

What's So Funny About Parody?

by Schuyler M. Moore

Like Medusa's head, holding up the defense of parody slays all before it, including copyrights, the right of publicity, and trademarks. The parody defense has simply gone too far and is now permitting blatant rip-offs of valuable intellectual property. Worse yet, the courts have expanded the definition of parody to the point where it has become - quite literally - not funny. In the process, the courts are eroding the economic incentive to create intellectual property, and this, in turn, is hampering, not helping, the free flow of ideas - the direct converse of the courts' express or implicit

goal. This article suggests that the parody defense should be trimmed back to a more rational level.

Copyright

In *Campbell v. Acuff-Rose Music, Inc.*, 114 S.Ct. 1164 (1994) (ELR 15:12:18), the U.S. Supreme Court was asked to decide whether or not a parodic version of Ray Orbison's "Pretty Woman" by Two Live Crew was protected from a copyright infringement claim on the basis of the "fair use" defense provided by Copyright Act section 107. The lower court held that Two Live Crew's version infringed "Pretty Woman" and that the fair use defense did not apply. The U.S. Supreme Court held that the fair use defense might apply and remanded the case for consideration of whether or not it applied to the facts in question. This decision is widely misinterpreted, however, as holding

that all parodies automatically qualify for the fair use defense. See, e.g., *Lyons Partnership v. Giannoulas*, 179 F.3d 384 (5th Cir. 1999) (ELR 21:7:12) (a parody of the Barney dinosaur was held immune to a copyright infringement claim on the basis of parody without any further analysis); *Lucasfilm Ltd. v. Media Market Group, Ltd.*, 182 F. Supp. 2d 897 (N.D. Cal. 2002) (ELR 24:2:10) (pornographic parody of "Star Wars" protected with bare citation to *Campbell*).

If we step back a bit, the parody defense is generally treated as rooted in the First Amendment. Like discussions on matters of public interest, it is felt that parodies offer some satirical critique that is worthy of protection. The troubling aspect of this analysis as applied to copyright is that copyright law emanates from Article I of the Constitution, which authorizes Congress to pass laws protecting copyrights. Copyright law thus has equal footing with the First Amendment,

and it has long been held that the First Amendment is not a defense to a copyright claim. For example a newspaper published an unauthorized excerpt from President Ford's autobiography, and the U.S. Supreme Court held that the First Amendment does not trump the Copyright Act and that use of the excerpt was not fair use. *Harper & Row Publishers v. Nation Enterprises*, 105 S.Ct. 2218 (1985) (ELR 7:2:6). So far, so good.

So why should parodies fare any better? If the parody is so far afield from the original work that it can be fairly said that the parody is not based upon, or substantially similar to, the original work, then the courts should simply hold that the parody is not an infringing work at all, and there is no need to rely on the fair use defense. But if, as is usually the case, the parody would be an infringing work but for the fair use defense, the current trend of the courts is to roll over on

their backs and surrender to the defense of parody. But why?

Waving the specter of the First Amendment gets us nowhere, and with that chimera behind us, the naked defense of parody seems rather lame. Let's look again at Ray Orbinson's song, "Pretty Woman." Am I free to create a classical version of the song? A jazz version? A hip-hop version? A tragic version? Of course not. All of these versions would be copyright infringement, and any fair use defense would be scoffed at. So why am I allowed to create a parodic version? Because it is funny? If the protection of parody is not based on the First Amendment - as it cannot - then what is it based on?

The parody defense becomes outright scary when the definition of parody is expanded beyond humor. In a pivotal case on this question, the Eleventh Circuit upheld a parody defense for a book called "The Wind

Done Gone" against a copyright claim brought by the owner of "Gone With the Wind." Suntrust Bank v. Houghton Mifflin Company, 268 F.3d 1257 (11th Cir. 2001) (ELR 23:1:4). Critically, the court held that parody need not be humorous and only had to "comment upon or criticize a prior work." This definition expands parody beyond all recognition. If the Two Live Crew decision was the camel's nose under the tent, this is the camel. Under traditional notions of copyright law, "The Wind Done Gone" is nothing more than an unauthorized dramatic derivative work. Under this decision, however, copyright pirates are now free to roam at will creating new versions of copyrighted works, as long as the new versions somehow "comment upon or criticize [the] prior work."

Right of Publicity

The parody defense is also being successfully used against right of publicity claims. *Cardtoons, LLC v. Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir 1996)(ELR 19:1:7) (no liability for parodic baseball cards featuring baseball players).

The logical extreme of this trend is exemplified in a Ninth Circuit case holding that Los Angeles Magazine had the right to publish a computer generated fashion spread of celebrities dressed in clothes made by advertisers in the magazine, including Dustin Hoffman in a dress (and not the one he wore in "Tootsie"). *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir. 2001) (ELR 23:4:10). Although the Ninth Circuit gave no logical rationale for its decision at the time, a later Ninth Circuit case justified the Hoffman decision on the basis of parody in dicta. *Mattel, Inc. v. MCA Records*, 296 F.3d 894 (9th Cir. 2002) (ELR 24:6:10), cert. denied, 71 U.S.L.W. 3503 (2003). The

Hoffman case, as reinterpreted by Mattel, shows the danger of permitting the purported parody defense because:

* The parody, if any, did not relate to Dustin Hoffman; it related to placing a dress on a man.

* Whatever parody there was would certainly not fall within the First Amendment; it was a computer generated photograph of Dustin Hoffman in a dress he never actually wore, which did not remotely rise to the level of a matter of public interest.

When the parody is a subset of the First Amendment, such as a critical comment on a matter of public interest or a criticism of a public figure, then the outcome in these cases is at least defensible; the right of publicity does not have any constitutional moorings, so the First Amendment trumps a state law right of publicity claim. On this basis, the U.S. Supreme Court's decision upholding the right of Hustler to publish a

highly offensive cartoon parodying Jerry Falwell is defensible. *Hustler Magazine, Inc. v. Falwell*, 108 S.Ct. 876 (1988) (ELR 9:10:3).

But courts are now giving parodies carte blanche protection with no other rationale. All parodies now appear to be, quite literally, above the law. What is so sacrosanct about all parodies that they deserve First Amendment protection? If I am not free to slap a celebrity's image on a commercial product to sell, why am I allowed slap it on any parody to sell?

Trademark

The parody defense is also steamrolling the federal Trademark Anti-Dilution Act, which prohibits the commercial use of another company's famous trademark in a manner that would dilute the trademark, including by tarnishing or blurring the trademark. In

several cases, uses of a trademark that would otherwise be a blatant violation of this act have been held protected as a sacrosanct parody.

In the most egregious case to date, a pornographer was permitted to title and advertise a film under the name "Starballz," a rip-off of the "Star Wars" trademark. *Lucafilm Ltd. v. Media Market Group, Ltd.*, 182 F.Supp. 2d 897 (N.D. Cal. 2002) (ELR 24:2:10).

Another case permitted the commercial use of the famous Barney Dinosaur and trademark on the basis of parody without any further analysis. *Lyons Partnership v. Giannoulas*, 179 F.3d 384 (5th Cir. 1999) (ELR 21:7:12).

Most recently, the Ninth Circuit permitted use of the Barbie trademark in both the name and lyrics of a song, once again on the basis of parody. *Mattel Inc. v. MCA Records*, 296 F.3d. 894 (9th Cir. 2002) (ELR 24:6:10), cert. denied, 71 U.S.L.W. 3503 (2003).

