INTERNATIONAL DEVELOPMENTS

In case complaining of unauthorized use of names of actual racehorses in video games, Japanese Supreme Court rules that horse owners do not have right of publicity in horses' names

Reported by Yoshikazu Iwase*

Horseracing and video games - two popular forms of entertainment in Japan - presented an intricate legal issue: whether owners of famous racehorses have a right of publicity in their racehorses. One appellate court said "yes," while another appellate court said "no." Recently, the Japanese Supreme Court put an end to the split in this issue: it denied that right.

This question was disputed under very similar facts in two different jurisdictions - Nagoya and Tokyo.

Both cases involve video games featuring famous racehorses, using their actual names. One game, "Gallop Racer," simulates horse races; in this game, players select and race the horses, enjoying virtual horse races. In another game, "Derby Stallion," the process of becoming a successful racehorse owner is simulated; players purchase, breed, even sometimes sell racehorses, and select jockeys to lead the horses to victory in the races.

The owners of the racehorses sued the video game companies for infringement of the owners' publicity rights to the names of their racehorses, seeking damages and injunctions that would have barred the video game companies from continuing to use the names of their racehorses.

Meanwhile, the video game companies in both cases have entered into agreements with the owners of other famous racehorses (who are not involved in the

lawsuit) to use the names of their racehorses in exchange for payment of royalties.

For more than twenty years, on the basis of court precedents, Japanese courts have granted monetary and injunctive relief against the unauthorized use of the names and likenesses of celebrities, including professional athletes. Until this latest case, there has not been any Supreme Court decision on the right of publicity, only lower court decisions recognizing the right of publicity. The rationale of these cases is that celebrities are entitled to an exclusive right to control the economic interests in their names and likenesses that have attained consumer attraction power. But the right of publicity is not addressed directly in the statutory legislation of Japan.

The Nagoya District Court recognized the owner's right of publicity and awarded approximately 3,400,000 yen (approximately $30,000) in total to the

owners whose horses had participated in the GI races which are the most prestigious and high profile of horse races held annually in Japan; however, the court denied the owners' request for an injunction. The court held that the owners are entitled to damages for the unauthorized use of names that have attained consumer attraction power, calling this right the "broad meaning of the right of publicity." The court found that names of famous racehorses had acquired consumer attraction power like those of professional baseball and soccer players who are paid royalties under license agreements entered into between video game companies and the players' associations.

The Nagoya High Court (an appellate court) affirmed the decision in part but limited the damages awarded to approximately 2,300,000 yen (approximately $20,000). The Nagoya High Court's decision was appealed to the Supreme Court.

In contrast, in the other case in Tokyo, the Tokyo District Court dismissed all of the owners' claims. The Tokyo High Court (an appellate court) affirmed the decision of the Tokyo District Court. The Tokyo High Court's decision also was appealed to the Supreme Court. This appeal will be withdrawn or dismissed, due to the Supreme Court decision in the Nagoya case.

On February 13, 2004, the Supreme Court overturned the Nagoya High Court's decision and dismissed all of the owners' claims. The Supreme Court denied a right of publicity to names of racehorses, regardless of their fame, discussing different legal grounds - property right, intellectual property right, and tort.

In denying protection under a property right theory, the Supreme Court characterized the use of names as the use of the intangible aspects of property. The Supreme Court ruled that property rights do not

control the intangible aspects of properties but control the tangible aspects only.

In addition, the Supreme Court ruled that property owners should not be given exclusive rights to the intangible aspects of property without a statutory basis for doing so. The Supreme Court stated that use of the intangible aspects of property are already protected by statutes, including the Trademark Law, the Copyright Law and the Unfair Competition Prevention Law. The Supreme Court also stated in its ruling that these statutes set out those rights that are recognizable, and that additional rights should not be created by courts so that there is certainty, particularly for those involved in cultural and economic activities. For this reason, the Supreme Court declined to recognize the right of publicity in names, even though names may have consumer attraction power.

The Supreme Court also ruled that the video

game companies did not have tort liability, since the scope of illegal activities involving the unauthorized use of the names of racehorses is currently indefinite. The Supreme Court held that there is no custom that owners of racehorses have exclusive rights to use of their horses' names, stating that royalty payments being made to some horse owners were merely to avoid possible disputes, and do not create such a custom.

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Kanamori Shoji v. Tecmo K.K. (Gallop Racer Case), The Supreme Court Decision 2001 (Ju) Nos. 866 & 877 (February 13, 2004); English text will be posted at http://courtdomino2.courts.go.jp/promjudg.nsf [ELR 25:10:4]

British court asserts jurisdiction over libel lawsuit filed by U.S. resident boxing promoter Don King against U.S.-resident boxer Lennox Lewis and New York lawyer Judd Burstein complaining that Burstein defamed King in article and interview posted on U.S.-based websites

Disputes between boxer Lennox Lewis and promoter Don King have now spilled over the Atlantic Ocean, and so will be heard in courts in both the United Kingdom and New York. The remarkable thing about the latest development in on-going Lewis-King litigation is that the British court will be hearing a libel lawsuit that King, who is a U.S. citizen and resident, has filed there against Lewis, who also a U.S. resident (though a British citizen), and against Lewis' New York lawyer Judd Burstein, as a result of an article Burstein wrote for fightnews.com and an interview

Burstein gave to boxingtalk.com, both of which are U.S.-based websites.

In other words, a British court will be hearing a libel lawsuit filed by one U.S.-resident against two other U.S.-residents on account of allegedly defamatory statements made on U.S.-based websites. Procedurally, this is the result of a ruling by Mr. Justice Eady of the Queen's Bench Division of the High Court of Justice in London. In his ruling, Justice Eady refused to set aside an order that permits King to serve his claim (what in the United States would be called a summons and complaint) on Lewis and Burstein "out of the jurisdiction" - meaning, in the United States.

In Burstein's article for fightnews.com and in the interview he gave boxingtalk.com, the lawyer made statements that allegedly accuse King of being "a persistent, bigoted and unashamed (or unrepentant) anti-semite." This matters to King for at least a few

reasons. King has a "substantial reputation in England." In addition to promoting the fights of British boxers, King has appeared in advertisements on BBC, and he "has friends and acquaintances within the Jewish community in England - not least because many of the well known people in the boxing world are themselves Jewish." Moreover, fightnews.com and boxingtalk.com "are popular and frequently accessed by people interested in boxing" in the U.K.

King's libel lawsuit alleges that Burstein's article and interview injured King's reputation in the United Kingdom. And Justice Eady found that King had offered "ample evidence of [his] reputation here, and it is obvious how damaging an allegation of anti-semitism would be - especially perhaps for someone with as many Jewish contacts as [King] appears to have."

Lewis and Burstein argued that "there has never been another case where a United States resident

obtained permission to serve [a claim] out[side the U.K.] against another United States resident in respect of a 'United States based publication'." But Justice Eady was not persuaded this was relevant. "It seems to me that this misses the point," the Justice said, "about the nature of internet publications and the fact that English law regards the particular publications which form the subject matter of these actions as having occurred in England."

For these and other reasons, Justice Eady concluded that he was "quite satisfied" that King's claim "should be permitted to go forward in this jurisdiction."

King was represented by Desmond Browne QC and David Sherborne, instructed by Morgan Lewis & Bockius. Lewis and Burstein were represented by James Price QC and Justin Rushbrooke, instructed by Forbes Anderson.

King v. Lewis, [2004] EWHC168 (QB), available at www.bailii.org/ew/cases/EWHC/QB/2004/168.html [ELR 25:10:5]

Canadian court refuses to dismiss libel lawsuit against Washington Post filed by former U.N. official complaining of article on Post website; Post's arguments that court lacks jurisdiction and is not convenient forum are rejected

Former United Nations official Cheickh Bangoura should, and therefore will, get his day in a Canadian court, in his libel lawsuit against the Washington Post, a judge of the Superior Court of Justice of Ontario has ruled.

The opinion is noteworthy for at least three reasons. First, the article about which Bangoura

complains is available in Canada only because it appears on the Post's U.S.-based website. Second, the only presence the Post has in Canada is leased office space in Toronto for newsgathering purposes - an office that had nothing to do with the offending article. And third, the opinion is the second one which requires U.S. newspapers to defend themselves in the courts of other nations, as a result of allegedly defamatory articles that appeared on the papers' U.S.-based websites.

One Post article reported that according to a United Nations spokesman, the U.N. had removed Bangoura "from his post at the U.N. Drug Control Program . . . because of 'misconduct and mismanagement'. . . ." Another article explained that "For much of his four-year career with the U.N. Drug Control Program, Cheickh Mohamed Tidyane Bangoura has been dogged by scandal. Colleagues have accused him of sexual harassment, financial

improprieties and nepotism. The government of Ivory Coast, where he formerly was stationed, said it received so many complaints about his alleged misdeeds that it demanded his removal."

The truth or falsity of these reports has yet to be litigated, because the Post responded to Bangoura's lawsuit with a motion to "stay" it, on the grounds that even though Bangoura now lives in Ontario, the Ontario Superior Court does not have jurisdiction to hear the case, and even if it did, the court is not a convenient forum, because most witnesses are located elsewhere.

