BUSINESS AFFAIRS

Everybody Wants Some... (Equity from Advertisers, That Is)

by Schuyler M. Moore

The age of equity investment in films by advertisers is upon us. There has been a seismic shift in the last year, and everyone is getting in on the act. Here are just some of the developments:

* Ford recently created a dedicated department with the sole task of stepping up Ford's positioning in films, including, of necessity, equity investments. Importantly, the new department solves (at least for Ford) the current dilemma of getting the marketing and financial departments within big companies to talk to each other (no mean feat), which is necessary for these transactions to work.

* Pepsi is funding at least one producer's overhead and development, analogous to a studio "on the lot" deal.

* Proctor & Gamble in Europe announced that it was committing equity investment for a slate of family oriented films to be produced by an Italian producer.

* Miramax offered the prime vehicle slot in "The Green Hornet" up to the highest bidder, and was reportedly asking $35 million.

* Lego waded in early, developing and funding a made-for-video film titled "Bionicle," starring one of its toy lines.

* Some studios, such as Sony, recognizing the importance of this development, have created a department with the sole responsibility of tapping this source of financing.

* Management firms have entered the fray, with some of them hiring people to broker these deals.

* As publicly reported, one film franchise, "Goal!," a trilogy about the trials and tribulations of a soccer player, will have funding from adidas. (We represented the producers in this transaction, and yes, adidas starts with a lower case letter.)

Equity investment by advertisers raises a host of new business and legal issues that need to be resolved to make the transactions work. As with most transactions, the issues can be analyzed in terms of money in, money out, and control. Closing these transactions requires trail-blazing a new path through the wilderness, including resolving the following issues:

Creative control. Depending on the size of the investment and the sophistication of the advertiser, the advertiser may feel entitled to exercise ultimate creative control, including final cut. The difficulty is that if left to its own devices, it might mangle the film, which

would be self-defeating, so a careful balance must be struck to prevent the film from becoming a non-marketable commercial. If done with creativity, products can be woven into the fabric of a film in a way that strengthens it artistically (e.g, "Castaway" was a two-hour subliminal Fed-Ex commercial). The trick is putting into words a mechanism that assures the advertiser the desired exposure yet gives the producer the flexibility to make a compelling film. The solution may require mutual script approval and guarantees of a certain amount of on-screen product time according to pre-established guidelines.

Funding. One key question is determining the timing of funding. Producers tend to view equity as at-risk money, which should be made available during pre-production, even prior to closing any production loan or obtaining a completion bond. While this is unfamiliar territory for most advertisers, they naturally

want to fund shoulder-to-shoulder with other financiers under the sheltering umbrella of a completion bond, although they are more flexible on this issue than banks.

Money Out. Don't assume that the return on an equity investment from an advertiser must be structured the same as for other equity investments. Advertisers have motivations that go far beyond economics, so it is possible to work out creative financial structures that reflect the trade-off of certain controls ceded to the advertiser in exchange for enhanced economics to the producer. These arrangements are limited only by the imagination.

Adjacent Advertising. Given the level of control that goes with a significant equity investment, advertisers may ask for adjacent advertising, such as a brief ad prior to the start of the film, inclusion of a short "special" on the DVD, and even a promotional song on

the soundtrack.

Credits. The advertiser may want inclusion of a credit or logo in the main-titles on screen and in advertising.

Special Events. The advertiser may want the right to sponsor "special events" for its customers prior to the premiere of the film.

Distributors. One of the most difficult aspects of these arrangements is that many of the issues outlined above need the approval and cooperation of distributors (including foreign distributors), but they are not at the table. In addition, the advertiser may be insisting on a minimum number of theaters or P&A in particular territories, or it may be insisting on confirmation that the distributors will not edit the film. In these cases, all or part of the financing may be subject to the condition that the producer obtains distribution agreements complying with these requirements. The producer will

then have to effectively impose these requirements on the distributors, and the distributors may be disinclined to acquiesce to these requests. "Oh, by the way, we need you to guarantee to our advertiser a few things. . . ."

Actors. One of the key issues that the advertiser will be looking for is the right to use the images of actors from the film for advertising products. Once again, the producer is in the bind of having to promise to the advertiser certain rights that the producer simply does not control at that time (the permission of the actors). This can be a touchy subject, particularly for top talent. All the more so when the advertising blurs the distinction between cross-promotion for the film and outright advertising for products. The actors may expect to be compensated for this right, and the advertiser might reasonably be required to pay any associated increase in compensation.

Merchandising Royalty. If the advertiser intends to create a particular product line based on the film, such as a product line incorporating the title or trademarks from the film, the producer may seek to obtain a royalty from such sales.

Competing Products. The advertiser typically wants to make sure that there are no competing products anywhere in sight, not just in the film (no simple task in itself), but including at all publicity events relating to the film. For example, if BMW finances a film, it would not want the star driving up to the premiere in a Mercedes. Thus, the actors' contracts may have some unique provisions on these issues.

Approval of Other Sponsors. Similarly, the advertiser may want to approve all other sponsors of the film, to make sure that it is getting the exposure it is paying for, and to make sure that others don't free ride on its financing of the film. This approval right may

hinder the producers from raising more equity from other advertisers.

Yes, the going is tough, and the negotiations can take months, at least until we get our sea legs on these transactions. But the rewards are worth it - big time - since advertisers have the unparalleled capacity to make a film happen. The next big financing wave is hitting the shore - and it could be a mother.

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DON'T TEACH YOU IN LAW SCHOOL (William S. Hein & Co.). He is also an adjunct professor at the UCLA School of Law and UCLA Anderson School of Management, teaching Entertainment Law. In an article published in the May 2002 issue of the Entertainment Law Reporter, titled "'Presented by BMW' - The Next Wave for Plugging the GAP: Investment and Ownership by Advertisers," Moore predicted that "the next gap filler will come from investment and ownership by advertisers."
[ELR 25:11:4]

WASHINGTON MONITOR

FCC cracks down on "indecent" broadcasts: decides that Bono's use of "F-Word" during 2003 Golden Globe Awards telecast was indecent; fines Infinity for radio broadcast of indecent rap/hip-hop concert; and notifies Capstar, Clear Channel and Infinity of apparent liability for radio broadcasts about sex, including segments of "Elliot in the Morning" and "Howard Stern Show"

The Federal Communications Commission has thrown itself into the "decency" business, with vigor. Disagreements still remain among the Commission's five members. But not over whether particular complained-of broadcasts are "indecent." Now, the only thing they disagree about is how heavy a penalty should be imposed on companies whose broadcasts

cross the line.