All of these cases recite the mantra that a parody is not a commercial use, and thus one of the requirements of the Anti-Dilution Act (i.e., a commercial use) is not present. In each case, however, the uses were undeniably commercial, and it was simply the courts' ipse dixit rulings that managed to change night to day. If the cases had not involved parodies, the trademark use in question would absolutely have been prohibited. The First Amendment alone does not override the Anti-Dilution Act, or every otherwise prohibited use of a trademark would be permitted by the First Amendment. Thus, parodies have been elevated even above the First Amendment.

Conclusion

In summary, the parody defense now has wings of its own, and is no longer tethered to logic, law, the

First Amendment, or anything else. So just what is so funny about parodies that permits them to ride roughshod over intellectual property rights? Why, it's enough to make one lose one's sense of humor, particularly when the parody need not be humorous, as in the case of "The Wind Done Gone." It is time to bring this Pegasus back to earth.

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Hein & Co.). He is also an adjunct professor at the UCLA School of Law, teaching Entertainment Law. [ELR 24:9:4]

INTERNATIONAL DEVELOPMENTS

Internet café in United Kingdom is liable for copyright infringement for burning CDs of recordings downloaded by customers, British court rules

A British court has ruled in favor of Sony Music, Polydor and Virgin Records in a copyright infringement suit they filed against a company that operates a chain of Internet cafes in the United Kingdom. Mr. Justice Peter Smith, of the Chancery Division of the High Court of Justice, has held that

easyInternetcafe infringed the record companies' copyrights by making CDs of recordings downloaded by its customers. He did so in response to a motion for summary judgment filed by the record companies.

easyInternetcafe's customers were permitted to save downloaded files to their own private directories on the company's servers. They then could have café employees burn those files to CDRs for £5 (about \$8) per CD. According to easyInternetcafe, its employees did not know what types of files they were copying, because company policy prohibited employees from looking at the contents of files, unless the customer agreed.

easyInternetcafe opposed the record companies' summary judgment motion on two grounds.

It argued first that it was an "involuntary copier" and shouldn't be held liable for that reason. According to easyInternetcafe, its position was analogous to that

of a fax machine owner who received an infringing fax. Justice Smith was not persuaded by this argument, however.

Copyright infringement liability is "strict," he noted, so it is not a defense that the infringer doesn't know he is infringing. More importantly, Justice Smith concluded that the analogy was factually flawed. The only reason easyInternetcafe employees didn't know what they were copying was that the company chose to keep the contents of customers' directories confidential. "This is not involuntary," the Justice said, "it is voluntary." That is, easyInternetcafe didn't know what it was doing simply because it chose not to know.

easyInternetcafe also argued that it was not liable, because British copyright law provides that it is not an infringement to make copies of "cable programmes" for private and domestic use to enable those "programmes" to be viewed at a more convenient

time. According to easyInternetcafe, Internet transmissions are "cable programmes," so its customers are permitted to make copies to listen at more convenient times, and therefore it is not liable for permitting its customers to do so.

Justice Smith was not persuaded by this argument either. No evidence was introduced to show that music recordings had been copied for private or domestic use, and Justice Smith refused to take judicial notice that easyInternetcafe customers were likely to use copies for those purposes rather than commercial ones. More importantly, CDR copies of recordings were being made by easyInternetcafe itself, and it was not doing so "for the purpose of private and domestic use. It is copying for the purposes of selling the complete CDR for £5 . . . [and] is making a profit out of it."

Justice Smith's ruling dealt only with

easyInternetcafe's liability. He hasn't ruled yet on damages. easyInternetcafe has announced it will appeal.

The record companies were represented by Richard Spearman QC and Pushpinder Saini, instructed by Wiggin & Co. easyInternetcafe was represented by Richard Arnold QC, instructed by Denton Wilde Sapte.

Sony Music International (UK) Limited v. Easyinternetcafe Limited, [2003] EWHC 62 (Ch), available at www.courtservice.gov.uk/judgmentsfiles/j1528/sony_v_easyinternetcafe.htm [ELR 24:9:6]

Appeals court in Munich decides that recent release of DVDs was authorized by scenery designer's 1980 grant of homevideo rights to producer of "The Magic Mountain," even though German law makes "ineffective" any grant of rights for as yet unknown kinds of uses

Though movie DVDs have been sold in Germany only since the late 1990s, DVDs were not an "as yet unknown" kind of use for movies back in 1980, an Intermediate Court of Appeals in Munich has held, in a lawsuit by Toni Ludi against Kinowelt Home Entertainment GmbH.

Ludi was the scenery designer for "The Magic Mountain" ("Der Zauberberg"), a German-French-Italian co-production first released theatrically in 1982. Ludi's employment contract authorized the company that produced the movie, Franz Seitz Filmproduktion,

to distribute it for home viewing (as well as theatrically and for television). On the basis of that authority, video cassettes of the movie have been distributed in Germany, apparently for years, without complaint from Ludi.

Kinowelt Home Entertainment is the movie's current homevideo distributor in Germany. When DVDs were introduced there, Kinowelt made DVD versions of the movie available too, without Ludi's consent. The fact that DVDs were distributed without the scenery designer's consent was significant, because under German law, grants of rights for as yet unknown kinds of use are not effective. As a result, Ludi sued Kinowelt, seeking an injunction and damages.

At first, Ludi was successful. A German Regional Court ruled in his favor. It held: that Ludi was a joint author of the movie; that DVDs were a new kind of use by comparison with the video cassettes that

existed when the movie was made; and that German law made Ludi's grant of home distribution rights ineffective as a grant of DVD rights.

Ludi's victory was short-lived, however. Kinowelt appealed, and the Court of Appeals ruled in its favor. The appellate court acknowledged that the purpose of the law is to assure creators that they will receive "extra proceeds arising from new technological developments."

However, the appellate court added, "the exploitation of . . . film[s] on DVD is not an independent kind of use . . . as compared with the previously known form of video tapes . . . ," because DVDs are not "a new kind of . . . technically and economically independent form of use. . . ." This is so, the appellate court explained, because DVDs have not "decisively changed" the "essence" of movies "from the viewpoint of the end user."

The appellate court also reasoned that although video cassettes were considered a new kind of use as compared to the narrow-gauge films that preceded them, videos were mass marketed while narrow-gauge films were not. By contrast, the court noted, DVDs and video cassettes are rented and sold side by side in the same places, and "no new marketing structure has arisen" as a result of DVDs.

Ludi was represented by Attorneys Dr. Roth & Colleagues in Munich. Kinowelt was represented by Attorneys Lausen in Munich. And Seitz was represented by Attorneys Dr. Poll & Ventroni in Munich.

Ludi v. Kinowelt Home Entertainment GmbH, Case 6 U 5487/01 (Munich Ct. App. 2002), available at www.EntertainmentLawReporter.com/decisions/240906.pdf [ELR 24:9:6]

Australian court has jurisdiction to hear lawsuit filed by Melbourne businessman Joseph Gutnick complaining about allegedly defamatory article in "Barrons Online," even though Dow Jones' web servers are in New Jersey, High Court of Australia affirms

Dow Jones & Company will indeed have to defend itself in a court in Australia in a defamation lawsuit that has been filed against it by Melbourne businessman Joseph Gutnick. Dow Jones battled mightily to get the case dismissed, arguing that the Australian court does not have jurisdiction to hear it, and even if it does, it should not exercise jurisdiction because a court in New Jersey would be more convenient. But those arguments did not persuade the Supreme Court of Victoria in Melbourne, where

Gutnick filed his lawsuit (ELR 23:6:7). Nor have they persuaded the High Court of Australia, which has affirmed the lower court's decision refusing to dismiss or stay the case.

Gutnick filed his lawsuit in response to an article that appeared in Barrons Online, one of the periodicals available to subscribers to Dow Jones' website. The offending article, entitled "Unholy Gains," suggested that Gutnick was a tax-evader and money launderer.