Canadian law has an eight-part test for determining whether its courts have jurisdiction. The judge concluded that all (but perhaps one) of the factors allowed it to assert jurisdiction. "The key argument" made by the Post was that U.S. courts would not enforce a Canadian judgment against the newspaper,

because Canadian libel law, like British libel law, violates free speech protections recognized by the United States Supreme Court in New York Times v. Sullivan. To this, the judge responded by saying that Canadian courts "do not share the American view that British libel law, which is similar to our own, is any less civilized than the American law."

The argument about whether U.S. courts would enforce a Canadian libel judgment related to a factor known as "comity." Instead of the judge being persuaded that "comity" favored the Post's position, the judge came to the opposite conclusion. "Frankly," he said, "I see the unwillingness of an American court to enforce a Canadian libel judgment as an unfortunate expression of lack of comity. This should not be allowed to have an impact on Canadian values. The Washington Post defendants' home jurisdiction's unwillingness to enforce such an order is not

determinative of whether the court should assume jurisdiction."

The judge also found support in a recent decision of the High Court of Australia which held that the courts of that country have jurisdiction to hear a libel lawsuit against Dow Jones, complaining of an article on the Dow Jones U.S.-based website (ELR 24:9:7).

On the question of whether the Ontario court would be convenient, the judge found "there will be problems whether this action is tried in Ontario or the District of Columbia," because "Not all of the parties are located in either jurisdiction." While the "publication took place in Washington, . . . [Bangoura's] reputation was affected in Ontario."

Because this is a defamation case, "it is difficult to determine where the tort occurred," the judge said. "If based on publication, then the District of Columbia is the choice of law; if based on damages and where

reputation was affected, then Ontario is the choice of law. It is safe to say that Ontario and the District of Columbia are both appropriate fora. As a result, . . . the plaintiff's choice of forum should not be disturbed when no forum is clearly more appropriate."

Bangoura was represented by Kikelola Roach. The Washington Post was represented by Paul B. Schabas and Ryder L. Gilliland.

Editor's note: The Post was almost certainly right that U.S. courts will refuse to enforce a libel Canadian judgment. In other cases, U.S. courts already have refused to enforce British libel judgments, at least twice (ELR 14:2:13, 20:1:18).

Bangoura v. Washington Post, Ontario Superior Court of Justice Case No. 03-CV-247461CM1 (2004), available at www.canlii.org/on/cas/onsc/2004/ 2004onsc10181.html [ELR 25:10:6]

WASHINGTON MONITOR

Department of Justice closes antitrust investigation of Internet joint ventures owned by major music labels; pressplay and MusicNet did not harm consumers or reduce competition, Department finds

The music industry's maiden tests of digital distribution over the Internet were conducted by two joint ventures owned by the major labels. Pressplay began as a joint venture between Sony Music and Universal Music. MusicNet was a joint venture between Warner Music, EMI and BMG (along with Internet media company RealNetworks).

These five companies own the copyrights to more than 80% of the recorded music sold in the United States. So it wasn't surprising when the Antitrust Division of the Department of Justice

commenced an investigation into whether the music majors were using their joint ventures to harm consumers or reduce competition in the music business.

They weren't.

That's the conclusion the Department of Justice itself has come to, according to a recent announcement released by R. Hewitt Pate, the Assistant Attorney General in charge of the Department's Antitrust Division. As a result, the Department has closed its investigation, without taking any action against the music companies or requiring any changes in the operations of pressplay or MusicNet.

The nature of the Internet music business has changed dramatically since 2001, when pressplay and MusicNet were formed. And those changes worked to major labels' advantage, insofar as the Justice Department's investigation was concerned. Indeed, it was those very changes that persuaded the Department

that the labels had not used pressplay or MusicNet to harm consumers or competition.

One of these changes was the sale of pressplay in 2003 by Sony and Universal to Roxio, a company that sells CD and DVD burning software. Ironically, Roxio renamed the service "Napster 2.0," after it acquired the name from the bankrupt peer-to-peer service the labels had successfully sued for contributory and vicarious copyright infringement (ELR 22:9:5, 23:11:4).

Another significant change was the advent of a still-growing number of unaffiliated Internet distributors of recorded music, to which all five major labels have licensed their recordings. Along with Roxio's Napster, the Justice Department cited Apple's iTunes and BuyMusic.com as examples.

The Department's investigation focused on two questions. The first was whether pressplay and MusicNet caused the majors to restrain competition on

the terms on which they would license unaffiliated Internet music distributors. The second was whether pressplay and MusicNet allowed the majors to "impede the growth of the Internet as a channel for the authorized promotion and distribution of music, and thereby help the major labels solidify their central roles in the existing music market." The Department concluded the answers to both questions was "no."

The Department found that the terms of the licenses the major labels granted to others "vary significantly," and that each label "adopted its own approach" toward Internet distribution of music by others. "Moreover," the Department added, "Roxio's acquisition of pressplay from Sony and Universal has eliminated the possibility of . . . diminished competition between those two labels that might have been facilitated by their continued involvement in pressplay."

When pressplay and MusicNet first went online, the "poor quality and restrictive nature" of the services they offered consumers "provided some support" for the theory that the majors were attempting to "impede the growth of the Internet" for music distribution. The Department found, however, that "As time passed, . . . both joint ventures released improved and more consumer-friendly versions of their services, and the major labels licensed their music to a broader array of third-party music services that compete on price and features." As a result, "Consumers can now download individual songs from broad music collections offered by at least five such services, and might soon be able to choose among a dozen suppliers." From this, the Department concluded that "the major labels are not impeding the promotion and distribution of music over the Internet."

Statement by Assistant Attorney General R. Hewitt Pate Regarding the Closing of the Digital Music Investigation, available at www.usdoj.gov/atr/public/press_releases/2003/201946.pdf [ELR 25:10:7]

BMG Special Products successfully opposes singer/songwriter's application to register "You Da Buddha" trademark; Trademark Trial and Appeal Board agrees that confusion would be likely with BMG's own registered "Buddha" marks

David Anthony Jagosz is a singer-songwriter with a pretty good head for the legal and business aspects of his profession. In 1999, he wrote a collection of songs which he titled "You Da Buddha." Between 1999 and 2001, he recorded three promotional CDs of those songs, and gave them to friends, relatives and

"potential fans." And in 2001, he and his band performed the songs live in Los Angeles, twice. He even spent $1,500 developing a website for himself.

Jagosz did two more things too: he registered his songs' copyrights; and in October 2000, he applied to the Patent & Trademark Office to register "You Da Buddha" as a trademark for records and service mark for live musical performances. The one thing Jagosz seems not to have done was a trademark search, before deciding to adopt "You Da Buddha" as his mark.

If Jagosz had done such a search, he would have found that BMG Special Products had been using "Buddah" as a mark since 1967; that BMG had already registered the "Buddah" mark in 1993; and that BMG had registered the "Buddha" mark in May 2000. BMG, in other words, used "Buddah" decades before Jagosz used "Buddha." And BMG registered its "Buddah" and "Buddha" marks months to years before Jagosz filed

his registration application.

Jagosz did find out about the BMG marks eventually - when the company opposed his application to register "You Da Buddha." Oppositions of this sort are heard by the Trademark Trial and Appeal Board, an administrative tribunal within the United States Patent and Trademark Office. The Board's job is to decide whether marks are eligible for registration, in cases where opposition is filed to an application.

In Jagosz's case, the Board decided that "You Da Buddha" was not eligible for registration. In technical terms, it "sustained" BMG's opposition, and thus "refused" Jagosz's application. The Board did so because it agreed with BMG that "there is a likelihood that the purchasing public would be confused" if Jagosz used "You Da Buddha" as a mark for his goods and services.

The Board came to this conclusion, for several

reasons. Jagosz intended to use his proposed mark on goods and services that are "identical" or "closely related" to BMG's goods and services. Jagosz's goods and services would "move in the same channels of trade, and would be offered to similar classes of purchasers." Though Jagosz's proposed mark was not identical to BMG's, they "share the dominant term Buddha." Jagosz's use of the additional words "You Da" would "not serve to distinguish these marks," the Board concluded, because "Potential purchasers may mistakenly believe that [Jagosz's] mark is another revised version of [BMG's] marks."

What's more, because the record company had "generated over $20 million in sales from 1998 [to] 2002, and [had] spent over $2 million on [nationwide] advertising," the Board concluded that BMG "has demonstrated its registered marks are famous, and are thus entitled to a broad scope of protection."

BMG was represented by Cowan Liebowitz & Latman in New York City. Jagosz represented himself.

BMG Special Products, Inc. v. Jagosz, Opposition No. 91124387 (TTAB 2003), available at www.uspto.gov/web/offices/com/sol/foia/ttab/2dissues/2003/91124387.pdf [ELR 25:10:8]

IN THE NEWS

Appeals court reinstates Harlan Ellison's contributory copyright infringement claim against AOL, complaining of unauthorized posting of digital copies of his science fiction novels in newsgroup; holds that jury should decide whether AOL is eligible for DMCA's "safe harbor" protection from liability

Science fiction author Harlan Ellison has won the right to a jury trial in connection with his copyright infringement claim against AOL, though he had to go to a federal Court of Appeals to do so.