During a single week in March, the FCC released five separate indecency rulings, each and every one of which concluded that complained-of broadcasts had been "indecent." For the offending broadcasters, the consequences ranged from a warning to proposed fines of as much as $247,500. But it's clear from these and other recent FCC rulings (ELR 25:9:7, 25:6:10, 24:11:9) that broadcasting companies can no longer allow their on-air personalities as much freedom as they once enjoyed. Indeed, in the most significant of the five March decisions, the FCC all but directed broadcasters who carry live shows to install and use time-delay systems, so that "indecent" words can be deleted if they are uttered unexpectedly by on-air guests.

Bono/Golden Globes

The suggestion that broadcasters should use time-delay systems was made in an opinion by the full Commission in response to a complaint filed by the Parents Television Council about a statement made by Bono during an NBC network telecast of the 2003 Golden Globe Award ceremonies. Upon receiving the award for Best Original Song, Bono said "This is really, really, fucking brilliant. Really, really great."

At first or even second blush, Bono's phrase - while not poetic - doesn't look or sound "indecent," as that word is defined by law. The Commission defines "indecent" speech as language that (1) describes sexual or excretory activities or organs (2) in terms patently offensive as measured by contemporary community standards for the broadcast medium. Bono's use of the word "fucking" did not describe sexual activities. That at least is what the Chief of the FCC's Enforcement Bureau concluded when he rejected the complaint of

the Parents Television Council. "The word 'fucking' may be crude and offensive," the Bureau Chief acknowledged. But, he added, "in the context presented here, [it] did not describe sexual or excretory organs or activities. Rather, the performer used the word 'fucking' as an adjective or expletive to emphasize an exclamation."

The Parents Television Council did not agree, however, so it filed an Application for Review, which the full FCC has "Granted." In its Memorandum Opinion and Order, the full FCC has said that "we believe that, given the core meaning of the 'F-Word,' any use of that word or a variation, in any context, inherently has a sexual connotation. . . ." It also is "patently offensive," the FCC concluded. "The 'F-Word' is one of the most vulgar, graphic and explicit descriptions of sexual activity in the English language," the Commission explained. And the use of the word

"on a nationally telecast awards ceremony was shocking and gratuitous." What's more, the fact that Bono's "use of this word may have been unintentional is irrelevant; it still has the same effect of exposing children to indecent language."

The FCC had to acknowledge that in earlier cases, it had indicated that "isolated or fleeting broadcasts of the 'F-Word' such as [Bono's] are not indecent or would not be acted upon." But that "is no longer good law," the FCC warned. Since "existing precedent would have permitted this broadcast," the FCC decided not to fine NBC stations that carried the broadcast. But the Commission also warned that in the future, broadcasts of the "F-Word" will result in enforcement action.

Then, to be clear about what the FCC expects broadcasters to do about the Commission's new attitude towards the "F-Word," it said: ". . . one way

broadcasters can easily ensure that they are not subject to enforcement action under out decision today is to adopt and successfully implement a delay/beeping system for live broadcasts."

"The Last Damn Show" rap/hip-hop concert

In a separate Opinion (released the same day as the Bono/Golden Globes decision), the FCC fined Infinity Radio $7,000 for broadcasting "The Last Damn Show," a live rap/hip-hop concert staged in Tampa, Florida, in 1999. The performers made references to oral sex by using the phrase "pussy eating," repeatedly. The full Commission held that the phrase "had an inescapable sexual meaning" and was "patently offensive."

The FCC rejected Infinity's argument that the phrase was not "indecent," because it was aired during

a live event. Of greater significance, the FCC also rejected Infinity's argument that the broadcast had not violated the law, because "'The Last Damn Show' was a major artistic and cultural event in Tampa and . . . the Commission is constitutionally barred from drawing a distinction between [that event] and material that the Commission believes may be of greater cultural or 'serious' merit." The FCC concluded that "regardless of whether there was artistic or social merit to 'The Last Damn Show,' we may still find that the material broadcast . . . was indecent . . . if we conclude that the material is patently offensive."

Finally, the FCC rejected Infinity's argument that the broadcast was not "patently offensive" because it was "acceptable to the attendees of the concert and those who chose to listen to the performance's broadcast." The standard, the FCC, is that of the "average broadcast . . . listener."

Notices of Apparent Liability

The other three rulings were "Notices of Apparent Liability for Forfeiture." Notices like these are the first in a multi-step procedure that may lead to fines or even license revocation. When broadcasters receive these Notices they may pay the proposed fine - what the FCC calls a "Forfeiture" - or they may show, in writing, why no forfeiture should be imposed. When broadcasters argue they should not be fined, the FCC must determine whether the Communications Act or a Commission rule has been violated. Sometimes, broadcasters persuade the FCC that no violation has occurred. It happened, for example, when Citadel Broadcasting persuaded that FCC that its broadcast of an edited version of Eminem's "Real Slim Shady" was not indecent (ELR 23:10:13).

The FCC has issued a Notice of Apparent

Liability to Capstar because of its broadcast of a 7:15 a.m. conversation between an unidentified show's hosts and a husband and wife "just prior to, during and after an act of actual or simulated sexual intercourse" and oral sex, including accompanying "sound effects." The "base forfeiture amount" for indecent broadcasts is $7,000. But in this case, the FCC proposes to fine Capstar $55,000 -$27,500 for each of two stations that carried the broadcast. The FCC proposed this heavier fine, because Capstar is owned by Clear Channel, and "There is a recent history of indecent broadcasts on stations controlled by Clear Channel. . . ."