Gutnick does business in the United States, as well as in Australia where he lives. But he filed his lawsuit in Melbourne, seeking to recover only for damages allegedly done to his reputation in the Australian state of Victoria on account of those portions of the article that suggested that he had financial dealings in Victoria with a money-launderer.

Dow Jones' arguments seeking dismissal or a stay of the suit were based on the fact that although the

offending article was seen by Australian subscribers to Dow Jones' website, the article was written by an American, for an American audience, about the impact of Gutnick's actions on Americans, and was made available to subscribers from Dow Jones' servers, all of which are located in New Jersey. Dow Jones has no servers in Australia, so Australians who read the offending article did so by downloading it from New Jersey.

In a lengthy and unanimous decision (consisting of four separate opinions), the High Court of Australia has ruled that the Supreme Court of Victoria does have jurisdiction to hear the case, because Australian defamation law requires harm to reputation, and that occurs only when a defamatory statement is "comprehended by the reader."

"In the case of material on the World Wide Web," the High Court reasoned, "it is not available in

comprehensible form until downloaded on to the computer of a person who has used a web browser to pull the material from the web server. It is where that person downloads the material that the damage to reputation may be done. Ordinarily then, that will be the place where the tort of defamation is committed."

The notion that "ordinarily" defamation on the Internet will be committed in the country where it is read - and thus can result in lawsuits anywhere - is a threatening one to those who publish on the Internet. Perhaps for that reason, in what reads like an effort to make its decision less threatening to publishers outside of Australia, the High Court made three points in response to Dow Jones' argument that Internet publishers should not be vulnerable to suit in every country of the world, or under legal standards that vary from country to country.

First, the High Court said that if an American

publisher was sued in Australia, and damages were claimed for publications that took place in America, Australian courts would apply U.S. law (including its First Amendment) to those claims. Second, the High Court said that plaintiffs would be awarded substantial defamation damages in Australia only if they have a reputation there.

Third, the High Court said that plaintiffs were likely to sue a publisher outside the publisher's own country only if a favorable judgment could be enforced against the publisher in a country where the publisher has assets. The Court's decision doesn't indicate whether Dow Jones has assets in Australia, but if not, the Court suggested Dow Jones may have little to worry about. It did so by citing in a footnote decisions in which U.S. courts refused to enforce defamation (and other publishing) judgments from other nations, on First Amendment grounds (ELR 23:7:6, 20:1:18,

14:2:13).

Gutnick was represented by J.L. Sher QC with M.F. Wheelahan, instructed by Schetzer, Brott & Appel. Dow Jones was represented by G.R. Robertson QC with T.F. Robertson SC, instructed by Gilbert & Tobin.

Dow Jones & Company Inc v. Gutnick, [2002] HCA 56, available at www.austlii.edu.au [ELR 24:9:7]

European Court of Human Rights awards 30,000 Euros to British citizen whose privacy was invaded by BBC's "Crime Beat" broadcast of closed circuit videotape of attempted suicide

Andy Warhol once said that eventually everyone will be famous for 15 minutes. Geoffrey Dennis Peck's 15 minutes came in 1996 when he was featured on "Crime Beat," a BCC television program viewed by more than 9 million viewers. He also was featured in an Anglica Television broadcast to 350,000 viewers, and in newspaper articles.

It wasn't however the kind of fame that Peck or anyone would wish. And for that reason, the European Court of Human Rights has just awarded Peck almost 30,000 Euros (about \$30,000), to compensate him for invasion of his privacy and for the legal costs he incurred in winning a precedent-setting decision.

Peck is a British citizen. He lives in Brentwood Borough, northeast of London (just outside the M25 beltway). Brentwood's streets are monitored by a closed circuit television system for crime prevention purposes; and in 1995, the system captured images of Peck cutting his wrists with a large knife, in an attempt to commit suicide. Police were immediately dispatched, which probably saved Peck's life. But the system also made a videotape of the images, which later came back to haunt him.

The tape came back to haunt Peck, because later in 1995, Brentwood released the tape to newspapers and television broadcasters. Anglica Television aired segments to a local audience; and the BBC used Peck's image in nationally-televised trailers for an episode of "Crime Beat" that also featured the moments after his attempted suicide. Those images were seen by Peck's friends and family, who recognized him because his

likeness wasn't obscured.

Peck responded by lodging complaints with the British Broadcasting Standards Commission, the Independent Television Commission, and the Press Complaints Commission, asserting that his privacy had been invaded by the broadcasters and newspapers. He also filed a lawsuit against the Brentwood Council, in which he complained that the Council's decision to release the videotape of his suicide attempt to the media, without first obscuring his image or requiring the media to do so, was unlawful.

Peck had some - but only some - success with those proceedings. The Broadcast Standards Commission and the Independent Television Commission agreed with him that the BBC and Anglia Television had invaded his privacy; and both broadcasters were required to televise apologies for their actions. Neither of those Commissions has

authority to award damages, however, and they didn't.

On the other hand, the Press Complaints Commission rejected Peck's complaints against newspapers that had used his image. And British courts dismissed his lawsuit, finding that the Brentwood Council had not violated British law by releasing the tape to the media.

Though these proceedings were all Peck could do within the United Kingdom itself, the U.K. (along with other EU nations) is a party to the European Convention on Human Rights. That was significant, because the Human Rights Convention provides that:

- * "Everyone has the right to respect for his private . . . life";
- * "Everyone whose rights . . . as set forth in [the] Convention are violated shall have an effective remedy before a national authority"; and
- * "If the [European] Court [of Human Rights] finds that

there has been a violation of the Convention . . . , and if the internal law of the [nation] concerned allows only partial reparation to be made, the Court shall, if necessary, afford just satisfaction to the injured party."

Relying on these provisions, Peck filed an application with the European Court of Human Rights, arguing that the United Kingdom did not provide him with an effective remedy for the violation of his right to respect for his private life, and thus the Court of Human Rights should afford him satisfaction. The Court of Human Rights has agreed.

The Court ruled that the Brentwood Council's release of the videotape "constituted a serious interference with [Peck's] right to respect for his private life," and that the release of the tape - without obscuring Peck's identity or requiring the media to do so - was not justified.

The Court also found that British courts had not

provided Peck with an effective remedy for the Brentwood Council's violation of his privacy rights, and that "the lack of legal power of the [Broadcasting Standards, Independent Television, and Press Complaint] commissions to award damages to [Peck] means that those bodies could not provide an effective remedy to him."

To provide Peck with "just satisfaction" for his injuries, the Court awarded him 11,800 Euros for distress, embarrassment and other non-pecuniary damages, 3,000 Euros for the legal costs he incurred in connection with proceedings before the British courts and commissions, and 15,075 Euros for legal costs he incurred in connection with the Human Rights Court case.

Peck v. United Kingdom, European Court of Human Rights (Application no. 44647/98) (Jan. 28, 2003),

available at <http://hudoc.echr.coe.int/hudoc> [ELR 24:9:8]

IN THE NEWS

Federal court orders Verizon to comply with RIAA subpoena requesting identity of subscriber who downloaded 600 songs from Internet in one day

Verizon is an Internet Service Provider, as well as a webhost and telephone company. That is, some of its subscribers use Verizon to get access to the Internet, but not to store or serve data to others or to talk on the phone. The RIAA has reason to believe that one of those Internet access subscribers uses the Internet, heavily, to download unauthorized music files, using software provided by KaZaA. Indeed, according to the

RIAA this subscriber used his or her Verizon connection to download 600 music files, all in a single day.

The RIAA doesn't know who this anonymous downloader is, but Verizon does, because the RIAA gave Verizon its subscriber's Internet Protocol address and the date and time when the downloads occurred. The RIAA provided this information in a subpoena that asked Verizon for its subscriber's identity, so the RIAA could protect the rights of its member record companies, whose copyrighted recordings the subscriber downloaded, without authorization.