Ellison's lawsuit complains that unauthorized digital copies of his novels were posted to "alt.binaries.e-book" - a newsgroup that AOL made available to its subscribers. The copies were not made

by AOL itself; they were made by a fellow named Stephen Robertson, who Ellison also sued, for direct infringement, and who settled with Ellison almost immediately for $3,650. Ellison sued AOL for “contributory” and “vicarious” copyright infringement.

Earlier in the case, District Judge Florence-Marie Cooper dismissed Harlan’s lawsuit, on the grounds that AOL was protected from liability by the “safe harbor” provisions of the Digital Millennium Copyright Act (ELR 24:3:11). The issue of whether AOL is protected by the DMCA’s “safe harbor” was - and remains - a critical issue in the case, because even though Judge Cooper ruled that AOL could not be held liable for “vicarious” infringement, she also ruled that but for the DMCA “safe harbor,” AOL might be liable for “contributory” infringement.

In an opinion by Judge Harry Pregerson, the Court of Appeals agreed that AOL could not be found

liable for "vicarious" copyright infringement. There was no evidence that AOL attracted or retained subscriptions as a result of infringing copies of Ellison's novels being available to subscribers, nor was there evidence that AOL lost subscribers when it eventually blocked access to that newsgroup. As a result, the appellate court agreed with AOL (and District Judge Cooper) that "no jury could reasonably conclude that AOL received a direct financial benefit from providing access to the infringing material" - an essential element for finding "vicarious" copyright liability.

On the other hand, the appellate court agreed with Ellison (and again with Judge Cooper) that AOL might be liable for "contributory" infringement. This was so, because a jury could find that AOL "had reason to know" of potentially infringing activity in the "alt.binaries.e-book" newsgroup, and because a jury

could find that AOL contributed to that activity by storing copies of Ellison's books in the newsgroups and making them available to subscribers.

Because a jury could find AOL liable for contributory infringement, the question of whether AOL is protected by the "safe harbor" defense is critical. That question raises two issues: (1) whether AOL had "reasonably implemented" a policy against repeat infringers; and (2) whether copies of Ellison's books in the newsgroup were maintained by AOL for no longer than was necessary. AOL actually maintained copies of Ellison's books for 14 days. When the case was before Judge Cooper, the summary judgment argument focused on whether 14 days was longer than necessary. Judge Cooper held it was not, which is why she held that AOL was protected by the "safe harbor."

On appeal, Judge Pregerson agreed that 14 days was not longer than necessary. But he ruled that a jury

could reasonably find that AOL had not reasonably implemented a policy against repeat infringers. And that is why the Court of Appeals reversed the summary judgment AOL had won, and remanded the case for trial.

AOL did have a policy against repeat infringers. The reason there was a jury-worthy dispute about whether it had "reasonably implemented" that policy was surprisingly fact-specific - and, in fact, quite surprising. As part of its infringement policy, AOL maintained an email address to which copyright owners could send infringement complaints. In the beginning, that address was copyright@aol.com. Later, in the fall of 1999, AOL changed the copyright-complaint address to aolcopyright@aol.com. But it failed to notify the Copyright Office of the change until April 2000. Worse yet, complaints sent to the old email address were not forwarded to the new address, were not received by

anyone at AOL, and were not bounced back to those who had sent them. This mistake wasn't simply academic; Ellison's own complaint was never received by AOL.

According to Judge Pregerson, "AOL should have closed the old e-mail account or forwarded the e-mails sent to the old account to the new one. Instead, AOL allowed notices of potential copyright infringement to fall into a vacuum and to go unheeded; that fact is sufficient for a reasonable jury to conclude that AOL had not reasonably implemented its policy against repeat infringers."

If, at trial, the jury does decide that AOL did not reasonably implement its policy against infringers, AOL will not be protected by the "safe harbor," and the jury will have to decide whether AOL is liable for contributory infringement. If, however, the jury decides that despite the email address snafu, AOL did

reasonably implement its infringement policy, then AOL is protected by the "safe harbor," and AOL will not be liable.

Ellison was represented by Glen L. Kulik of Kulik Gottesman & Mouton in Sherman Oaks, and by Charles E. Petit in Urbana, Illinois. AOL was represented by Daniel Scott Schecter of Latham & Watkins in Los Angeles.

Ellison v. Robertson, Case No. 02-55797 (9th Cir., Feb. 10, 2004), available at www.ca9.uscourts.gov/ca9/newopinions.nsf/9B0A55634A78267788256E35007C151D/$file/0255797.pdf?openelement [ELR 25:10:9]

RePlayTV owners' declaratory relief lawsuit against movie and TV producers is dismissed, because "case or controversy" ended when producers dismissed their infringement suit against RePlayTV's manufacturer after commercial-skipping and Internet-forwarding features were eliminated

A case that could have been precedent-setting has ended rather quietly, with its dismissal by federal District Judge Florence-Marie Cooper. The case began with a lawsuit filed by Paramount Pictures and many other movie and television production companies against RePlayTV. RePlayTV sold digital television recorders that could do two things to which Paramount and its co-plaintiffs objected: they could skip commercials, and they could forward recorded programs over the Internet to other RePlayTV owners.

The producers formally stated their objections in

a lawsuit for contributory and vicarious copyright infringement. At first, it looked as though the case would give the courts - perhaps even the Supreme Court - an opportunity to reconsider the Supreme Court's 1984 "Betamax" decision (ELR 5:9:10). The RePlayTV case did generate one opinion on a discovery issue (ELR 24:2:4). But as things turned out, it never got far enough to reconsider the important "Betamax" issue.

Instead, RePlayTV went bankrupt. That resulted in a stay of the infringement lawsuit. During the stay, RePlayTV's assets were sold to another company. The new owner changed the design of the RePlayTV recorder so it could no longer skip commercials or forward recorded programs. When the company did that, Paramount and its co-plaintiffs dismissed their lawsuit. In the ordinary course of things, that would have been that. But this case was never ordinary.

Shortly after the producers sued RePlayTV, several owners of RePlayTV recorders sued the producers, seeking a declaration that they were not infringing copyrights when they used their recorders. The producers sought to have that case dismissed, on the grounds that it didn't assert an actual "case or controversy," as required for federal court jurisdiction. Judge Cooper, however, denied their motion, saying there was a "case or controversy," because in order for the producers to win their "contributory" and "vicarious" infringement claims against RePlayTV, they would have to prove that RePlayTV's customers actually were infringing copyrights (ELR 24:11:13).

After the producers dismissed their suit against RePlayTV, they renewed their motion to dismiss the RePlayTV owners' suit against them. The producers buttressed their motion by giving the owners (who had sought declaratory relief) "a covenant not to sue" them

for infringement. This time, Judge Cooper granted the motion.

In an opinion that explores the nuances of the meaning of "case or controversy," the judge concluded that once the producers' suit against RePlayTV was dismissed, and once the producers promised not to sue the RePlayTV owners (who had sued them) for infringement, the owners' declaratory relief lawsuit against the producers became "moot." Judge Cooper ruled that there no longer was a "case or controversy." And that meant she no longer had jurisdiction to hear the case.

The RePlayTV owners who had filed the suit sought permission to substitute other RePlayTV owners who had not received a "covenant not to sue." But Judge Cooper held that even in the absence of a covenant not to sue, RePlayTV owners did not have a "reasonable apprehension" they would be sued for

infringement. So even they would not be able to establish an actual "case or controversy," she concluded.

Paramount Pictures Corp. v. RePlayTV, Case No. CV 01-9358 FMC (Jan. 9, 2004), available at www.EntertainmentLawReporter.com/decisions/251010.pdf [ELR 25:10:10]

RECENT CASES

Author of "Vagina Monologues" is not liable to literary agent, because agent's claims were based on unsigned contract that was barred by statute of frauds, and on signed writing for a never-published book

Literary agent Stephen Pevner, Inc., has lost a breach of contract lawsuit against Eve Ensler, the

author of the play "The Vagina Monologues." The exact nature of their business relationship, and the details of Ensler's alleged breach, are not made clear in the very short opinion that affirms the dismissal of Pevner's case. Instead, the Appellate Department of the New York Supreme Court focused on the two facts that were critical to Pevner's loss.

The first fact was that although Pevner prepared and signed agreements that were submitted to Ensler for her signature, Ensler never signed them. The Appellate Division concluded that the services that were to have been rendered by Pevner were the kinds of services that require a written and signed agreement, in order for the agreement to be enforceable. Since Ensler never signed any such agreement, Pevner's claim was barred by New York's statute of frauds.

Ensler did sign one writing which recognized Pevner's right to be paid in connection with one book

publishing agreement. That writing didn't help Pevner, though, because the book was never published, the book publishing agreement didn't generate any income for Ensler, and thus Ensler "received no benefit" from Pevner's services in connection with that agreement.

Stephen Pevner, Inc., was represented by Gary Mailman of Herrick Feinstein in New York City. Ensler was represented by Karen Shatzkin of Shatzkin & Mayer in New York City.