The FCC also issued a second, separate, Notice of Apparent Liability to AMFM Radio (another Clear Channel subsidiary), Capstar and Clear Channel itself, on account of a broadcast of "Elliot in the Morning." This broadcast was prompted by the 50th birthday of "porn legend Ron Jeremy." It featured a discussion

between Elliot, Diane (the on-air personality featured in a segment called "Diane's Dirt of the Day") and a female fan of Ron Jeremy. The fan talked about masturbating to Jeremy's videos and liking him because of "The way he licks pussy." This broadcast has resulted in a proposed fine of $247,500, because it was broadcast three separate times by each of three separate radio stations; and the FCC has proposed a fine of $27,500 for each of these nine broadcasts.

The FCC issued a third Notice of Apparent Liability to Infinity Broadcasting on account of a segment of the Howard Stern Show broadcast in 2001. The offending segment involved a discussion of the definitions of several generally unknown sexual terms - a discussion that Infinity said was too "clinical" to be offensive. The FCC disagreed. Infinity made the novel argument that "due to profound changes in social mores, the range of acceptable topics and words for

broadcast discussion has changed dramatically, especially in light of widespread media coverage of sex scandals involving President Clinton and the Roman Catholic Church." Despite the factual accuracy of Infinity's point, the FCC was not persuaded that these events made the offending segment of Stern's program "consistent with contemporary community standards for the broadcast medium."

Complaints Against Various Broadcast Licensees Regarding Their Airing of the "Golden Globe Awards" Program, FCC 04-43 (Mar. 2004), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-43A1.pdf; *Infinity Radio License, Inc.*, FCC 04-48 (Mar. 2004), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-48A1.pdf; *Capstar TX Limited Partnership*, FCC 04-36 (Mar. 2004), available at http://hraunfoss.fcc.gov/edocs_public/

attachmatch/FCC-04-36A1.pdf; *AMFM Radio Licenses*, FCC 04-47 (Mar. 2004), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-47A1.pdf; *Infinity Broadcasting Operations*, FCC 04-49 (Mar. 2004), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-49A1.pdf [ELR 25:11:6]

Copyright Office issues "interim" regulations concerning recordkeeping obligations of webcasters that use statutory licenses for transmissions of music recordings

Whenever Congress creates a statutory (or "compulsory") copyright license, it also has to establish a procedure by which license fees will be determined, collected and distributed. The statutory license

procedures adopted by Congress often seem clear in concept. But, as the old saying goes, "the devil is in the details." The devilish character of these details has become especially apparent in connection with the most recent statutory licenses to be added to the Copyright Act: those that permit webcasters to transmit music recordings, and to make copies of those recordings on their servers (in order to make Internet transmissions possible).

These two statutory licenses were first inserted into the Copyright Act (in sections 114 and 112) in 1995 by the Digital Performance Right in Sound Recordings Act (ELR 17:6:3) and in 1998 by the Digital Millennium Copyright Act (ELR 20:6:6). Between then and now, a lot of effort has gone into determining what types of webcasters need and are eligible for these statutory licenses. (The most significant battle over this issue concerned whether AM

and FM radio stations need these licenses if their conventional over-the-air broadcasts are retransmitted over the Web. The Copyright Office and the courts ruled that they do (ELR 25:10:17).) And additional effort has gone into determining the amounts that must be paid in statutory license fees, by various types of webcasters (ELR 24:3:6, 24:7:11, 25:1:6, 25:2:5).

These determinations didn't fill in all of the devilish details, however. More still remain, because the Copyright Act provides that a portion of the statutory license fees must be distributed by record companies to featured recording artists "on a per sound recording basis." Of course, in order to do this "on a per sound recording basis," record companies need to know exactly which recordings are being webcast under these statutory licenses. This information has to be compiled by someone, and since webcasters are the ones who decide which recordings to transmit, they're

the ones who have to compile it, and then turn it over to record companies.

Even this recordkeeping requirement is clear in concept. But transforming the concept into actual procedures requires specific regulations. Congress gave the job of creating those regulations to the Copyright Office. It's been a tough job too, because record companies and webcasters have quite different views about what information, exactly, needs to be compiled and reported, in order for the statutory licenses to work properly.

The record companies want lots of detailed information. Webcasters - especially radio stations whose over-the-air signals are retransmitted over the web - would like to provide much less, because it would be so burdensome to collect and report all of the details that record companies would like. The proper resolution of this disagreement is important, because if

too much information is required, some webcasters simply will not be able to use the statutory licenses; but if too little is required, record companies will not be able to allocate and distribute the statutory license fees they receive in the way the law requires them to.

The Copyright Office has resolved the dispute, temporarily at least, by adopting "interim regulations" describing the recordkeeping obligations of webcasters. The reason it adopted "interim regulations" is that many webcasters haven't compiled or kept any information so far about what recordings they have been transmitting - thus making it impossible for record companies to distribute license fees to their artists "on a per sound recording basis," as required by law.

In a nutshell, the interim regulations require webcasters to keep track of the music recordings they transmit, for two weeks each calendar quarter, beginning April 1, 2004. Then, each quarter,

webcasters must report six types of information. Two types of information are about the webcaster itself: its name; and its "transmission category" - meaning the type of transmission it does, such as music or news - because the royalty rates differ by category. The remaining types of information are about each music recording the webcaster transmitted during the reporting period: the name of the featured artist; the name of the recording; the album title (or other information that identifies the album); and the number of times the recording was performed (or other information that indicates how many hours, or how often, it was performed).

These interim regulations are a compromise of sorts. They do not, for example, require webcasters to compile or report additional kinds of information the record companies would like to have, including information that would establish whether a webcaster

actually is eligible for statutory licenses in the first place. On the other hand, these regulations are only "interim," so final regulations may yet require more information.