Neither the RIAA nor its members have sued Verizon's subscriber for copyright infringement yet, in part because they don't know who the subscriber is or where he or she lives, and in part because they don't know whether a full-blown lawsuit is necessary to get the subscriber to stop his or her infringing activities. As

a result, the RIAA's subpoena was not a conventional "third-party" subpoena issued pursuant to Rule 45 of the Federal Rules of Civil Procedure.

Instead, the RIAA's subpoena was issued pursuant to an until-now obscure subsection of the Copyright Act, added by the Digital Millennium Copyright Act. The subsection in question - Copyright Act section 512(h) - authorizes copyright owners to ask clerks of federal District Courts to issue subpoenas to Internet service providers requiring service providers to identify alleged copyright infringers. Moreover - and most significantly - section 512(h) empowers federal court clerks to issue these subpoenas even though no copyright infringement lawsuit has been filed against the alleged infringer.

Verizon and other ISPs don't want to have to respond to subpoenas like the one served by the RIAA, for at least two reasons. First, they want to preserve the

anonymity of their subscribers. Second, they are concerned that they will be flooded with subpoenas and it will become administratively difficult and expensive to respond to them. In fact, Verizon refused to respond to the RIAA's subpoena, claiming that that it didn't have to - as a matter of law - in this instance.

Verizon was able to determine that it does not provide webhosting or data storage service to the subscriber whose identity was sought by the RIAA subpoena. Verizon merely provides the subscriber with Internet access. And indeed, it is not disputed that the 600 recordings the subscriber downloaded all are stored on the subscriber's computer, not on Verizon's.

This was significant, Verizon thought, because as it reads the DMCA, section 512(h) only requires it to respond to subpoenas requesting the identities of subscribers for whom Verizon provides webhosting or data storage services. According to Verizon, if

copyright owners want to subpoena the identities of those who are merely Internet access subscribers, copyright owners must file "John Doe" infringement lawsuits against them first, and then serve conventional "third-party" subpoenas under Rule 45 of the Federal Rules of Civil Procedure.

The RIAA of course disagreed with Verizon's interpretation of Copyright Act section 512(h), and thus sought enforcement of its subpoena in federal District Court in Washington, D.C., where Judge John Bates has agreed entirely with the RIAA. Judge Bates concluded that the language of section 512(h) "leaves no doubt" that it authorizes subpoenas to "all service providers," without regard to the types of services they provide to their subscribers. Indeed, he said, the statutory provision "leaves no doubt" that it applies to the very type of service Verizon provides to the subscriber whose identity the RIAA's subpoena seeks.

Moreover, Judge Bates added, the legislative history of the section 512(h) confirms its plain meaning. The DMCA gives Internet service providers immunity from liability for infringements committed by their subscribers, under specified circumstances. In exchange, the DMCA requires Internet service providers "to assist copyright owners in identifying infringers using the service providers' systems."

As a result, Judge Bates has ordered Verizon to comply with the subpoena. Verizon has appealed that order, and has asked Judge Bates to stay his order pending the outcome of that appeal.

The RIAA was represented by Donald B. Verilli, Jr., of Jenner & Block in Washington D.C., and by Jonathan Whitehead of the RIAA. Verizon was represented by Eric Holder of Covington & Burling in Washington D.C.

Recording Industry Association of America v. Verizon Internet Services, Civil Action 02-MS-0323 (JDB) (D.D.C. 2003), available at <http://www.politechbot.com/docs/verizon.riaa.decision.012103.pdf> [ELR 24:9:10]

RECENT CASES

"Harry Potter" books and movies do not infringe rights of children's book author Nancy Stouffer, federal District Court rules; Stouffer ordered to pay \$50,000 in sanctions plus attorneys' fees, because Stouffer submitted fraudulent evidence to support her invalid claims

J.K. Rowling's Harry Potter books are among the most successful in publishing history. Millions of

copies have been sold in hard and soft cover all around the world, and they have been transformed into popular movies produced and distributed by Warner Bros.

So it came as something of a shock when a children's book author named Nancy Stouffer claimed that the "Harry Potter" character and other features of the fictional world created by Rowling were copied from works Stouffer had written, in alleged violation of Stouffer's intellectual property rights. While claims of this sort are made in response to many popular movies, Stouffer appeared to have some documentary evidence to support her claims. Thus it looked, at first, as though Stouffer's claims might be different from most of those made by aspiring authors against those who have enjoyed success.

Believing that the best defense is a strong offense, Rowling, her American publisher Scholastic, Inc., and Warner Bros. filed a declaratory relief lawsuit

against Stouffer in federal District Court in New York City. What's more, they began filing summary judgment motions against Stouffer, in the hopes of bringing her claims to an abrupt halt. Early in the case, Rowling, Scholastic and Warner Bros. enjoyed a partial success. Judge Allen Schwartz granted their motions as to some of Stouffer's claims (alleged by her as counterclaims to their complaint). But that success was only partial; Judge Schwartz denied their motion to dismiss some counterclaims. (ELR 23:1:13)

Even if Rowling, Scholastic and Warner Bros. privately considered Judge Schwartz's first ruling to be a setback, they didn't let it alter their strategy. Instead, they followed their first motion with a second - supported by evidence that was even more shocking than Stouffer's. They showed that many of Stouffer's documents were fabricated. Stouffer, they said, had committed a "fraud on the court"; and Judge Schwartz

agreed.

Judge Schwartz did not rule in anger. (At least it doesn't appear so from his opinion.) Instead, he divided his decision into two parts: one in which he evaluated Rowling, Scholastic and Warner Bros.' motion for summary judgment as though Stouffer had submitted her evidence in good faith; and another in which he ruled on Rowling, Scholastic and Warner Bros.' request for sanctions and attorneys' fees.

On the merits of the summary judgment motion, the judge concluded that Stouffer's trademark claims lacked merit, because a comparison of Stouffer's books with Harry Potter showed there was no likelihood of consumer confusion concerning the source of those works. Stouffer complained that her books used the word "muggles" and Harry Potter did too. But Judge Schwartz noted that the way in which the word was used in the two works was "markedly different."

Likewise, Stouffer claimed to have created a character named "Larry Potter" and complained that consumers would confuse her character with "Harry Potter." The judge responded that apart from the fact that their names rhyme and both wear glasses, the two characters have "almost nothing in common." The judge also rejected Stouffer's claim that her "Nimbus" character would be confused with Harry Potter's "Nimbus" flying broomstick.

Stouffer's dilution and tarnishment claim was even weaker, Judge Schwartz concluded. That claim required Stouffer to show that her marks were "truly of distinctive quality" and "extremely strong." But so few, if any, of her books were sold, she couldn't possibly show this, the judge said.

Finally, Judge Schwartz dismissed Stouffer's copyright infringement claim - a claim based on the alleged copying of an illustration in one of her books

for use as the Harry Potter cover illustration. The judge concluded that the two illustrations were not substantially similar, and that in any event, there was no evidence that J.K. Rowling or the illustrator of her book had ever had an opportunity to see, let alone copy, the illustration in Stouffer's book.

In response to Rowling, Scholastic and Warner Bros.' request for sanctions and attorneys' fees, Judge Schwartz evaluated seven separate pieces of evidence that Stouffer had submitted in support of her case. He found all seven had been altered or forged. And he found that Stouffer failed to "correct her fraudulent submissions, even when confronted with evidence undermining" their "validity." For this, the judge ordered Stouffer to pay Rowling, Scholastic and Warner Bros. \$50,000 in sanctions, and he ordered Stouffer to pay their attorneys' fees as well.