Stephen Pevner, Inc. v. Ensler, 766 N.Y.S.2d 183, 2003 N.Y.App.Div.LEXIS 11257 (App.Div. 2003) [ELR 25:10:11]

MasterCard "baseball trip" ads do not infringe copyright to "Twins - Now and Forever" documentary, because access was not proved and similarities are not substantial, federal District Court rules

To highlight its sponsorship of Major League Baseball, MasterCard commissioned its advertising agency, McCann-Erickson, to create a series of television commercials that featured two young men on a road trip visiting all 30 Major League stadiums in a single summer. Baseball stadium road trips had been done before, of course, in movies, literature and travel books. But they'd never before been done in ads, and certainly not in MasterCard ads.

Among those who had done baseball stadium road trips before were a couple of guys named David Hoch and Joseph Marble. These two life-long friends

shared "a love of . . . the Minnesota Twins." Baseball fans (and close readers of these pages) may recall that for a while in the late 1990s (and even thereafter), there was some question as to whether the Twins would stay in Minnesota (ELR 23:9:10, 23:10:23). So Hoch and Marble began a campaign to build a new baseball stadium for the Twins in Minnesota, to keep the team there.

In support of their goal, the two friends produced a 30-minute documentary titled "Twins - Now and Forever." The film showed Hoch and Marble on a 10-day road trip visiting recently-built Major League Baseball stadiums. It included interviews with stadium reps, civic leaders, residents and fans, all of whom agreed that a Major League Baseball team and stadium can be an important community asset.

Hoch and Marble made their film in 1998. MasterCard's commercials were aired in 2001. In

addition to the notion of a couple of guys on a baseball stadium road trip, the documentary and the ads both featured similarly colored Volkswagen mini-buses decorated with stickers. Federal District Judge Raymond Ericksen agreed with Hoch and Marble that "there is a clear similarity between the automobiles used" in the documentary and the ads.

The reason that Judge Ericksen had occasion to consider this and other similarities between the documentary and the ads is that Hoch and Marble sued MasterCard and McCann-Erickson for copyright infringement, alleging that MasterCard's ads were copied from their documentary and were substantially similar to it. Though the judge agreed that the mini-buses were similar, that's all he agreed with Hoch and Marble about. In response to a defense motion for summary judgment, Judge Ericksen has dismissed the case, for two reasons.

First, the judge held that Hoch and Marble had not proved that MasterCard or McCann-Ericksen had access to their documentary. Though the two friends argued that the documentary had been "widely disseminated," Judge Ericksen disagreed. What's more, he found that no one involved in creating the MasterCard ads had been in either of the cities where the documentary was exhibited.

The judge also rejected the friends' argument that they had established access under the "corporate receipt doctrine." This argument was based on the fact they had sent copies of their documentary to Baseball Commissioner Bud Selig, and to the Chairman of a public relations firm that is affiliated with McCann-Erickson. But Selig had no role in creating the MasterCard ads, and had no contact with McCann-Erickson until after it had created storyboards for the commercials. And the Chairman of the public relations

firm was based in a different city than McCann-Erickson, and had no relationships at all with anyone involved in creating the ads.

Second, the judge ruled that even if access had been proved, the ads and the documentary were not substantially similar. They shared a common idea - that of a baseball roadtrip - but ideas are not protectible. Other more specific similarities - such as highway signs, service stops and geographic landmarks - flowed naturally from the "basic idea of a roadtrip," and thus were unprotected scenes a faire. Furthermore, the mood and pace of the two were different. And the "total concept and feel" of the documentary and ads were different too.

About the mini-bus the judge agreed was similar, he said: "[T]his one lone common element does not justify a finding of substantial similarity. . . ."

Hoch and Marble were represented by Rita

Coyle DeMeules of Robins Kaplan Miller & Ciresi in Minneapolis. MasterCard and McCann-Erickson were represented by Richard Dannay of Cowan Liebowitz & Latman in New York City, and Calvin L. Litsey of Faegre & Benson in Minneapolis.

Hoch v. MasterCard International, Inc., 284 F.Supp.2d 1217, 2003 U.S.Dist.LEXIS 16839 (D.Minn. 2003) [ELR 25:10:11]

Advertising and promotion for comic books featuring "Johnny and Edgar Autumn" are protected by "incidental use privilege" in right of publicity lawsuit by recording artists Johnny and Edgar Winter, California appellate court rules

It looks like the right of publicity lawsuit filed by recording artists Johnny and Edgar Winter against DC

Comics has come, finally, to an end, in a fashion that pleases DC Comics but disappoints the Winter brothers.

Those who have been following the case, as it has bounced up and down the California court system, will recall that it was filed by the Winter brothers in response to a series of comic books featuring two villainous half-worm half-human creatures named "Johnny and Edgar Autumn." DC Comics admitted that the creatures were partly based on Johnny and Edgar Winter. So in retrospect, it's not surprising that they sued.

When last this case appeared in these pages, the California Supreme Court had ruled that DC Comics was protected from liability - in other words, the Winter brothers had no case - by the First Amendment, because the offending comic books contained significant "expressive content" other than the Winters'

mere likenesses (ELR 25:3:9).

However, there was more to the case than just the comic books. The Winters also had alleged that DC Comics used their names in advertising and promoting the comic books. And that was a separate and distinct violation of their rights of publicity, they argued. Since the Supreme Court had not agreed to review that issue, it remanded the the advertising issue to the Court of Appeal, for its consideration.

In an opinion by Justice Gary Hastings marked "Not to be Published in the Official Reports," the California Court of Appeal has ruled in favor of DC Comics on this issue too. Justice Hastings explained that California law includes a "so-called incidental use privilege" which "allows" the "use of a celebrity's identity in advertising or promotion of a creative work where . . . the use of the celebrity's identity in the work is not actionable." Since DC Comics' use of the Winter

brothers' identity in its comic books was "not actionable," the use of their identities in advertising and promotion of those comics books was not either.

The Winters argued that the "incidental use privilege" does not authorize false or misleading suggestions that they had endorsed the comic books or were somehow associated with them. Justice Hastings seemed to agree that was so, as a matter of law. However, the Justice concluded that none of the evidence could "be reasonably understood to infer or suggest that [DC Comics] falsely implied that [the Winters] endorsed or otherwise associated themselves with the . . . comic book series."

The Winter brothers were specifically referred to by name in advertising and promotion for the comic books, but Justice Hastings said that those references were merely "a comment addressing the artistic relevance of their likeness to the characters in the

series. . . .” The Winter brothers’ actual likenesses were not used in advertising or promotion; for those purposes, DC Comics used “only the transformative depictions of the Autumn brothers.”

For these reasons, the Court of Appeal “conclude[d] as a matter of law that use of [the Winters’] names and likenesses in the advertising and promotion did not go beyond what is allowed in promotion and advertising of a protected product.”

Johnny and Edgar Winter were represented by Vincent H. Chieffo of Greenberg Traurig in Santa Monica. DC Comics was represented by Michael Bergman of Weissman Wolff Bergman Coleman Grodin & Evall in Beverly Hills.

Winter v. DC Comics, Case No. 121021, Cal.Ct.App., 2d Dist., Div. 4 (Nov. 24, 2003), available at www. EntertainmentLawReporter.com/decisions/251012.pdf [ELR 25:10:12]

Alleged failure to credit producer of film "The Last Link" did not state claim under Lanham Act, nor was use of treatment co-authored by producer an infringement of his copyright, federal District Court rules; but complaint did adequately allege claim for breach of contract

"The Last Link" is a film about the dying culture of shepherding in France and the United States. It was exhibited, apparently, at the Sonoma Valley Film Festival. Though it doesn't seem to have attracted much attention elsewhere, the question of who produced and co-wrote it is an important one to Scott Francis Carroll - indeed, important enough for him to sue about.

Carroll alleges that he created the business plan for the film, created the promotional materials for the film, co-authored the storyline, co-authored the treatment, performed all pre-production work, and

created and produced the film. He did all this, he says, pursuant to an agreement with Ben and Tim Kahn, who promised to pay him and give him a producer and co-author credit. Carroll, however, alleges that before his agreement with the Kahns was reduced to writing, the Kahns terminated their relationship with him, and then released the film without paying him or giving him credit.

Carroll's allegations were made in a federal court complaint that included claims for breach of contract, copyright infringement, and false designation of origin. The Kahns responded with a motion to dismiss, which has been successful with respect to most, but not all, of those claims.

Federal District Judge Thomas McAvoy has held that as a result of the Supreme Court's decision in Dastar v. Twentieth Century Fox (ELR 25:1:7), Carroll does not have a Lanham Act claim against the Kahns

for failing to give him credit. He would only have a Lanham Act claim, if he alleges that the Kahns "repackaged" his film as their own - something Carroll's complaint did not seem to allege.

Judge McAvoy also dismissed Carroll's copyright infringement claim. Carroll did register the copyright to his treatment; but when he did so, he (quite honestly) listed Ben Kahn as his co-author. That made Kahn a co-owner of the treatment's copyright. And the judge ruled that one co-owner cannot sue another for copyright infringement.

These rulings do not mean that Carroll will inevitably lose his case. Judge McAvoy denied the Kahns' motion to dismiss Carroll's breach of contract claim, saying that it stated a claim on which relief may be granted. Whether, however, Judge McAvoy actually hears the contract claim is another matter. Unless Carroll claims that his Lanham Act claim is one for

"repackaging," all of his federal claims will have been dismissed. In that case, Judge McAvoy asked the parties to address the question of whether his court has jurisdiction any longer.