At least two recordkeeping and reporting issues remain unresolved, even if the type of information that must be reported remains unchanged when these interim regulations eventually give way to final regulations. First, webcasters must pay statutory license fees for transmissions since October 1998, even though the interim regulations apply only to transmissions since April 2004. So the Copyright Office still must decide what types of reports webcasters must make about their transmissions between October 1998 and April 2004. Second, the Copyright Office still must decide what format (apparently, paper or digital) must be used by webcasters for keeping records and delivering their reports.

Notice and Recordkeeping for Use of Sound Recordings Under Statutory License, Copyright Office, Library of Congress, 69 Federal Register 11515 (March 11, 2004), available at www.copyright.gov/fedreg/2004/69fr11515.pdf [ELR 25:11:7]

Copyright Office sets new royalty rates for Internet transmissions of music recordings for 2003 and 2004

The record industry and those who transmit recordings over the Internet have agreed on new royalty rates for the years 2003 and 2004; and the Copyright Office has incorporated the terms of those agreements into new regulations.

In everyday language, the new royalties are those payable by website operators who qualify for the statutory license for Internet music transmissions. The

new regulations are the second set of royalty rates the Copyright Office has adopted for Internet music transmissions. The first set covered transmissions between 1998 and the end of 2002 (ELR 24:3:6). The new rates are approximately the same as the old ones.

In a nutshell, website operators who qualify for the statutory license (because they offer nonsubscription, noninteractive and otherwise qualifying service) will pay either: 0.0762 cents per recording per listener for music performances; or 0.0762 cents per hour per listener for news, talk, sports or business programming; or 0.88 cents per hour per listener for simulcasts of radio broadcasts of music programming; or 1.17 cents per hour per listener for simulcasts of radio broadcasts of news, talk, sports or business programming.

Certain subscription services are eligible for statutory licenses too. And the new regulations contain

royalty rates for them as well that are similar, though not identical, to the rates for nonsubscription services.

The new royalty rates include payment for the statutory "ephemeral recording" license that webcasters need, as a matter of technology as well as law, because webcasters have to reproduce CDs onto the hard drives of their servers in order to be able to transmit recordings from websites. For the purpose of calculating how much of the total fee is payment for digital performance rights and how much is for the ephemeral recording right, the new regulations provide that 8.8% of the total license fee "shall be deemed" to be for the recording right.

The new regulations also require webcasters to pay a "minimum fee" which, though not refundable, is "fully creditable to royalty payments" due on a per recording or per hour basis. For nonsubscription webcasters, the minimum fee is the lesser of $2,500 per

year, or $500 per year "per channel or station."

The new regulations also contain detailed provisions concerning the payment of royalties and their allocation among those who are entitled to receive them.

The royalties covered by the new regulations are for the right to transmit copyrighted recordings. They do not cover the transmission of the songs themselves; for that, webcasters must obtain and pay for separate licenses from ASCAP, BMI and SESAC, the public performance societies that represent songwriters and music publishers.

Also, not all Internet music transmissions are covered by the new royalties. Some Internet music transmissions are entirely exempt from royalty obligations - such as retransmissions of radio broadcasts within 150 miles of the radio station - and the new regulations do not apply to those transmissions,

because no royalties at all have to be paid for them. Also, some Internet music transmissions - such as interactive transmissions - are neither exempt nor eligible for a statutory license; and the new regulations do not apply to those either, because negotiated licenses are required for them.

The new regulations will be found in Volume 37 of the Code of Federal Regulations at Parts 262 and 262.

Digital Public Performance Right in Sound Recordings and Ephemeral Recordings, Copyright Office, Library of Congress, 69 Federal Register 5693 (Feb. 2004), available at www.copyright.gov/fedreg/2004/69fr5693.pdf [ELR 25:11:8]

NEW LEGISLATION AND REGULATIONS

Louisiana Department of Revenue adopts rule requiring out-of-state professional sports teams to withhold income tax from team members for portion of salary paid for "duty days" in Louisiana

Professional athletes whose teams play games in Louisiana have to pay income tax in that state - even if they live and play for teams based outside of Louisiana. What's more, to make sure they actually pay the tax, the Louisiana Department of Revenue has adopted an "Emergency Rule" that requires all teams who play in that state to begin withholding income tax from their team members immediately.

The new rule requires non-Louisiana teams to withhold 4.2% of the salaries paid to team members for "duty days" spent in Louisiana. The "team members"

from whom taxes must be withheld include coaches, managers and trainers, as well as athletes.

The rule, and the taxes it will enable Louisiana to collect, are part of a larger plan to fund sports facilities in that state. In 2001, the state created a Sports Facility Assistance Fund. Income taxes collected from non-resident professional athletes and teams are to be paid into that Fund. The money in the Fund will then be "appropriated dollar-for-dollar to the owners of the facilities at which the money that generated the income tax was earned."

The rule makes clear that Louisiana-based professional teams are to continue to withhold income tax from all of their team members.

Withholding by Professional Athletic Teams, LAC 61:I.1520 (2003), available at www.rev.state.la.us/forms/lawspolicies/LAC61_I_1520.pdf[ELR 25:11:10]

Ohio enacts law making it illegal to operate video camera in movie theater without theater owner's written consent

The state of Ohio has enacted a new law designed to deter movie piracy. The law makes it illegal to operate a video camera in a movie theater without the theater owner's written consent. Anyone who does so is guilty of "motion picture piracy." The first offense will be a misdemeanor; the fifth, a felony.

The law also permits movie theater owners (and their employees) to "detain . . . for a reasonable length of time" anyone suspected of operating a video camera without consent, so the person can be arrested by a peace officer.

A similar law also has been enacted in California (ELR 25:6:13).

Ohio General Assembly HB 179 (2003), adding Ohio Revised Code sections 2913.07 and 2935.041(D) and (F), available at http://www.legislature.state.oh.us/bills.cfm?ID=125_HB_179 [ELR 25:11:10]

RECENT CASES

Subpoena provision of DMCA does not require ISPs to provide names of subscribers to copyright owners, when infringing material is stored on subscribers' own computers rather than ISPs' servers, federal Court of Appeals rules

For Verizon Internet Services, the third time was the charm. That was how long it took the ISP to persuade a court that the subpoena provisions of the DMCA do not apply when the company merely

provides Internet connections for subscribers and does not provide them with web hosting or other file storage services. As a result of a ruling by a federal Court of Appeals in Washington, D.C., Verizon does not have respond to subpoenas obtained and served on it by the RIAA that would have required Verizon to provide the names of two Verizon subscribers the RIAA suspects of downloading hundreds of copyrighted recordings, without licenses to do so.