Rowling and Scholastic were represented by

Edward H. Rosenthal of Frankfurt Garbus Kurnit Klein & Selz in New York City. Warner Bros. was represented by Dale M. Cendali of O'Melveny & Myers in New York City. Stouffer was represented by Thomas S. McNamara of Indik & McNamara in Philadelphia and James A. Power, Jr., of Power Del Valle in New York City.

Scholastic, Inc. v. Stouffer, 221 F.Supp.2d 425, 2002 U.S. Dist. LEXIS 17531 (S.D.N.Y. 2002) [ELR 24:9:12]

Supreme Court agrees to decide whether distributor of video of public domain television series may be held liable for double its profits for "reverse passing off," because it failed to credit Twentieth Century Fox as series' creator or indicate that video was based on President Eisenhower's book "Crusade in Europe"

The United States Supreme Court has agreed to hear an appeal from a judgment that requires a video distributor to pay Twentieth Century Fox twice the profits the distributor earned from videos of a Fox television series based on President Eisenhower's book Crusade in Europe. The case raises an interesting issue concerning the relationship between copyright law and trademark law, in cases where a work's copyright has expired.

The reason the issue arose is that Fox's television

series fell into the public domain when its copyright wasn't renewed at the end of its first 28-year term. Dastar copied "substantially the entire 'Crusade in Europe' series," apparently believing that it could do so without liability, because the series is in the public domain. What seems to have gotten Dastar into trouble is that it labeled its video with a different name, and marketed the video without giving Fox credit as the series' creator, thereby "giving the impression" that its video was "an original work."

This prompted Fox to sue Dastar, successfully, for "reverse passing off." Federal District Judge Florence Marie Cooper ruled that Dastar had committed "bodily appropriation" of Fox's series, which entitled Fox to prevail on its infringement claim, even without showing that Dastar's videos resulted in consumer confusion. What's more, Judge Cooper awarded Fox twice Dastar's profits on the grounds that

Dastar's infringement had been deliberate and willful, and that none of those profits was attributable to Dastar's own work.

Dastar appealed but lost again. In a very short opinion marked "not appropriate for publication," the Court of Appeals affirmed Judge Cooper's "reverse passing off [by] bodily appropriation" ruling, as well as her double-profits damage award.

Though the Court of Appeals didn't think the case needed more than a short unpublished opinion, the Supreme Court apparently thinks it's worth a more thorough analysis. It has granted Dastar's petition for certiorari, and gave the parties a very short briefing schedule. A decision is expected by the end of the Supreme Court's current term, in June or July.

Twentieth Century Fox was represented by Dale M. Cendali and Seth Alben Aronson of O'Melveny & Myers in New York City and Los Angeles. Dastar was

represented by David A. Gerber in Oxnard and Allen Hyman in North Hollywood. Random House (Eisenhower's book publisher) was represented by Stephen G. Contopulous of Sidley Austin Brown & Wood in Los Angeles.

Twentieth Century Fox v. Entertainment Distributing, 34 Fed.Appx. 312, 2002 U.S.App.LEXIS 7426 (9th Cir. 2002), cert. granted sub. nom., Dastar Corp. v. Twentieth Century Fox, 123 S.Ct. 816, 2003 U.S.LEXIS 554 (2003) [ELR 24:9:13]

Trial court refuses to dismiss Fox's suit against Marvel complaining that Marvel-licensed "Mutant X" television series violates Marvel's license to Fox for its "X-Men" theatrical movie; but court does dismiss Marvel's trademark and copyright counterclaims against Fox

A decade ago, Twentieth Century Fox paid Marvel \$1.6 million for the "theatrical motion picture" rights to Marvel's "X-Men" comic books. That deal resulted in an enormously successful movie, and a terribly expensive lawsuit. At issue in the case is whether Fox's contract rights were violated when Marvel subsequently licensed Tribune Entertainment to produce the "Mutant X" television series. The case has generated three published decisions already, and it has yet to go to trial.

In the most recent of the three decisions, federal

District Judge Allen Schwartz has denied a motion for partial summary judgment, in which Marvel sought dismissal of Fox's breach of contract claim. Marvel made two arguments in support of its motion - one novel, the other traditional - but neither persuaded the judge.

Fox's breach of contract claim alleges that although Marvel retained television rights to its "X-Men" comic books, Marvel could exercise those rights only with Fox's consent, after a "freeze" period, and that Marvel's license to Tribune violated that provision. In an earlier opinion, Judge Schwartz ruled that the "freeze" provision was ambiguous (ELR 23:8:9). For that and other reasons, Judge Schwartz denied Fox's request for a preliminary injunction, a ruling that was upheld on appeal (ELR 23:12:12).

In its motion for partial summary judgment, Marvel latched onto Judge Schwartz's earlier

conclusion that the provision was ambiguous, and it argued that California Civil Code section 988 requires the ambiguity to be resolved in its favor. Paragraph (c) of that section does indeed say that if an agreement that conveys rights in a work of art is ambiguous, the ambiguity should be resolved in favor of the artist or owner. But section 988 as a whole deals with the ownership of physical works of art; and paragraph (c) concerns only agreements that relate to transfers of physical ownership. For that reason, the judge concluded that section 988 did not cover Marvel's license to Fox, and thus did not require the ambiguity to be resolved in Marvel's favor.

Judge Schwartz also rejected Marvel's argument that Tribune's "Mutant X" television series is different enough from Fox's "X-Men" that none of Fox's contract rights were violated for that reason. This argument concerned how similar the series had to be to the

movie, to violate Fox's rights. Marvel argued they had to be "substantially similar," while Fox argued that they were similar enough if the series was merely "inspired by" the movie. Judge Schwartz rejected both positions. He found that the Fox-Marvel contract was unlike contracts involved in earlier cases dealing with this question. And he also found that the contract was too ambiguous on this issue to decide the question in response to a motion for summary judgment.

Marvel not only failed in its bid to get Fox's breach of contract claim dismissed, Marvel also suffered the dismissal of its own counterclaims. Marvel alleged trademark and dilution counterclaims against Fox, complaining about Fox's use of "X-Men" as part of several domain name registrations. In response to Fox's motion for summary judgment, Judge Schwartz dismissed these counterclaims, on the grounds that the Fox-Marvel license agreement authorized Fox to

promote its movie on the Internet, or on the grounds that Fox's use of "X-Men" on the Internet would not confuse consumers or dilute the distinctiveness of Marvel's trademark.

The judge also dismissed a Marvel counterclaim seeking to invalidate Fox's copyright registration for its "X-Men" logo. Fox had not disclosed to the Copyright Office that its logo was based on a pre-existing Marvel logo, and thus was a "derivative work." But Judge Schwartz held that Fox's logo was sufficiently original to be eligible for a derivative work copyright of its own, and therefore Fox had not committed a fraud on the Copyright Office by failing to acknowledge Marvel's earlier logo.

According to news accounts, Fox and Marvel have now settled this case on terms that have not been publicly disclosed.

Fox was represented by Dale M. Cendali of

O'Melveny & Myers in New York City. Marvel was represented by Jonathan D. Reichman of Kenyon & Kenyon in New York City. Tribune was represented by Maura J. Wogan of Frankfurt Garbus Kurnit Klein & Selz in New York City. And Fireworks Communications was represented by Steven H. Rosenfeld of Ohrenstein & Brown in New York City.