Carroll was represented by Raymond J. Dowd of Dowd & Marotta in New York City. The Kahns were represented by Robert S. Meloni in New York City.

Carroll v. Kahn, 2003 WL 22327299, 2003 U.S.Dist.LEXIS 17902 (N.D.N.Y. 2003) [ELR 25:10:13]

Alleged failure to credit author/editor of film "Baller Rockin'" did not state claim under Lanham Act, federal District Court rules

Yet another claim for failure-to-provide-credit has been derailed by the Supreme Court's decision in

Dastar v. Twentieth Century Fox (ELR 25:1:7). This time the claim was asserted by Kelvin Williams who alleged that he was hired by Cash Money Records to re-edit, re-score and write narration for a straight-to-video film titled "Baller Rockin'." When the film was released, Williams was disappointed to note that his name was not listed in its credits. Instead, others were given sole credit for "story/screenplay" and "editing."

Williams responded with a lawsuit that included a "reverse palming off" claim under the Lanham Act. When Williams filed his lawsuit in 2001 in federal court in Los Angeles, such a claim did exist, as a matter of law, in the 9th Circuit (and elsewhere) (ELR 10:2:8, 16:9:13). For that reason, in July 2002, federal District Judge Robert Kelleher denied Cash Money's motion for summary judgment on Williams' Lanham Act claim.

The reason that dates are important in this case is

that the Supreme Court decided Dastar in June 2003 - almost a year after Judge Kelleher denied Cash Money's motion. Believing that Dastar was squarely in point, Cash Money asked the judge to reconsider its motion. By this time, the case had been reassigned to Judge Dickran Tevrizian. But that had no effect on the outcome.

Judge Tevrizian agreed that Dastar was in point and had changed the law. Now, the Lanham Act section relied on by Williams (and others who have sought creative credits) applies only to the labeling of tangible goods - "not to the origin of services." Since Williams alleged that his services were improperly credited, Judge Tevrizian granted Cash Money's motion and has dismissed Williams' Lanham Act claim.

Williams was represented by Richard Lloyd Sherman of Sherman & Miller in Beverly Hills, Steven T. Lowe in Los Angeles, and Ken Nathanson of

Sherman & Nathanson in Beverly Hills. Cash Money Records and its co-defendants were represented by Jeffrey E. Scott of Greenberg Traurig in Santa Monica and Russell J. Frackman of Mitchell Silberberg & Knupp in Los Angeles.

Williams v. UMG Recordings, Inc., 281 F.Supp.2d 1177, 2003 U.S.Dist.LEXIS 18400 (C.D.Cal. 2003) [ELR 25:10:13]

Use of clip from public access TV's "The Sandy Kane Blew Comedy Show" to promote and introduce segment of Comedy Central's "The Daily Show" did not infringe copyright or trademark or defame or violate Sandy Kane's publicity rights

Comedienne Sandy Kane hosts a late-night public access program called "The Sandy Kane Blew

Comedy Show" on which - according to a federal judge familiar with the show - "she sings, dances, and delivers explicit jokes while wearing little to no clothing." Jon Stewart too is a comedienne. He hosts Comedy Central's "The Daily Show" (wearing clothing while he does so).

Sandy Kane once appeared on "The Daily Show," though not live and not by consent. Instead, a segment of "The Daily Show" called "Public Excess" opened with a full-screen image of a clip from Kane's show, showing her dancing in a bikini. The title of her show could be seen in the background. The full-screen image remained on the screen for less than a second and then shrank to the lower left corner (to make room for three other clips) where it remained for another five seconds. In addition, a portion of the clip was used in a commercial promoting "The Daily Show," along with other clips from segments of "The Daily Show." The

promo's announcer said, "The Daily Show: comprehensive, extensive, offensive," and he hit the word "offensive" just as a half-second clip from "The Sandy Kane Show" was shown.

Kane responded to all this with a lawsuit for copyright and trademark infringement, and for defamation and violation of her right of publicity. None of her claims has been successful, however. Federal District Judge George Daniels has dismissed them all, in response to a motion for summary judgment by Comedy Partners (the company that owns Comedy Central).

Judge Daniels held that "The Daily Show's" use of the clip was a fair use, not copyright infringement, because "By airing [the] clip in a segment called 'Public Excess' and adding some derisive commentary," [Comedy Central] unquestionably used her material for the purpose of criticism." Even "the

use of the clip on a commercial for 'The Daily Show,' coinciding with the announcer's warning that some material on the show may be 'offensive,' puts the clip into a critical context," the judge said. Indeed, he said, "Virtually any clip appearing on this show is implicitly accompanied by a comment on its absurdity."

Judge Daniels also found that "The Daily Show's" use of the clip would be "unlikely" to affect the market for Kane's show. Kane argued that another show called the "World of Wonder" paid her $200 for a one-time use of a three-second clip. But the key point, insofar as Judge Daniels was concerned, was that fans of Kane's show would not choose to watch "The Daily Show" instead of hers, because the "The Daily Show" used the clip.

The judge dismissed Kane's trademark infringement claim, because "The Daily Show" gave no impression that the owner of the trademark "The Sandy

Kane Comedy T.V. Show," or the source of the clip, was anyone other than Kane herself.

Judge Daniels dismissed Kane's right of publicity claim, because "The Daily Show" did not use her name or likeness "primarily for advertising or trade purposes." Instead, he said, "The Daily Show's" use of Kane's comedy routine fell within the New York Civil Rights Act's "newsworthy" exception for "entertainment and amusement."

Finally, the judge rejected Kane's claim that she was defamed by the commercial announcer's reference to her and her show as "offensive," saying it was clearly "protected expression of opinion."

Kane represented herself until Comedy Partners filed a motion for summary judgment; Judge Daniels then submitted her case to the Pro Bono Panel, and she was represented by Parker H. Bagley of Milbank Tweed Hadley & McCloy in New York City. Comedy

Partners was represented by Elizabeth A. McNamara of Davis Wright Tremaine in New York City.

Kane v. Comedy Partners, 2003 WL 22383387, 2003 U.S. Dist. LEXIS 18513 (S.D.N.Y. 2003) [ELR 25:10:14]

Viacom wins dismissal of case alleging that "Rugrats" were based on cartoon characters created by plaintiff; court reprimands plaintiff's lawyer for failing to withdraw, after learning that "Rugrats" pilot was produced before plaintiff submitted copies of his cartoons

Philip Cargile has lost his lawsuit against Viacom - a lawsuit in which he alleged that characters in the Nickelodeon series "Rugrats" were based on

"Go-Burns" cartoon characters Cargile himself had created. What's more, the grounds for Cargile's loss were so decisive that federal District Judge Stephan Mickle has reprimanded Cargile's lawyer for failing to withdraw from the case, after Cargile rejected the lawyer's advice to dismiss it voluntarily.

Cargile alleged that in 1991, and again in 1992, he gave copies of his "Go-Burns" characters to a member of the Florida Film Commission who said he would be meeting with Nickelodeon. Unfortunately, the Film Commission member died, so he wasn't able to testify whether any such meeting actually took place.

Viacom, on the other hand, denied that anyone involved in creating Rugrats knew about Cargile's characters. What's more, Viacom "produced unrefuted evidence that the Rugrats were developed by an independent production company in 1989" and that "a pilot was produced in 1990." Judge Mickle observed

that "These dates rebut Cargile's claim that Viacom used the materials he provided . . . in 1991, or . . . 1992, to create Rugrats."

In addition, Cargile didn't file his lawsuit until 2000, more than nine years after Rugrats first aired. The statute of limitations for contract claims is four years, and for trade secret claims is three years. This meant that Cargile's claims were filed too late, even if his characters were copied.

Viacom told Cargile's lawyer all this, and the lawyer advised Cargile to dismiss the case. Cargile, however, couldn't be convinced to do so, and his lawyer didn't make a motion to withdraw. Instead, when Viacom filed a motion for summary judgment, Cargile's lawyer filed a response, asking that the motion be denied.

Judge Mickle granted Viacom's motion, on several grounds. "Viacom's statute of limitations

argument . . . alone . . . warranted" his dismissing the case, the judge said. In addition, the similarities between Cargile's "Go-Burns" characters and the Rugrats were so "slight" they didn't support an inference that Viacom used them. Finally, Cargile had no evidence of an implied agreement with Viacom to maintain the secrecy of his characters or to pay for their use.

Viacom sought monetary sanctions against Cargile's lawyer under Rule 11 of the Federal Rules of Civil Procedure. Judge Mickle denied that request, but did "reprimand" the lawyer. The judge said that when the lawyer "was unable to convince Cargile to voluntarily dismiss the suit, [the lawyer] should have moved to withdraw as the attorney in the case, in accordance with his duties under Rule 11 and the rules of professional conduct."

Cargile was represented by Mark Thomas Sallee

of Decatur, Georgia. Viacom was represented by John Richard Smoak in Panama City, Florida, and by Elizabeth A. McNamara of Davis Wright Tremaine in New York City.