The dispute between Verizon and the RIAA focused on a previously obscure subsection of the Copyright Act that was 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 suspected 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.

Though section 512(h) is simple in concept, it is complex - even convoluted - in its actual wording and structure. This was due, in part, to the fact that at the time it was enacted, Internet service providers rendered at least four, somewhat different, types of services to their subscribers. Some subscribers - perhaps most - use ISPs merely to connect to the Internet. Other subscribers use service providers to host websites, and thus store subscribers' materials on the ISPs' own servers. Still other ISPs cache (or temporarily store) the content of websites, including those operated by people and companies that are not its subscribers. And some provide links to websites, without regard to who the operators of those websites may be.

As a result of an investigation the RIAA

conducted into unauthorized Internet transmissions of recordings, the RIAA determined that Verizon subscribers had downloaded hundreds of recordings over peer-to-peer (commonly referred to as "P2P") computer networks. In order to find out who those subscribers were, the RIAA obtained and served Verizon with two section 512(h) subpoenas.

Verizon, however, responded that it was not hosting websites, or otherwise storing files, for those subscribers; and thus it argued that it did not have to respond to the subpoenas. According to Verizon, section 512(h) subpoenas require ISPs to provide a subscriber's identity, only if they are storing on their own servers the subscriber's allegedly infringing material. In this case, the RIAA acknowledged that the downloaded recordings were being stored on the subscribers' own computers, not on Verizon's servers. But according to the RIAA's reading of section 512(h),

it requires ISPs to respond to subpoenas, even when ISPs merely provide connections to the Internet for suspected infringers.

Federal District Judge John Bates agreed completely with the RIAA. Indeed, in the first of two separately issued decisions, 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, including the very type of service Verizon provides to the subscribers whose identities the RIAA's subpoenas sought (ELR 24:9:10). In his second opinion, Judge Bates held that Congress had the Constitutional power to enact such a subpoena provision, and that the provision does not violate subscribers' First Amendment rights (ELR 24:11:5).

However, in an opinion by Judge Douglas Ginsburg, the Court of Appeals was equally without

doubt that section 512(h) does not authorize subpoenas to ISPs who merely provide Internet connections to suspected infringers but do not actually store allegedly infringing materials on their own servers. Judge Ginsburg reached this conclusion by threading his way through section 512(h)'s requirements for a subpoena, and concluding that those requirements can be satisfied only when copyright owners suspect that ISPs themselves are storing allegedly infringing materials - not when such material is stored on subscribers' own computers.

Judge Ginsburg offered an explanation for why section 512(h) doesn't authorize subpoenas to ISPs who merely provide Internet connections to subscribers, even when subscribers use those connections to participate in P2P networks. P2P file transmission was "not even a glimmer in anyone's eye when the DMCA was enacted," he observed. As a result, "Congress had

no reason to foresee the application of [section] 512(h) to P2P file sharing, nor did they draft the DMCA broadly enough to reach the new technology when it came along."

Judge Ginsburg also acknowledged that "Had the Congress been aware of P2P technology, or anticipated its development, [section] 512(h) might have been drafted more generally." That, however, did not help the RIAA in this case. Judge Ginsburg said he was "not unsympathetic either to the RIAA's concern regarding the widespread infringement of its members' copyrights, or the need for legal tools to protect those rights." But, he added, "It is not the province of the courts . . . to rewrite the DMCA in order to make it fit a new and unforeseen internet architecture, no matter how damaging that development has been to the music industry or threatens being to the motion picture and software industries. The plight of copyright holders

must be addressed in the first instance by the Congress. . . ."

The RIAA was represented by Douglas B. Verrilli, Jr. Verizon was represented by Andrew G. McBride.

Recording Industry Association of America v. Verizon Internet Services, 351 F.3d 1229, 2003 U.S.App.LEXIS 25735 (D.D.C. 2003) [ELR 25:11:11]

Sale of software used to copy CSS-encrypted DVDs is enjoined by two courts in separate cases, because software violates anti-circumvention provisions of DMCA

Federal courts in California and New York have enjoined the sale of software used to copy CSS-

encrypted DVDs, because the software violates the anti-circumvention provisions of the Digital Millennium Copyright Act. The offending software is published by 321 Studios, a company that also sells several kinds of legitimate media editing and recording software (including software that allows users to record their own PowerPoint presentations to DVDs). Two of 321 Studios' products got it involved in the recently-decided cases: a program called "DVD Copy Plus" that enables users to copy CSS-encrypted DVDs to CD-ROMs (for playback on computers), and another program called "DVD X Copy" that enables users to copy CSS-encrypted DVDs to DVDs (for playback on DVD-player equipped televisions, as well as computers).

321 Studios' adversaries in both cases are members of the Motion Picture Association of America. Movie studios are those in the entertainment

industry most interested in CSS-encryption, because when their movies are released on DVDs, they are released in a CSS-encrypted format to prevent piracy. When families record their own home movies to DVDs - something they can do using a separate 321 Studios program called "DVD X Maker," or competing programs from other companies - families do not use CSS encryption. The offending feature of "DVD Copy Plus" and "DVD X Copy" was their ability to circumvent CSS encryption (not their ability to record movies to DVDs).

In the California case, 321 Studios responded to cease-and-desist demands by the studios by filing a declaratory relief suit against MGM (and other MPAA members). In the New York case, Paramount and Fox filed suit against 321 Studios. The issues in both cases were the same: whether the offending programs violate the anti-circumvention provisions of the DMCA; and if

so, whether those anti-circumvention provisions are Constitutional.