Twentieth Century Fox Film Corp. v. Marvel Enterprises, Inc., 220 F.Supp.2d 289, 2002 U.S. Dist. LEXIS 18425 (S.D.N.Y. 2002) [ELR 24:9:13]

Lawyer who negotiated contract between his client - fight promoter Main Events Productions - and boxer Jeff Lacy, could represent Main Events in pre-trial proceedings in subsequent breach of contract lawsuit, even though lawyer testified at preliminary injunction hearing and was likely to testify at trial, though he could not be Main Events' advocate during trial, federal District Court decides

New Jersey lawyer Patrick English may represent fight promoter Main Events Productions in pre-trial proceedings in a breach of contract lawsuit against boxer Jeff Lacy, even though English negotiated the contract between Main Events and Lacy, as Main Events' lawyer, and even though English testified about those negotiations at a preliminary injunction hearing. Federal District Judge Dickinson Debevoise has so ruled, in a decision that reverses an

earlier magistrate judge's order that had disqualified English from the case entirely.

English is likely to testify at trial too, and Judge Debevoise agreed with the magistrate judge that English may not act as Main Events' advocate during trial. English seems to have anticipated as much himself, because he brought in New Jersey lawyer Laurence Orloff as co-counsel from the outset of the case. But Lacy wanted to disqualify English from representing Main Events at every stage of the case. Judge Debevoise ruled that total disqualification was not necessary.

At the heart of the disqualification dispute is a New Jersey Rule of Professional Conduct that provides that "A lawyer shall not act as advocate at a trial in which the lawyer is likely to be a necessary witness" Judge Debevoise noted that the ban is on acting as an advocate "at a trial," and the Rule says nothing about

pre-trial proceedings. Moreover, the judge noted, although the New Jersey Supreme Court has said nothing about this issue, courts in other states "have concluded that an attorney who will testify at trial need not be disqualified from participating in pre-trial matters."

Judge Debevoise explained that "The Rule is designed to prevent a situation in which at trial a lawyer acts as an attorney and as a witness, creating the danger that the fact finder (particularly if it is a jury) may confuse what is testimony and what is argument, and otherwise creating an unseemly appearance at trial. Limiting the disqualification to advocacy at trial achieves these objectives and at the same time respects the client's right to be represented generally by an attorney of his choice."

The judge also rejected Lacy's contention that English had a conflict of interest that should have

prevented him from representing Main Events during pre-trial proceedings. According to Lacy, English's role in the contract negotiations gave him a personal interest in the lawsuit, which conflicted with his personal representation of some of Main Events' owners. Judge Debevoise responded that these things failed to show that English had a conflict of interest or "self interest" requiring his disqualification.

Main Events was represented by Laurence B. Orloff of Orloff Lowenbach Stifelman & Siegel in Roseland, and by Patrick English of Dines & English in Clifton. Jeff Lacy was represented by David A. Picon of Proskauer Rose in Newark and Judd Burstein in New York City.

Main Events Productions v. Lacy, 220 F.Supp.2d 353, 2002 U.S.Dist.LEXIS 17544 (D.N.J. 2002) [ELR 24:9:14]

Departing members may not perform as "Dream Street," because name of group belongs to manager who created the concept group, New York court decides

Three members of "Dream Street" are free to leave the group, but they may not continue to perform together under that name, as they had wanted. Judge Diane Lebedeff, of the Supreme Court of New York County, has so ruled, in a proceeding between the three departing members - Frankie Galasso, Matt Ballinger and Greg Raposo - and the group's record company.

Dream Street's 2001 album was a huge success, and that "success was not merely fortuitous," Judge Lebedeff explained. Like Menudo, the Monkees and the Spice Girls, "Dream Street" is a "concept group," created by a manager who conceived the group's style

and characteristics. The manager incorporated Dream Street Entertainment, Inc., and then hired all five of the group's teenage members pursuant to written contracts that were confirmed by the New York court under a state statute applicable to contracts for child performers.

Those contracts provided that even if a member were to leave the group, the corporation would continue to own its name. Though three members of the group did leave, its lead singer, Chris Trousdale, did not - thus giving the corporation an added incentive to continue using the "Dream Street" name.

Judge Lebedeff held that the corporation "has a clear common-law right to the Dream Street name, and the use of that name by another would constitute infringement." This is so, she explained, because the departing members had explicitly recognized the corporation's ownership of the name, the public

associates the name with the group's characteristics and style, and its characteristics and style are controlled by the manager who created the corporation.

The corporation consented to the departure of Galasso, Ballinger and Raposo. But it did not waive whatever exclusive rights it may have under their court-approved contracts. The departing trio asked Judge Lebedeff to revoke the court's approval of their contracts, but she refused to do so. She characterized their complaints as "a creative attempt to avoid contractual obligations." And she "found suspect their assertion that their 'well-being . . . is being impaired'" by their contracts.

Judge Lebedeff also took exception to the fact that the media had been given copies of the trio's motion papers, including copies of papers that had been sealed by court order. This was, the judge said, a "sign that [they] were attempting to create public pressure to

achieve what they have been unable to gain by well-reasoned and legal argument. . . ."

The departing performers were represented by John J. Rosenberg in Massachusetts. Dream Street Entertainment, Inc., was represented by Frederic C. Weiss in New York City.

In re Atlantic Recording Corp. 747 N.Y.S.2d 889, 2002 N.Y.Misc.LEXIS 1041 (Sup. 2002) [ELR 24:9:15]

Jazz musician Cab Calloway did not transfer trademark rights in his name to his widow, so widow may not prevent Calloway's grandson from using "Cab Calloway" name as part of his own orchestra's name

Cab Calloway's grandson Christopher Brooks

may continue to use the trademark "The Cab Calloway Orchestra" - over the objections of Cab Calloway's widow, Zulme Calloway. A federal Court of Appeals has so held in what is technically a trademark infringement lawsuit. Really, though, it is a family fight between a widow and a grandson from an earlier Calloway marriage.

During his lifetime, Cab Calloway performed with a number of jazz bands - bands whose names included his own. After Calloway died, his widow Zulme formed a company to manage rights associated with Calloway's name, likeness, voice and intellectual property. Zulme claimed that Calloway had transferred his trademark in the "Cab Calloway" name to her; and she transferred the mark to the company. Brooks, however, was not part of that company; he had his own music business called "The Cab Calloway Orchestra."

The widow's company sued Brooks, without

success. Federal District Judge Charles Brieant granted Brooks' motion for summary judgment. And in a Summary Order marked "not selected for publication in the Federal Reporter," the Court of Appeals has affirmed.

The appellate court explained that "rights in a trademark cannot be transferred 'in gross,' or apart from an ongoing business." Since Cab Calloway was "not operating a going concern at the time of his death," he could not transfer any trademark in his name to his widow, as a matter of trademark law, the appellate court concluded.

The widow's company was represented by Marc A. Karlin of Karlin & Karlin in Los Angeles. Brooks was represented by Barbara A. Solomon of Fross Zelnick Lehrman & Zissu in New York City.

Creative Arts by Calloway, L.L.C. v. Brooks, 48

Fed.Appdx. 16, 2002 U.S.App.LEXIS 21635 (2nd Cir. 2002) [ELR 24:9:15]

Publication of a single volume does not create trademark rights in book's title, federal appellate court rules

In a fight over ownership of the trademark "Crossword Companion," a federal Court of Appeals has held that the publication of a single volume does not create trademark rights in the book's title.

The fight was between Kappa Books, Inc., the publisher of a million-seller book entitled "Crossword Companion," and Herbko International, Inc., the manufacturer of a handheld device containing scrollable rolls of crossword puzzles. Herbko's device also is called "Crossword Companion," a name that

Herbko began using and registered in 1994, one year after the 1993 publication of Kappa's book. Kappa, however, published a second book called "Crossword Companion" in 1995, one year after Herbko began using the name for its device.

When Kappa learned of Herbko's product, Kappa filed a petition with the Trademark Office, seeing cancellation of Herbko trademark registration. The Trademark Office concluded that Kappa's use was prior to Herbko's, and that Herbko's continued use of the mark created a likelihood of consumer confusion. The Trademark Office therefore granted Kappa's petition, and cancelled Herbko's trademark registration.