Cargile v. Viacom International, Inc., 282 F.Supp.2d 1316, 2003 U.S.Dist.LEXIS 21097 (N.D.Fla. 2003) [ELR 25:10:14]

Widow of deceased composer Guillermo Venegas-Lloveras owns interest in renewal-terms of copyrights to his songs, despite agreement with step-children dividing his estate, but renewal terms are owned in equal shares among widow and step-children, federal District Court decides

Puerto Rican composer Guillermo Venegas-Lloveras died in 1993, leaving a widow, children from

an earlier marriage, and a dispute over who owns the copyrights to his songs.

In his will, the composer left all the copyrights to his children and none to his widow. But the widow claimed the copyrights were community property under Puerto Rican law, in which she had an ownership interest despite her late husband's will. A Puerto Rican Superior Court ruled against the widow on her community property claim. And in subsequent infringement proceedings, filed by the children against the widow and her licensees, federal District Judge Jose Antonio Fuste ruled that the Superior Court decision was binding on the widow (under the doctrine of res judicata) (ELR 25:7:24).

That, however, wasn't the end of the matter. At least some of the compositions were published before 1978, and had renewal terms that began after the composer's death. As a result, a second dispute arose

between the widow and her step-children over who owned those renewal terms. The step-children claimed that they did, for two separate reasons. But Judge Fuste was not persuaded by either.

First, the children argued that the provision of the Copyright Act that gives an interest in renewal terms to widows, regardless of the author's testamentary intent, is unconstitutional. Judge Fuste responded that the only reason there is a right to renew copyrights at all is because the Copyright Act creates such a right, and thus rejected this argument.

Second, the children argued that after their father died, they and their stepmother entered into an agreement concerning the division of the estate's property, and that in that agreement, their stepmother assigned her interests in the renewal terms to them. The agreement, however, didn't clearly refer to copyrights at all, let alone renewal terms. And Judge Fuste

concluded that the agreement did not assign the widow's interest in the renewal terms to her step-children.

The children didn't come away from the case completely empty-handed however. The widow argued that she had a 50% interest in the renewal terms, and that all of her step-children shared the other 50% among them. The children, on the other hand, argued that all of them - step-mother and children alike - shared the renewal terms equally (per capita). The Copyright Act is surprisingly ambiguous on this important point. But Judge Fuste agreed with Nimmer on Copyright, and with the children, that the Act calls for an equal, per-capita, sharing of the renewal terms.

The children were represented by Heath W. Hoglund and Samuel F. Pamias-Portalatin in San Juan. The widow and her licensees were represented by Barry I. Slotnick of Loeb & Loeb in New York City, by

Francisco A. Besosa of Adsuar Muniz Goyco & Besosa in San Juan, and by Angel N. Caro-Padillo in Trujillo Alto.

Venegas-Hernandez v. Peer, 283 F.Supp.2d 491, 2003 U.S.Dist.LEXIS 16601 (D.P.R. 2003) [ELR 25:10:15]

Web hosting companies not liable to college athletes for sale of locker-room hidden-camera videos by "youngstuds.com" and other websites

Verizon subsidiaries GTE and Genuity are web hosting companies. They sell server space and Internet connections to others who actually create the websites that GTE and Genuity "host." Most of GTE and Genuity's customers use their websites for legitimate purposes. But a few did not.

Among the few who didn't were websites with names like "youngstuds.com." They used their websites to sell videos of college athletes that were taken by cameras hidden in locker rooms and shower rooms, including those used by football players at Illinois State and wrestlers at Northwestern.

When the athletes learned of the tapes, they sued the companies that sold them. The video sellers defaulted, and a judgment of more than $500 million was entered against them. However, "there is little prospect of collection" from the video sellers, according to Court of Appeals Judge Frank Easterbrook.

Judge Easterbrook had occasion to speculate on the likelihood that the athletes would collect from the video sellers, because in addition to suing them, the athletes sued GTE and Genuity too. That part of the athletes' case didn't go as well for them. A federal

District Court dismissed their claims against GTE and Genuity, on the grounds that they are exempt from liability under the Communications Decency Act of 1996.

The athletes appealed, "in order to continue their pursuit of the deep pockets," Judge Easterbrook commented. But their appeal has not been successful. Judge Easterbrook agreed that GTE and Genuity are protected from liability by the Communications Decency Act, because it provides that web hosting companies shall not be treated as the publisher of the information of another content provider.

Judge Easterbrook rejected the athletes' argument that GTE and Genuity assisted their customers in selling the tapes. And he ruled that even if the Communications Decency Act would have permitted the athletes to recover against GTE and Genuity for violations of state law, "None . . . of the

states where their colleges and universities were located requires suppliers of web hosting services to investigate their clients' activities and cut off those who are selling hurtful materials. . . ."

The athletes were represented by James R. Branit of Bullaro Carton & Stone in Chicago. GTE and Genuity were represented by Steven G. Bradbury of Kirkland & Ellis in Washington, D.C.

Doe v. GTE Corp., 347 F.3d 655, 2003 U.S.App.LEXIS 21345 (7th Cir. 2003) [ELR 25:10:16]

Telemundo wins injunction granting it equal access to L.A. City Hall ceremony, previously produced and broadcast exclusively by Univision, commemorating anniversary of Mexican Independence War

For more than 20 years, Univision Television was the exclusive producer and broadcaster of a ceremony that commemorates the anniversary of the beginning of the Mexican War of Independence against Spain. Univision originated the concept, so its status as "exclusive" producer and broadcaster made sense, and may even have gone unchallenged, until this last year.

As planning for the most recent celebration began, Telemundo let the City of Los Angeles know that it too wanted to broadcast part of the ceremony. The reason it let the City know this is that the celebration was scheduled to be held at City Hall Plaza

and was going to be an "official" City ceremony. The City responded by saying that it was "only a co-sponsor of the . . . celebration," and that Univision controlled "all production aspects." Univision offered to let Telemundo, as well as all other broadcasters, share a Univision feed; but Univision wouldn't agree to let Telemundo set up its own cameras.

Telemundo wasn't satisfied with Univision's offer, and it sued the City, successfully. Federal District Judge Audrey Collins agreed that the City's decision to deny Telemundo access to the Plaza was "state action," that the ceremony would be a "public forum," and that denying Telemundo access violated its First Amendment free speech rights. The City argued that Telemundo was denied access for public safety reasons; but Judge Collins found that the facts just didn't support the argument.

As a result, Judge Collins issued a preliminary

injunction granting Telemundo equal camera position, equal access to stage audio, and equal access to production and rehearsal meetings.

Telemundo was represented by Theodore Boutrous of Gibson Dunn & Crutcher in Los Angeles. The City was represented by Michael Claessens of the L.A. City Attorney's Office. Univision was represented by Richard Simon of McDermott Will & Emery in Los Angeles.

Editor's note: Judge Collins acknowledged that sometimes governments act in a "proprietary" rather than governmental fashion with respect to purely commercial performances produced by private entities. In such cases, the judge also acknowledged that access may be restricted, legally, to a single broadcaster - as once was done, for example, for figure-skating championships held in a municipal civic center (ELR 2:23:1). This, however, was not such a case - at least

not with respect to the last 15 minutes of the ceremony that Telemundo wanted to broadcast. Telemundo may have made a stronger case for itself by not seeking the right to broadcast the first 45 minutes of the ceremony, which was "purely entertainment."

Telemundo of Los Angeles v. City of Los Angeles, 283 F.Supp.2d 1095, 2003 U.S.Dist.LEXIS 16637 (C.D.Cal. 2003) [ELR 25:10:16]

Internet transmissions of AM/FM radio broadcasts are not exempt from record companies' and artists' digital performance right, federal appeals court affirms

Radio stations will have to pay royalties to record companies and recording artists (as well as to

music publishers and songwriters) when they webcast their AM or FM broadcasts over the Internet. A federal Court of Appeals has so ruled, in an opinion that reaffirms a ruling made by the Copyright Office in 2000 (ELR 22:7:5).

Record companies and recording artists won the right to receive royalties from digital performances of their recordings in 1995, when Congress passed the Digital Performance Right in Sound Recordings Act (ELR 17:6:3). That Act was amended somewhat in 1998 by the Digital Millennium Copyright Act (ELR 20:6:6). But the 1998 amendment left intact the "digital performance right" that entitles record companies and artists to royalties for most - but not all - types of digital performances.

The reason that all types of digital performances do not require the payment of royalties is that the Copyright Act contains a number of exemptions. One

of the exemptions allows radio stations to broadcast recordings without paying royalties to record companies and artists, even if those broadcasts are digital.

This is the exemption that AM and FM radio stations relied on when they argued that they were exempt from the obligation to pay royalties, when they webcast recordings on the Internet, as well as when they broadcast them over-the-air. The RIAA thought otherwise, and petitioned the Copyright Office for a ruling that would make this clear. The Copyright Office agreed with the RIAA; and a federal District Court did too (ELR 23:8:11).

The radio stations appealed, unsuccessfully. In an opinion by Judge Richard Cudahy, the Court of Appeals held that its "own independent interpretation of the statute accords with that of the Copyright Office."