The California ruling was issued first. In a thoroughly analyzed opinion, federal District Judge Susan Illston concluded that "DVD Copy Plus" and "DVD X Copy" do violate the DMCA, for two reasons:

* Because CSS controls access to movies recorded on DVDs, and the offending programs are designed to enable users to circumvent that control, without the consent of copyright owners. Judge Illston rejected 321 Studios' argument that movie studios have consented to access to their movies by those who buy DVDs. Rather, she explained, studios have consented the private viewing of their movies, not to their decryption. That means that selling software that circumvents CSS violates section 1201(a)(2) of the DMCA, she held.

* Because CSS also prevents copying of DVDs, and the offending programs are designed to enable

users to circumvent that control, too. Judge Illston rejected 321 Studios' argument that CSS prevents access, but not copying. She explained that the sole purpose of preventing access is to prevent copying, so CSS does protect copyright owners' exclusive right to reproduce their movies. That means that selling software that circumvents CSS also violates section 1201(b)(1), she ruled.

Judge Illston also upheld the Constitutionality of the anti-circumvention provisions of the DMCA, for two reasons:

* Because those provisions do not violate First Amendment free speech rights. Instead, they further important and substantial government interests in protecting intellectual property rights - interests which are unrelated to suppressing free expression - and any incidental restrictions that may be imposed on First Amendment freedoms are no greater than essential to

furthering those interests.

* Because enactment of the anti-circumvention provisions of the DMCA did not exceed the authority given to Congress to do so by the Commerce or Intellectual Property Clauses of the Constitution.

For these reasons, Judge Illston issued a preliminary injunction that bars 321 Studios from continuing to make or sell "any type of DVD circumvention software."

In the New York case, federal District Judge Richard Owen came to the same conclusions, in a short and to-the-point opinion. He agreed with Judge Illston (whose opinion he cites) that "manufacturing and distributing DeCSS software [the name given to CSS decryption software] for sale violates the anti-trafficking provisions of the DMCA." And he agreed that those provisions are perfectly constitutional.

Judge Owen also addressed one issue that Judge

Illston left for trial: the question of whether the offending programs qualify for an exemption from the anti-circumvention provisions that the DMCA itself gives to anti-circumvention devices that have other, more than "limited commercially significant purposes." 321 Studios claimed that "DVD Copy Plus" and "DVD X Copy" do have such purposes. "[I]t allows for the restoration and retrieval of damaged DVD[s] that are unworkable, unplayable, skippable, and they can restore it to viewable conditions. . . [something that DVD owners may want to do, because] Young children play with them, they get scratched, you take a DVD out of the plastic case and sometimes they are hard to get out, they can crack and chip and warp, and there is a process of delamination," 321 Studios claimed.

However, Judge Owen found that these purposes are merely "limited." The DMCA's ban on the sale of "any technology primarily designed to circumvent a

technological measure that either controls access to or protects a right of a copyright owner to or in a work protected under the DMCA, obviously is not evaded by the existence of arguably limited alternative uses," he said.

As a result, Judge Owen too enjoined 321 Studios' sale of "DVD X Copy" or "functionally equivalent applications."

In the California case, MGM was represented by Russell Frackman of Mitchell Silberberg & Knupp in Los Angeles. 321 Studios was represented by Daralyn J. Durie of Keker & Van Nest in San Francisco.

In the New York case, Paramount Pictures was represented by David E. Kendall of Williams & Connolly in Washington, D.C. 321 Studios was represented by Allison L. Rapp of Lutzker & Lutzker in Washington, D.C.

321 Studios v. MGM Studios, 2004 U.S.Dist.LEXIS 2771 (N.D.Cal. 2004); *Paramount Pictures Corp. v. 321 Studios*, 2004 U.S.Dist.LEXIS 3306 (S.D.N.Y. 2004) [ELR 25:11:12]

Preliminary injunction barring website operator from posting DeCSS software used to unscramble movie DVDs is reversed, because it was downloaded by "untold numbers" of "interested" users before suit was filed, and thus it "may have lost its trade secret status," Court of Appeal decides

The movie industry has suffered a setback in its efforts to prevent the unauthorized descrambling of DVDs. A California Court of Appeal has reversed a preliminary injunction that had barred website operator Andrew Bunner from posting DeCSS software, thus

enabling him and others to do so once again.

In an opinion by Justice Eugene Premo, the appellate court concluded that by the time the lawsuit against Bunner was filed, it had been downloaded by "untold numbers" of "interested" users, and thus it "may have lost its trade secret status." For that reason, the DVD Copy Control Association - the organization that licenses the Content Control System to makers of DVD players - had not shown it was likely to prevail in its trade secret lawsuit against Bunner, Justice Premo ruled. That in turn meant that the preliminary injunction "burdens more speech than necessary to protect DVD CCA's property interest and was an unlawful prior restraint upon Bunner's right to free speech."

The case has been bouncing up and down the California court system since 1999. This is the fourth ruling it has produced, and the third published opinion. The reason the movie industry's trade secret claims

morphed into a free speech case is that the preliminary injunction issued by the trial court at the outset of the case was reversed by the Court of Appeal on the grounds that it constituted a prior restraint that violated the First Amendment (ELR 23:7:4). That ruling was reversed by the California Supreme Court, which held that the preliminary injunction did not violate Bunner's free speech rights - "assuming the trial court properly issued the injunction under California's trade secret law." (ELR 25:3:6) The Supreme Court remanded the case to the Court of Appeal, saying it "should determine the validity of this assumption."

On remand, Justice Premo and his colleagues on the Court of Appeal determined that the assumption was not valid. That is why they reversed the preliminary injunction, once again. Under California law, "the test for a trade secret is whether the matter sought to be protected is information (1) that is

valuable because it is unknown to others and (2) that the owner has attempted to keep secret." The DVD Copy Control Association certainly attempted to "keep secret" the key to unlocking CSS-encrypted DVDs. So the issue in this case was whether that key was "unknown to others."