Herbko appealed, successfully. Judge Randall Rader based his decision on the longstanding rule that the publication of a single book does not create trademark rights in the book's title. The judge explained that one reason for this rule is to give effect to the

"interplay between copyright and trademark law." While trademarks last as long as they are used, copyrights eventually expire. When the copyright to a book expires, others may publish it, using its original title; and if the title to a single book were protected by trademark law, this "would compromise the policy of unrestricted use after expiration of the copyright. . . ."

Judge Rader acknowledged that the publication of a second book in a series may create trademark rights in the series' title, and that if it does, the effective date of those rights may be the date of the publication of the first book in the series, if the second book is published within a "reasonable time" after the first. The Trademark Office concluded that Kappa's publication of a second "Crossword Companion" book in 1995, two years after the publication of its first book, was within a reasonable time.

But in this case, Herbko began to use the mark

before Kappa's second book was published. Therefore, Judge Rader concluded, Kappa was not entitled to the benefit of the "relation back" doctrine. This meant that Herbko's use of "Crossword Companion" had priority over Kappa's; and the Trademark Office should not have cancelled Herbko's registration.

Herbko International was represented by Gerard F. Dunne in New York City. Kappa Books was represented by George A. Smith, Jr., of Howson and Howson in Spring House, Pennsylvania.

Herbko International, Inc. v. Kappa Books, Inc., 308 F.3d 1156, 2002 U.S.App.LEXIS 18064 (Fed.Cir. 2002) [ELR 24:9:16]

Ohio court dismisses, on free speech grounds, tortious interference suit filed by Cincinnati Arts Association complaining that Coalition for a Just Cincinnati persuaded Bill Cosby and others not to perform in the Association's venues to punish Cincinnati for its treatment of minorities

The Cincinnati Arts Association operates at least three performance venues in Cincinnati. As a result, it was affected, as were other city residents, by riots that erupted in the wake of a deadly police shooting in 2001.

The Arts Association was affected in a unique way too. An organization known as the "Coalition for a Just Cincinnati" organized a boycott of the city, to punish it for its treatment of minorities. And, as part of that boycott, the Coalition persuaded performers, including Bill Cosby, Wynton Marsalis, The

Temptations and The O'Jays, not to perform in the Association's venues.

The Arts Association responded with a lawsuit against the Coalition, seeking damages for tortious interference with its contracts with performers. Judge Thomas Nurre, of the Ohio Court of Common Pleas, was sympathetic to the Association's position, saying that it was a "truly innocent party." But the judge dismissed the Association's case, nonetheless.

Judge Nurre explained that "Despite this unfortunate harm done to innocents, the boycott activities, which have caused injury to the [Association], are political activity that is given First Amendment Protection. . . ." Thus, the Association was unable to show that the Coalition's actions "lacked justification" - an essential element of a tortious interference claim, under Ohio law.

The Cincinnati Arts Association was represented

by Edward Marks in Cincinnati. The Coalition was represented by Lucian Bernard in Cincinnati and Elise C. Boddie in New York City.

Cincinnati v. Arts Association v. Jones, 777 N.E.2d 346, 2002 Ohio Misc.LEXIS 35 (Ohio Com.Pl. 2002) [ELR 24:9:16]

Indian tribe officials are immune from liability for copyright infringement damages, but are not immune from injunctive relief, federal court rules

Many years ago, filmmaker Debra Bassett signed a contract with the Mashantucket Pequot Indian Tribe to produce a movie about the Pequot War of 1636-1638. Bassett's movie was to have been exhibited in the Tribe's Museum and Research Center in Connecticut.

And as things turned out, a movie on that very subject has been shown at the Museum. The movie, however, is not Bassett's movie.

Bassett never got to produce her movie. After signing their contract, Bassett wrote and submitted a screenplay to the Tribe, but the Tribe then terminated their agreement, saying she had not performed "as anticipated." According to Bassett, the movie later shown at the Museum was produced using her script. That led Bassett to sue the Tribe and its officials, for copyright infringement and other things.

Bassett didn't get far with her case, at first. It was dismissed by a federal District Court on the grounds that the Tribe is immune from copyright liability and for other reasons. That ruling, however, was partially reversed on appeal (ELR 22:2:14).

When the case got back to the District Court once again, the remaining defendants were Tribe

officials, against whom Bassett sought both damages and injunctive relief. Once again, the defendants sought dismissal of the case. And once again, they have been successful - but this time, only in part.

In an opinion that will be of greater interest to Constitutional and Indian lawyers than to entertainment lawyers, Judge Christopher Droney has held that Indian Tribe officials are protected by "sovereign immunity" - just as the Tribe itself was - from liability for copyright infringement damages. But, the judge added, that immunity does not protect the Tribe officials from injunctive relief, should Bassett eventually prove that the movie shown by the Tribe does infringe the copyright to her script.

Bassett was represented by James C. Riley of Whitman Breed Abbott & Morgan in Greenwich. The Tribe's officials were represented by David S. Williams of Brown Jacobson Tillinghas Lahan & King in

Norwich.

Bassett v. Mashantucket Pequot Museum and Research Center, 221 F.Supp.2d 271, 2002 U.S. Dist. LEXIS 17659 (D.Conn. 2002) [ELR 24:9:17]

Appellate court affirms dismissal of suit against ABC complaining about "PrimeTime Live" undercover hidden camera report on faulty medical tests

ABC has defeated a lawsuit filed against it by an Arizona medical laboratory that was featured, briefly but unfavorably, in a segment of "PrimeTime Live." The segment was entitled "Rush to Read," and it reported that pap smear laboratories were analyzing test slides so quickly they were failing to detect evidence of cervical cancer.

Arizona-based Medical Laboratory Management Consultants and its owner sued ABC, alleging a wide variety of tort claims. The case never got to trial, however. In two separate rulings, federal District Judge Roslyn Silver dismissed all but one of the labs' claims (ELR 18:10:11, 21:2:16). The lab itself dismissed the sole remaining claim - one alleging fraud - and then appealed, without success.

The Court of Appeals has affirmed the dismissal of the case. In a detailed opinion by Judge Procter Hug, the appellate court has held that the lab was not entitled to a trial on any of the three causes of action whose dismissal it had appealed.

Most of the opinion deals with an invasion of privacy claim asserted by the lab's owner. This claim took aim at the fact that the offending segment was produced using an undercover hidden camera - a tool that has prompted several lawsuits against the network,

one of which it lost (ELR 20:3:12). In this case, however, the courts were not offended by ABC's use of a hidden camera, perhaps because of the importance of the subject of the "Rush to Read" segment.

Judge Hug affirmed the dismissal of the lab owner's privacy claim on two grounds. First, he ruled that ABC had not intruded on "any objectively reasonable expectation of privacy held by [the lab's owner]." And second, he held that the alleged intrusion was not highly offensive." Judge Hug's decision makes one particularly interesting legal point: he concluded that Arizona privacy law differs from California law, in a way that helped ABC. But the point didn't affect the ultimate outcome of the case, because the judge concluded that ABC would have prevailed, even if California's privacy standards were applied.

Judge Hug also affirmed the dismissal of the lab's trespass claim. He did so on the grounds that the

damages claimed by the lab were not legally caused by the alleged trespass.

Finally, the judge affirmed the dismissal of the lab's claims for interference with contract and prospective relations. Because the offending segment dealt with a matter of public interest, the First Amendment required the lab to prove the segment contained false statements. The lab, however, failed to "raise any triable issues of fact regarding [the segment's] falsity," the judge concluded.