Because the 1995 Act and its 1998 amendment both were enacted before radio stations began transmitting their broadcasts over the Internet, the language of the radio station exemption is not perfectly clear about whether webcasting is exempt too. As a result, Judge Cudahy's analysis was Talmudic in nature.

The exemption covers "broadcast transmission[s]," which are defined as those done by "broadcast station[s] licensed as such by the [FCC]." Since radio stations are licensed by the FCC, they took the position that all of their transmissions - whether over-the-air or over the Internet - were exempt "broadcast transmission[s]."

Judge Cudahy agreed that this would be true, if the words "broadcast station" refer to the "entity" that operates the station. On the other hand, it wouldn't be true if the words "broadcast station" refer to the

"physical transmitting facility." This is because "physical transmitting facilities" used to transmit AM and FM signals over-the-air are licensed by the FCC. But equipment used to transmit recordings over the Internet are not licensed, by the FCC or anyone.

Judge Cudahy's Talmudic analysis of the meaning of the exemption led him to conclude that when Congress used the words "broadcast station" it was referring to "physical transmitting facility," not the "entity" that was licensed by the FCC. That meant that Internet transmissions - even by licensed radio stations - are not exempt. And that means radio stations must pay royalties to record companies and artists when radio stations transmit music recordings over the Internet.

The radio stations were represented by Mark A. Jacoby and R. Bruce Rich of Weil Gotshal & Manges in New York City. The Copyright Office was

represented by David O. Carson, its General Counsel, and Scott R. McIntosh of the U.S. Department of Justice, in Washington, D.C. The RIAA was represented by Cary H. Sherman and Steven M. Marks of the RIAA, and by Ronald A. Schechter of Arnold & Porter, in Washington, D.C.

Bonneville International Corp. v. Peters, 347 F.3d 485, 2003 U.S.App.LEXIS 21079 (3rd Cir. 2003) [ELR 25:10:17]

Federal Court of Appeals upholds FCC rule requiring 13-inch TVs to have digital tuners by 2007

Over-the-air television broadcasting uses "analog" signals, and has since television was invented. It won't forever though. Digital signals are more

efficient: they take less spectrum and produce sharper images. And the Federal Communications Commission has done what it can, on two fronts, to move the United States from old analog technology to new digital technology.

As long ago as 1997, the FCC adopted rules requiring broadcasters to transmit digital signals, no later than 2006 (ELR 18:11:15). When it did so, the FCC believed that normal market forces would cause consumers to demand digital TV receivers, and that in turn would cause manufacturers to make them. But as time passed, that didn't happen.

As a result, in 2002, the FCC adopted a rule that requires TV receivers to have digital tuners. The rule phases in the digital tuner requirement, little by little. Half of all receivers with 36-inch screens (or larger) must have digital tuners by July 1, 2004. By July 1, 2005, all 36-inch (or larger) TV's must have digital

tuners, as do half of all receivers with screens between 25 and 36 inches. The rule continues to phase in digital tuners in that way, until July 1, 2007, by which time all TVs with 13-inch (or larger) screens must have digital tuners.

To those not involved in the TV receiver manufacturing business, the rule looks like a boon for that industry. Digital receivers - being new - are likely to be more valuable and expensive than old analog receivers, and once TV broadcasting is done digitally, consumers will have good reason to replace their existing analog TVs. The rule will prevent manufacturers from selling cheap analog TVs, so sales of more expensive digital TVs will not suffer from analog competition.

Apparently, however, things look different to those actually in the TV receiver manufacturing business. On the day the FCC published its digital TV

receiver rule, the Consumer Electronics Association (a manufacturers' trade association) petitioned the Court of Appeals for review, in an attempt to block the rule from taking effect.

The Association argued that the FCC did not have the legal power to adopt the rule, and that even if it did, the rule was "an arbitrary and capricious abuse" of that authority, and thus violated the Administrative Procedure Act.

In an opinion by Judge John Roberts, the Court of Appeals has denied the Association's petition. Judge Roberts held that the FCC did have the authority to adopt the rule, under provisions of the All Channel Receiver Act. The judge also held that the rule is not unreasonable.

The Consumer Electronics Association was represented by Jonathan Jacob Nadler of Squire Sanders & Dempsey in Washington, D.C. The FCC

was represented by Joel Marcus of the FCC in Washington, D.C. The National Association of Broadcasters and the Association for Maximum Service Television were represented by Donald B. Verrilli, Jr., of Jenner & Block in Washington, D.C.

Consumer Electronics Association v. Federal Communications Commission, 347 F.3d 291, 2003 U.S.App.LEXIS 21972 (D.C.Cir. 2003) [ELR 25:10:18]

Maker of "Golden Tee Fore!" video golf game fails to win preliminary injunction against maker of similar "PGA Tour Golf" arcade game, in case alleging infringement of copyright and trade dress

"Golden Tee Fore!" and "PGA Tour Golf" both are video arcade golf games, and similar ones at that.

Indeed, when Global VR began work on its "PGA Tour Golf" game, it actually bought one of Incredible Technologies' "Golden Tee" games, so it could copy some of its features. Global's plan was to make a game that "Golden Tee" players "could step up and play with no learning curve."

Global apparently succeeded, because Incredible responded with a copyright and trade dress infringement lawsuit. What's more, after expedited discovery, Incredible sought a preliminary injunction against Global's continued sale of "PGA Tour." But federal District Judge Matthew Kennelly has denied Incredible's motion.

In an opinion that is a model of correct copyright infringement analysis, Judge Kennelly determined that although the graphics on the "Golden Tee" cabinet are protected by copyright, the rest of the cabinet is not, because the cabinet is a "useful article." Global didn't

copy Incredible's graphics; it only copied useful aspects of Incredible's "Golden Tee" cabinet. So the judge excluded the cabinet, when he considered whether Global had infringed Incredible's copyright.

Judge Kennelly came to a slightly different conclusion with respect to the design of the control panel for Incredible's "Golden Tee." That too appeared to have been dictated by utilitarian, rather than expressive, considerations. But the judge was willing to assume that the graphics, instructions and layout of the control panel were copyrightable. He simply added that "these elements would not be subject to a significant degree of protection," so their copyright would be infringed only by "virtually identical copying." Incredible couldn't meet this standard, because the control panel on Global's "PGA Tour" cabinet was not virtually identical to the control panel on Incredible's "Golden Tee."

The video images used by the two games also were similar. Video game images are protected by copyright as audiovisual works. But in this case, many of the similarities were "either inherent in the sport the games depict, or dictated by the coin-operated arcade game format." Judge Kennelly concluded that Incredible was unlikely to prove that its copyright in the video images of "Golden Tee" was infringed, because it "failed to demonstrate substantial similarity between copyrightable material in PGA Tour and Golden Tee. . . ."

Incredible's trade dress claim fared no better. The design of its cabinet and controls was not similar to those of the cabinet and controls of Global's "PGA Tour," in ways that may have helped. That is, the graphics on the two games were different. And while their side panels were similar, the side panels of many other arcade game cabinets were similar too. Moreover,

Judge Kennelly concluded that Incredible was unlikely to be able to show that its control panel features are "non-functional," as they would have to be in order to be protected as trade dress.

Incredible Technologies was represented by Robert Jerome Schneider of Chapman & Cutler in Chicago. Global VR was represented by Thomas K. Cauley, Jr., of Sidley Austin Brown & Wood in Chicago.

Incredible Technologies, Inc. v. Virtual Technologies, Inc., 284 F.Supp.2d 1069, 2003 U.S.Dist.LEXIS 16816 (N.D.Ill. 2003) [ELR 25:10:18]

Americans with Disabilities Act regulations require movie theaters to provide wheelchair patrons with lines of sight that are "similar" to those of other patrons, not simply "unobstructed" views, federal appeals court holds

Legal battles are being fought all over the country over whether the Americans with Disabilities Act simply requires movie theaters to provide wheelchair-bound patrons with "unobstructed" lines of sight, or instead requires theaters to provide the disabled with lines of sight that are "similar" to those of other patrons. The difference could be significant in stadium-style theaters, where steep risers require specific areas to be set aside for wheelchairs - areas that often are lower and closer to the screen than other seats.

Not only are these battles being fought all over the country, judges are coming to different conclusions

on this very specific question.

The latest court to rule on the issue is the Sixth Circuit Court of Appeals. In a lawsuit filed against Cinemark USA by the United States government, that court has held that a Justice Department regulation requires theaters to provide wheelchair areas with lines of sight that are "similar" to those of other patrons - "unobstructed" lines of sight are not enough. In so ruling, the appellate court reversed the District Court which had dismissed the government's lawsuit, because Cinemark theaters do provide "unobstructed" lines of sight to the disabled.

With this decision, the Sixth Circuit joins the Ninth Circuit, which earlier held - in a case filed against Regal Cinemas by the advocacy group Oregon Paralyzed Veterans - that "similar" lines of sight are required by the regulation (ELR 25:7:25). The Fifth Circuit, by contrast, has held that "unobstructed" lines

of sight are sufficient, in a separate case against Cinemark filed by disabled patrons (ELR 22:4:22).

In this most recent decision by the Sixth Circuit, Judge John Rogers did not indicate what theater owners have to do to satisfy the requirement that they provide "similar" lines of sight to the disabled. In fact, he specifically wrote, "We leave it to the district court on remand to determine the extent to which the lines of sight must be similar for wheelchair patrons in stadium-style theaters. . . ."