The Internet presents an enormous challenge to trade secret law, because secrets can be disseminated around the world in an instant, at virtually no cost. Justice Premo addressed this reality by saying, "Publication on the Internet does not necessarily destroy the secret if the publication is sufficiently obscure or transient or otherwise limited so that it does not become generally known to the relevant people, i.e., potential competitors or other persons to whom the information would have some economic value."

He emphasized that he did "not assume that the alleged trade secrets contained in DeCSS became part

of the public domain simply by having been published on the Internet." Nevertheless, the injunction against Bunner was improper, Justice Premo reasoned, because "the evidence demonstrates that in this case, the initial publication was quickly and widely republished to an eager audience so that DeCSS and the trade secrets it contained rapidly became available to anyone interested in obtaining them."

Though the preliminary injunction has been reversed, the case isn't over yet. Justice Premo concluded his opinion by saying, "It is important to stress that our conclusion is based upon the appellate record filed in this court. It is not a final adjudication on the merits. The ultimate determination of trade secret status and misappropriation would be subject to proof to be presented at trial."

The DVD Copy Control Association was represented by Jared B. Bobrow of Weil Gotshal &

Manges in Redwood Shores. Andrew Bunner was represented by Richard R. Wiebe in San Francisco.

Editor's note: This case deals only with the predictability of CSS under trade secret law. Even if the Bunner case goes to trial, and CSS is found to have lost its trade secret status, protection for CSS may still exist. The movie industry also has asserted - with success, in more than one case - that the anti-circumvention provisions of the DMCA bar the distribution of software that decrypts CSS-encrypted DVDs (ELR 25:11:13, 23:7:4, 22:3:4, 22:1:13). Those rulings would not be affected by a decision that CSS is no longer a trade secret.

DVD Copy Control Association v. Bunner, Case No. H021153, Cal.Ct.App., 6th App.Dist. (Cal.App. 2004), available at http://www.courtinfo.ca.gov/opinions/documents/H021153A.PDF [ELR 25:11:13]

Famous Music's publishing contracts with Henry Mancini, Johnny Mercer and others did not require it to pay them for "foreign tax credit" Famous received against its U.S. income tax on account of foreign taxes Famous paid from sub-licensing royalties in other countries, New York Court of Appeals affirms

Famous Music doesn't have to pay Henry Mancini, Johnny Mercer or other composers a share of the "foreign tax credit" Famous receives on account of foreign income taxes Famous paid from sub-licensing royalties earned in other countries. The New York Court of Appeals (that state's highest court) has so ruled, thus bringing the case to an end.

At issue in the case was the proper interpretation of a clause in the composers' agreements with Famous. The clause in question requires Famous to pay the

composers 50% "of all net sums actually received by the [publisher] with respect to such song or musical composition from any other source or right now known or which may hereafter come into existence . . . less all deductions for taxes." On its face, this clause entitled Famous to deduct any taxes it had to pay on royalties it received for particular songs and compositions. The question was whether the clause also required Famous to include money it received on account of taxes.

At first blush, the question seems like one that would never arise in actual practice, because music publishers do not ordinarily receive money on account of taxes. Taxes are paid; they aren't received - except perhaps refunds of taxes previously paid. In this case, Famous didn't receive any tax refunds. But it did receive something somewhat similar: a tax credit. And that was what the case was about. Mancini's and Mercer's successors (as well as other composers and

successors) filed this lawsuit to collect their 50% of those credits.

The way in which all this arose requires a word of explanation. Famous publishes songs in the United States, and enters into sub-publishing agreements with foreign publishers for the publication of its songs in other countries. Those foreign sub-publishers pay whatever taxes are required by the laws of their own countries, and remit the balance (less the sub-publishers' share) to Famous in the U.S. Famous then pays composers 50% of the net amount it actually receives from foreign sub-publishers, from which the sub-publishers have already deducted foreign taxes. This means that the composers' 50% of foreign royalties is reduced by those foreign taxes.

Famous also receives "foreign tax credits" on account of those foreign taxes, but does not pay composers any share of that credit. As its name

suggests, the foreign tax credit reduces the amount of income tax that Famous must pay in the United States by at least a portion of the amount of tax its sub-publishers pay, on Famous' behalf, in other countries.

All of the judges who ruled on this case agreed that it involved nothing more than a straight-forward interpretation of the agreements between Famous and the composers. The judges, however, had as much difficulty as the composers and Famous did agreeing on how those agreements should be interpreted. A trial court judge held that the agreements require Famous to pay the composers 50% of the tax credit. An appellate court ruled they don't (ELR 25:1:8). Finally, in an opinion by Judge George Smith, a majority of the New York Court of Appeals has affirmed the appellate court's decision that Famous does not have to pay the composers anything on account of the tax credit - an opinion from which Judge Susan Read dissented.

Writing for the majority, Judge Smith reasoned that "the credit is not income that Famous receives in exchange for the right to use the songs. The credit is given by the United States government because of a tax policy, not in return for the use of songs." Other evidence too favored Famous, the judge said. Though the composers "have received royalties under these contracts for periods of time ranging from 23 to 59 years, [they] . . . never demanded a [share] of any credits." Industry custom and practice also favors Famous, the judge concluded, because "when music publishing companies have shared credits with songwriters, they have done so pursuant to an explicit clause." This industry practice made sense to the judge, because accounting for foreign tax credits, song by song, would be "onerous."

In her dissenting opinion, Judge Read took issue with the assertion that the composers waited 23 to 59

years before asking for royalties on foreign tax credits. While it's true that the foreign tax credit has been part of U.S. tax law since 1918, "Famous does not contend that it was taking advantage of foreign tax credits . . . when these contracts were signed. The record does not establish when Famous first began employing these credits to reimburse itself for foreign taxes effectively paid by Songwriters. The record does, however, show that Songwriters were unaware that Famous was doing this until shortly before the litigation began."

The composers were represented by David Blasband of McLaughlin & Stern in New York City. Famous Music was represented by Jonathan Zavin of Loeb & Loeb in New York City.