Medical Laboratory Management Consultants and its owner were represented by Neville L. Johnson and Brian A. Rishwain of Johnson & Rishwain in Los Angeles. ABC was represented by Andrew D. Hurwitz and Diane M. Johnsen of Osborn Maledon in Phoenix.

Medical Laboratory Management Consultants v.
American Broadcasting Co., 306 F.3d 806, 2002

U.S.App.LEXIS 19629 (9th Cir. 2002) [ELR 24:9:17]

Former Cleveland Browns player Orlando Brown may pursue state court lawsuit against NFL for injury suffered when hit in eye by penalty flag weighted with pellets

Orlando Brown's NFL career was brought to an abrupt end when he was hit in the eye, while playing for the Cleveland Browns, by a penalty flag weighted with BB pellets. Brown has filed a conventional tort lawsuit against the NFL, alleging the League negligently trained the referee who threw the flag, and alleging the League is liable for the referee's negligence, because it is his employer.

Naturally, the case raises interesting and difficult issues concerning whether the referee was negligent or

inadequately trained, and whether Brown assumed the risk of such an injury simply by playing professional football. Before those issues were addressed, however, a preliminary question had to be resolved: whether Brown is entitled to assert his claims in a state court tort lawsuit, or whether instead he must assert them in an arbitration under the League's collective bargaining agreement with the NFL Players Association.

The NFL removed Brown's lawsuit from state to federal court, and then argued in federal court that arbitration is required. If Brown's claims required courts to interpret the collective bargaining agreement, arbitration would have been required, and the federal Labor Management Relations Act would have preempted Brown's state law tort claims. Brown's negligence claims did refer to certain NFL rules concerning the actions of referees, to show that the referee had not followed standards of care reflected by

those rules. Moreover, some NFL rules are incorporated by reference into the collective bargaining agreement.

Nevertheless, Judge Lynch concluded that resolving Brown's claims would not require interpretation of the collective bargaining agreement. For that reason, Brown's claims were neither preempted nor the subject of mandatory arbitration, the judge held. So the judge denied the League's motion to compel arbitration, and granted Brown's motion to remand the case back to state court.

Brown was represented by Brian J. Shoot of Schneider Kleinick Weitz Damashek & Shoot in New York City. The NFL was represented by Brad S. Karp of Paul Weiss Rifkind Wharton & Garrison in New York City.

Brown v. National Football League, 219 F.Supp.2d

372, 2002 U.S. Dist. LEXIS 4399 (S.D.N.Y. 2002) [ELR 24:9:18]

Missouri appellate court upholds constitutionality of high school athletic association rule barring students from competing on both school and non-school teams during the same season

Claire Letendre is a dedicated swimmer. Indeed, the 15-year-old is so dedicated that she wanted to participate on both her high school swim team and a private club swim team, at the same time. The only thing that stood in her way was a rule of the Missouri State High School Activities Association that prohibits students from competing on both school and non-school sports teams, during the same season.

Like most good athletes, Letendre is tenacious.

Unwilling to take "no" for an answer, she sued the Association. Letendre asserted that the rule violated her equal protection rights, because it does not affect those who participate in non-athletic activities in and outside of school; does not affect those who play one sport in school and another outside of school; and does not apply to those who participate in Olympic development competitions.

These arguments persuaded neither a Missouri trial court, which dismissed her case, nor the Missouri Court of Appeals, which has affirmed.

In an opinion by Judge James Dowd, the Court of Appeals held that the rule was reasonable. The judge was persuaded by the Association's conclusion that the potential for harm is not as great for those involved in music, speech and debate as it is for those involved in sports. And the judge acknowledged that the exception for Olympic competitors was required by the Amateur

Sports Act of 1978.

Since the rule was rationally related to the goal of protecting the best interests of a majority of high school athletes, it did not violate Letendre's Equal Protection rights, Judge Dowd held.

Letendre was represented by James E. Hullverson of Hullverson & Hullverson in Clayton. The Missouri State High School Activities Association was represented by Mallory V. Mayse in Columbia.

Letendre v. Missouri State High School Activities Association, 86 S.W.3d 63, 2002 Mo.App.LEXIS 1533 (Mo.App. 2002) [ELR 24:9:18]

Restaurant ordered to pay \$19,000 for unauthorized interception of pay-per-view fight between Oscar De La Hoya and Felix Trinidad

Oscar De La Hoya fought Felix Trinidad at the Mandalay Bay Resort & Casino, in September 1999. Fight fans who couldn't make it to Las Vegas were able to watch on pay-per-view television, at bars, restaurants and other public places that were licensed to show the event.

Some fans were able to watch the fight at the El-Mirage Restaurant in Houston. But the El-Mirage wasn't licensed to show it. Instead, El-Mirage intercepted the closed-circuit broadcast. And for doing so, a judgment has been entered against it for \$19,000, in favor of Entertainment by J&J, Inc., the company that had the right to license viewing rights for the fight to commercial establishments in Texas.

In response to Entertainment by J&J's motion for summary judgment, federal Magistrate Judge Marcia Crone concluded that the El-Mirage had violated federal statutes prohibiting the interception of cable signals. And the judge awarded Entertainment by J&J \$15,000 in statutory damages and \$4,000 in attorney's fees.

Entertainment by J&J was represented by Mark C. Watler of Ross Banks in Houston. The El-Mirage was represented by John Vincent Burger in Houston.

Entertainment by J&J, Inc. v. Al-Waha Enterprises, Inc., 219 F.Supp.2d 769, 2002 U.S.Dist.LEXIS 16247 (S.D.Tex. 2002) [ELR 24:9:19]

Previously Reported:

Reconsideration denied in National Geographic case. Federal District Judge Lewis Kaplan has denied a motion for reconsideration filed on behalf of freelance journalists and photographers who are suing National Geographic for copyright infringement, on account of the magazine's CD-ROM republication of back issues. The motion sought reconsideration of a decision dismissing some claims made by those journalists and photographers, including a claim made on behalf of a photographer who failed to renew copyrights that were allegedly infringed (ELR 24:7:21). The judge's ruling denying reconsideration was explained in a short published decision that is harshly critical of the motion. *Faulkner v. National Geographic Society*, 220 F.Supp.2d 237, 2002 U.S. Dist. LEXIS 16435 (S.D.N.Y. 2002)

Supreme Court decision in copyright term extension case published. The decision of the United States Supreme Court upholding the Constitutionality of the Sonny Bono Copyright Term Extension Act (ELR 24:8:4) has been published. *Eldred v. Ashcroft*, 123 S.Ct. 769, 2003 U.S.LEXIS 751 (2003).
[ELR 24:9:19]

DEPARTMENTS

In the Law Reviews:

Loyola of Los Angeles Law Review has published Volume 36, Number 1 as a symposium entitled *Eldred v. Ashcroft: Intellectual Property, Congressional Power, and the Constitution* which includes the following articles:

Congress's Power to Promote the Progress of Science: Eldred v. Ashcroft by Lawrence B. Solom, Symposium Editor, 36 Loyola of Los Angeles Law Review (2002)

Balancing Copyright Protections and Freedom of Speech: Why the Copyright Extension Act is Unconstitutional by Erwin Chemerinsky, 36 Loyola of Los Angeles Law Review (2002)

Means/Ends Analysis in Copyright Law: Eldred v. Ashcroft in One Act by Dan T. Coenen and Paul J. Heald, 36 Loyola of Los Angeles Law Review (2002)

The Dubious Constitutionality of the Copyright Term Extension Act by Richard A. Epstein, 36 Loyola of Los Angeles Law Review (2002)

Authors, Publishers, and Public Goods: Trading Gold for Dross by Wendy J. Gordon, 36 Loyola of Los Angeles Law Review (2002)

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