeley Technology Law Journal 13 (2001)

Copyright: Defenses: Fair Use: Sony Computer Entertainment, Inc. v. Connectix Corp., 16 Berkeley Technology Law Journal 33 (2001)

Copyright: Digital Millennium Copyright Act: Anti-circumvention Provisions: RealNetworks, Inc. v. Streambox, Inc. & Universal City Studios, Inc. v. Reimerdes, 16 Berkeley Technology Law Journal 53 (2001)

Trademark: Protectability: Public Domain: Comedy III Productions, Inc. v. New Line Cinema, 16 Berkeley Technology Law Journal 183 (2001)

Trademark: Domain Name: Federal Law: The Anticybersquatting Consumer Protection Act & Sporty's Farm L.L.C. v. Sportsman's Market, Inc., 16 Berkeley Technology Law Journal 205 (2001)

Trademark: Domain Name: Arbitration: ICANN's Uniform Domain Name Dispute Resolution Policy in

Action, 16 Berkeley Technology Law Journal 229 (2001)

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Copyirght Tensions in a Digital Age by John D. Shuff and Geoffrey T. Holtz, 34 Akron Law Review 555 (2001)

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A Lesson in English and Gender: Title IX and the Male Student-Athlete by Sarah E. Gohl, 50 Duke Law Journal 1123 (2001)

Title IX and Intercollegiate Athletics in the Federal Appellate Courts: Myth vs. Reality by Catherine Pieronek, 27 The Journal of College and University Law 447 (2000)

Amateur Guitar Player's Lament II: A Critique of A&M Records, Inc. v. Napster, Inc., and a Clarion Call for Copyright Harmony in Cyberspace by Blaine C. Kimrey, 20 The Review of Litigation 309 (2001) (published by University of Texas, Austin School of Law Publications, 727 East 27th Street, Austin, TX 78705-3299 (512) 471-1106)

Do We Need a "Beanie Baby" Fraud Statute? by Ellen S. Podgor, 49 American University Law Review 1031 (2000)

Federal Income and State Property Tax Exemption of Commercialized Nonprofits: Should Profit-Seeking Art Museums Be Tax Exempt? by Andras Kosaras, 35 New England Law Review 115 (2000)

The ECJ, the ICJ and Intellectual Property: Is Harmonization the Key? By LeeAnn Askew, 7 Tulsa Journal of Comparative & International Law 375 (2000)

The Congressional Expansion of American Trademark Law: A Civil Law System in the Making by Kenneth L. Port, 35 Wake Forest Law Review 827 (2000)

The Surprising Case Against Punitive Damages in Libel Suits Against Public Figures by Charles Rothfeld, 19 Yale Law & Policy Review 165 (2000)

Shall the Sins of the Son Be Visited Upon the Father? Video Game Manufacturer Liability for Violent Video Games by David C. Kiernan, 52 Hastings Law Quarterly 207 (2000-2001)

First Amendment Protection for Newsgathering: Applying the Actual Malice Standard to Recovery of Damages for Intrusion by Merrit Jones, 27 Hastings Constitutional Law Quarterly 539 (2000)

The Professional Student Athlete: Undermining Amateurism as an Antitrust Defense in NCAA Compensation Challenges by Chad W. Pekron, Hamline Law Review 24 (2000)

Between Heaven and Earth: The Interrelationship between Intellectual Property Rights and the Religion Clauses of the First Amendment by Jed Michael Silversmith and Jack Achiezer Guggenheim, 52 Alabama Law Review 467 (2001)

Who Watches the Watchdogs?: The Status of Newsgathering Torts Against the Media in Light of the

Food Lion Reversal by Enrique J. Gimenez, 52 Alabama Law Review 675 (2001)

One Hundred Years of Solicitude: Intellectual Property Law, 1900-2000 by Robert P. Merges, 88 California Law Review 2187 (2000)

The Future of Global Copyright Protection: Has Copyright Law Gone Too Far? by Irene Segal Ayers, 62 University of Pittsburgh Law Review 49 (2000)

Fixing Copyright's Three-Year Limitations Clock: The Accrual of an Infringement Claim Under 17 U.S.C. section 507 (B) by Bart A. Starr, 78 Washington University Law Quarterly 623 (2000)