The one point Judge Rogers did emphasize, though, was that the regulation "clearly requires more . . . than merely an unobstructed view."

The government was represented by Jessica Dunsay Silver and Gregory B. Friel of the Civil Rights Division of the Department of Justice in Washington, D.C. Cinemark USA was represented by Laura M. Franze of Akin Gump Strauss Hauer & Field in Dallas.

The National Association of Theatre Owners was represented by David K. Monroe of Fellman & Swirsky in Chicago.

United States v. Cinemark USA, Inc., 348 F.3d 569, 2003 U.S.App.LEXIS 22757 (6th Cir. 2003) [ELR 25:10:19]

DEPARTMENTS

Entertainment Lawyer News:

Gary L. Bostwick joins Sheppard Mullin Richter & Hampton. Gary L. Bostwick has joined Sheppard, Mullin, Richter & Hampton as a partner in the firm's Business Trial and Entertainment and Media Practice Groups in Los Angeles. Bostwick has over 25

years of litigation and counseling experience in complex business matters and constitutional law and civil liberties, with specific expertise in First Amendment, libel, journalism privilege, slander, defamation and invasion of privacy litigation. He joins Sheppard Mullin from Davis Wright Tremaine. Bostwick has litigated several high-profile libel cases. He represented author Janet Malcolm in Masson v. New Yorker (ELR 10:12:10, 11:4:7, 11:9:20, 12:2:18, 14:1:3, 15:3:27, 16:1:21, 18:10:10), and Arianna Huffington in Lawrence v. Huffington. In addition to his law practice, Bostwick has lectured on libel, slander and First Amendment issues as an Adjunct Professor of Law at Loyola Law School, and has been an Instructor at the University of Southern California School of Journalism. He received his law degree from Boalt Hall, University of California, Berkeley, in 1977, his Masters of Public Policy from the University of

California, Berkeley in 1976, and his undergraduate degree from Northwestern University in 1963. Bostwick is admitted to practice in California and Wyoming, and is a Fellow of the American College of Trial Lawyers. [ELR 25:10:20]

In the Law Reviews:

The Fordham Intellectual Property, Media & Entertainment Law Journal has published Volume 14, Number 1 with the following articles:

Journalistic Malpractice: Suing Jayson Blair and the New York Times for Fraud and Negligence by Clay Calvert and Robert D. Richards, 14 Fordham Intellectual Property, Media & Entertainment Law Journal (2003)

A Barcelona.com Analysis: Toward a Better Model for Adjudication of International Domain Name Disputes by Zohar Efroni, 14 Fordham Intellectual Property, Media & Entertainment Law Journal (2003)

Intellectual Property in Transition Economies: Assessing the Latvian Experience by Simon Helm, 14 Fordham Intellectual Property, Media & Entertainment Law Journal (2003)

Platform for Privacy Preferences ("P3P"): Finding Consumer Assent to Electronic Privacy Policies by Kimberly Rose

Goldberg, 14 Fordham Intellectual Property, Media & Entertainment Law Journal (2003)

No Competition: How Radio Consolidation Has

Diminished Diversity and Sacrificed Localism by Gregory M. Prindle, 14 Fordham Intellectual Property, Media & Entertainment Law Journal (2003)

The Laws of the Virtual Worlds by F. Gregory Lastowka and Dan Hunter, 92 California Law Review 1 (2004)

Notice Versus Knowledge Under the Digital Millennium Copyright Act's Safe Harbors by Emily Zarins, 92 California Law Review 257 (2004)

Bankruptcy & Entertainment Law: The Controversial Rejection of Recording Contracts, 11 American Bankruptcy Institute Law Review 581 (2003) (published by West Publishing, edited by St. John's School of Law, 8000 Utopia Parkway, Jamaica, NY 11439, 718-990-6751)

Mutiny on the Net: Ridding P2P Pirates of Their Booty by Lisa J. Beyer Sims, 52 Emory Law Journal 1907 (2003)

A Return to Lilliput: The Licra v. Yahoo! Case and the Regulation of Online Content in the World Market by Marc H. Greenberg, 18 Berkeley Technology Law Journal 1191 (2003)

The Marquette Sports Law Review has published Volume 14, Number 1 with the following articles including a Symposium entitled Title IX at Thirty:

Title IX: Unresolved Public Policy Issues by Ted Leland and Karen Peters, 14 Marquette Sports Law Review (2003)

In Defense of Title IX: Why Current Policies Are

Required to Ensure Equality of Opportunity by Jocelyn Samuels and Kristen Galles, 14 Marquette Sports Law Review (2003)

Who Owns Sports? The Politics of Title IX by Martha Burk and Natasha Plumly, 14 Marquette Sports Law Review (2003)

Comments on Title IX by Clark C. Griffith, 14 Marquette Sports Law Review (2003)

Is Title IX Really to Blame for the Decline in Intercollegiate Men's Nonrevenue Sports? by Daniel R. Marburger and Nancy Hogshead-Makar, 14 Marquette Sports Law Review (2003)

Title IX and College Sports: The Long Painful Path to Compliance and Reform by Ellen J. Staurowsky, 14

Marquette Sports Law Review (2003)

Title IX: Part Three Could Be the Key by C. Peter Goplerud III, 14 Marquette Sports Law Review (2003)

Title IX in the 21st Century by Barbara Osborne, 14 Marquette Sports Law Review (2003)

Wrestling with Title IX by Cynthia Lee A. Pemberton, 14 Marquette Sports Law Review (2003)

Is Notice Required in a Title IX Athletics Action Not Involving Sexual Harassment? by Dianne Heckman, 14 Marquette Sports Law Review (2003)

Sexual Harassment in Sports: How "Adequate" is Title IX? by Erika Tripp, 14 Marquette Sports Law Review (2003)

"Open to All" Title IX at Thirty by the Secretary of Education's Commission on Opportunity in Athletics, 14 Marquette Sports Law Review (2003)

Minority Views on the Report of the Commission on Opportunity in Athletics by Donna de Varona and Julie Foudy, 14 Marquette Sports Law Review (2003)

Further Clarification of Intercollegiate Athletics Policy Guidance Regarding Title IX Compliance by Gerald Reynolds, Assistant Secretary for Civil Rights, 14 Marquette Sports Law Review (2003)

Book Review: More Than a Game: One Woman's Fight for Gender Equity in Sport by Rebecca J. Mowrey, 14 Marquette Sports Law Review (2003)

Book Review: Tilting the Playing Field: Schools,

Sports, Sex, and Title IX by Adam Epstein, 14 Marquette Sports Law Review (2003)

State Income Taxation of Out-of-State Trademark Holding Companies by Tun-Jen Chiang, 70 The University of Chicago Law Review 1533 (2003)

An Antitrust Challenge to the NCAA Transfer Rules by Sarah M. Konsky, 70 The University of Chicago Law Review 1581 (2003)

Pigskin Paydirt: The Thriving of College Football's Bowl Championship Series in the Face of Antitrust Law by Jasen R. Corns, 39 Tulsa Law Review 167 (2003)

Righting the Canoe: Title IX and the Decline of Men's Intercollegiate Athletics by Andrew J. Boyd, 37 The

John Marshall Law Review 257 (2003)

Liability of Recreation and Competitive Sport Organizations for Sexual Assaults on Children by Administrators, Coaches and Volunteers by Michael Gibbons & Dana Campbell, 13 Journal of Legal Aspects of Sport (2003) (published by the National Sports Law Institute, Marquette University School of Law, www.ithaca.edu/sslaspa/pubs.htm)

Legal Implications of the Americans with Disabilities Act on Recreation Services: Changing Guidelines, Structures, Attitudes in Accommodating Guests with Disabilities by John Grady and Damon Andrew, 13 Journal of Legal Aspects of Sport (2003) (for publisher, see above)

Human Rights Approach to Intellectual Property

Protection: The Genesis and Application of Sub-Commission Resolution 2000/7 by David Weissbrodt and Kell Schoff, 5 Minnesota Intellectual Property Review 1 (2003)

Human Rights and Intellectual Property: Conflict or Coexistence? by Laurence R. Helfer, 5 Minnesota Intellectual Property Review 47 (2003)

Guaranteed Jurisdiction: The Emerging Role of Fed. R. Civ. P.4(K)(2) in the Acquisition of Personal Jurisdiction of Foreign Nationals in Internet Intellectual Property Disputes by Jeffrey R. Armstrong, 5 Minnesota Intellectual Property Review 63 (2003)

Trademark Dilution on the Constitutional Edge by Brian A. Jacobs, 104 Columbia Law Review 161 (2004)

Say Cheese: The Constitutionality of State-Mandated Free Airtime on Public Broadcasting Stations in Wisconsin by Andrew D. Cotlar, 56 Federal Communications Law Journal (2003) (published by Indiana University School of Law-Bloomington and the Federal Communications Bar Association)

A Round "PEG" for a Round Hole: Advocating for the Town of Oyster Bay's Public Access Channel Restrictions by Thomas Werner, 56 Federal Communications Law Journal (2003)
[ELR 25:10:20]