Copyright, Borrowed Images, and Appropriation Art: An Economic Approach by William M. Landes, 9 George Mason Law Review 1 (2000)

Stolen Cultural Property: Available Museum Responses to an International Dilemma by Christa L. Kirby, 104 Dickinson Law Review 729 (2000)

A Property Rights Theory of the Limits of Copyright by Norman Siebrasse, 51 University of Toronto Law Journal 1 (2001)

IIC, the International Review of Industrial Property and Copyright Law, published by the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law, Marstallplatz 1, D-80539 Munich, Germany, has iisued Volume 32, No. 1 with the following articles:

Review of Comparative Advertising-German Case Law in Light of EC Directive by E.M. Dominguez Perez, 32 IIC 20 (2001) (for address, see above)

Combining Descriptive Words Does Not Render Them Distinctive-T-19/99-DKV Deutsche Krankenversicherung AG v. OHIM-"Companyline," 32 IIC 79 (2001) (for address, see above)

Lack of Distinctiveness- R 378/1999-2- In re The Procter & Gamble Company- "Safeguard," 32 IIC 91 (2001) (for address, see above)

Definition of Comparative Advertising- I ZR 69/96- "Compare!" 32 IIC 103 (2001) (for address, see above)

Book Review: Sri Lankan Copyright Law and the TRIPS Agreement(Sornarajah) by Abeyesekere, 32 IIC 108 (2001) (for address, see above)

The Entertainment Law Review, published by Sweet & Maxwell, www.sweetandmaxwell.co.uk, has released Volume 12, Issue 2 with the following articles:

Personal Names and the UDRP: A Warning to Authors and Celebrities by Belinda Isaac, 12 Entertainment Law Review 43 (2001) (for address, see above)

The Global Implications of Defamation Suits and the Internet: the U.S. View by Harvey L. Zuckman, 12 Entertainment Law Review 53 (2001) (for address, see above)

Modification of the Reynolds Defence from New Zealand Unlikely by Antony Whitaker, 12 Entertainment Law Review 59 (2001) (for address, see above)

The Human Rights Act 1998-How Does This Affect the Corporate World? by Jodie Turner, 12 Entertainment Law Review 61 (2001) (for address, see above)

Majors Rumbling in Online Music Delivery by Rohan Massey, 12 Entertainment Law Review 63 (2001) (for address, see above)

Copyright! A Source of Friction between the United States and Ireland? by Lionel S. Sobel, 12 Entertainment Law Review 65 (2001) (for address, see above)

Book Review: The Law of Entertainment and Broadcasting (2nd Edition) by Vincent Nelson, 12 Entertainment Law Review 67 (2001) (for address, see above)

Book Review: Telecommunications, Broadcasting and the Internet: E.U. Competition Law and Regulation by Laurent Garzaniti, 12 Entertainment Law Review 67 (2001) (for address, see above)

The European Intellectual Property Review, published by Sweet and Maxwell, www.sweetandmaxwell.co.uk, has issued Volume 23, Issue 2 and 3 with the following articles:

A Child's First Steps: The First Six Months of Operation-The ICANN Dispute Resolution Procedure for Bad Faith Registration of Domain Names by Stephen Jones, 23 European Intellectual Property Review 66 (2001) (for web address, see above)

Convergence and the Future of Copyright by Shira Perlmutter, 23 European Intellectual Property Review 111 (2001) (for web address, see above)

Intellectual Property Rights in Digital Architecture (including Software): The Question of Digital Diversity by Brian Fitzgerald, 23 European Intellectual Property Review 121 (2001) (for address, see above)

The Dead Sea Scrolls Case: Who is an Author? by Michael D. Birnhack, 23 European Intellectual Property Review 128 (2001) (for address, see above)

The Future of Copyright Collecting Societies by Herman Cohen Jehoram, 23 European Intellectual Property Review 134 (2001) (for address, see above)

Permanent Injunctions in Copyright Cases by Gwilym Harbottle, 23 European Intellectual Property Review 154 (2001) (for address, see above)

The Bayer Case by Marjan Noor, 23 European Intellectual Property Review 158 (2001) (for address, see above

The Prohibition on Circumvention and the Attack on the DVD by David Goldberg and Robert J. Bernstein, 23 European Intellectual Property Review 160 (2001) (for address, see above)
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