Evans v. Famous Music Corp., 2004 N.Y.LEXIS 261 (N.Y. 2004) [ELR 25:11:14]

Wham-O fails in bid to restrain Paramount Pictures from using "Slip 'N Slide" toy in scene and advertising for movie "Dickie Roberts: Former Child Star"

Manufacturers sometimes pay to have their products placed in movies. But Wham-O didn't, in order to have its "Slip 'N Slide" toy appear in Paramount Pictures' "Dickie Roberts: Former Child Star." Paramount decided, all on its own, to use a "Slip 'N Slide" in a 70-second scene in the movie, and in ads. In fact, the studio didn't even trouble Wham-O with a request for permission.

Paramount did receive something in return for using the "Slip 'N Slide": it got itself sued by Wham-O for trademark infringement and dilution. As a consequence, the studio had to fend off Wham-O's request for a restraining order, just a week after the

movie opened in theaters. Paramount successfully did so. Federal District Judge Marilyn Patel denied Wham-O's request for a temporary restraining order, in a short but thorough opinion.

The offending movie scene showed actor David Spade - who portrays "a former child star looking to reclaim the acting glory of his past" by becoming a "more typical person" - misusing a "Slip 'N Slide" in a painful and even dangerous manner. This is what prompted Wham-O to complain that the movie diluted its trademarks.

Wham-O argued that because its "toy is misused . . . consumers will perceive [Wham-O's] marks in a negative light." Judge Patel, however, rejected the argument. "To those knowledgeable about such toys," she explained, "the 'Slip 'N Slide' mark will be no less distinctive as a mark. . . . And to those viewing the film, the misuse will be apparent and [Wham-O's]

marks will not be harmed. The film presents a ham-fisted and exaggerated illustration of slide misuse. It is an obvious and unmistakable misuse, one recognizable by even the youngest or most credulous film viewer, and one expressly described as a misuse in the film itself." For these reasons, Wham-O failed to show that it was likely to succeed with its claim that the movie tarnished (and thus diluted) its marks.

The judge also rejected Wham-O's claim that the movie would blur the distinctiveness of its marks, because "the kind of misuse to which [Paramount] put the slide does not make [Wham-O's] marks less unique or identifiable."

Wham-O's trademark infringement claim fared no better. Judge Patel found the Paramount's "use of the slide will not spur any likelihood of confusion."

In addition, Paramount's use of Wham-O's marks was "nominative" rather than infringing, the

judge ruled, because "In the film, [Paramount] intend[s] to identify the slide as a specific product; to do so requires the use of the product's name." Then, in language that is likely to be relied on and quoted in the future, Judge Patel noted that ". . . it is not unusual for movie producers to use . . . products and props . . . to cultivate interest in a film. Films with car chases do so with cars; films with gunplay do so with firearms; films with haute couture wardrobes do so with clothing." This is significant, because the judge found that "nothing . . . suggests that [Paramount] used [Wham-O's] marks to imply that [Wham-O] placed its imprimatur on the film; nowhere in [Paramount's] publicity efforts is [Wham-O's] mark unreasonably displayed or abused."

Finally, Judge Patel found that the injunction sought by Wham-O would do more than preserve the status quo. It "would require thoroughgoing alteration

of [Paramount's] promotional campaign and substantial reformatting of the film and the displays in theaters where it is shown."

Wham-O was represented by Annette L. Hurst of Howard Rice Nemerovski Canady Falk & Rabkin in San Francisco. Paramount was represented by Thomas R. Burke of Davis Wright Tremaine in San Francisco, and by Scott Martin, Paramount's Associate General Counsel, in Hollywood.

Wham-O, Inc. v. Paramount Pictures Corp., 286 F.Supp.2d 1254, 2003 U.S.Dist.LEXIS 21762 (N.D.Cal. 2003) [ELR 25:11:15]

"Harry Potter" books and movies do not infringe rights of children's book author Nancy Stouffer, and Stouffer was properly sanctioned and ordered to pay attorneys fees of J.K. Rowling, Scholastic and Warner Bros. for making infringement claims in "bad faith," federal appeals court affirms

Children's book author Nancy Stouffer has failed in her quest to prove that Harry Potter books and movies infringe her trademarks and copyrights. Indeed, as readers of these pages may recall, federal District Judge Allen Schwartz found that Stouffer's allegations of infringement were made in bad faith because she submitted altered and forged documents to support them. As a result, Judge Schwartz not only dismissed Stouffer's lawsuit, he ordered her to pay $50,000 in sanctions and an additional $576,409 in attorneys fees incurred by J.K. Rowling (the creator and author of the

Harry Potter books), Scholastic Inc., (the books' publisher), and Warner Bros. (the producer of the Harry Potter movies).(ELR 23:1:13, 24:9:12, 25:2:11).

Unwilling or unable to let things be, Stouffer risked making a bad situation worse by pursuing an appeal. And make it worse, she did. The Court of Appeals has affirmed the dismissal of Stouffer's case, the imposition of sanctions against her, and the order that she pay Rowling, Scholastic and Warner Bros.' attorneys fees. What's more, the Court of Appeals has ordered Stouffer to pay "all . . . attorneys fees and costs" incurred by Rowling, Scholastic and Warner Bros. on appeal.

In a very short "Summary Order" marked "May Not be Cited as Precedential Authority," the Court of Appeals agreed that no reasonable juror could find a likelihood of confusion between Stouffer's books or characters and Harry Potter. There was little similarity

between them. Harry Potter's "Muggles" characters were unlike Stouffer's "Muggles." And Harry Potter books are for an older audience than Stouffer's books. For these reasons, Stouffer's trademark infringement claims were properly dismissed.

Likewise, the Court of Appeals agreed that Harry Potter and Stouffer's works are not substantially similar. In fact, the appellate court said that "aside from the fact that both . . . depict a boy wearing glasses, there is no similarity between the two works."

Finally, the Court of Appeals agreed that Stouffer "had submitted falsified evidence," and thus affirmed the $50,000 sanction imposed by Judge Schwartz and his award of attorneys fees.

Stouffer, Scholastic and Warner Bros. were represented by Dale M. Cendali of O'Melveny & Myers in New York City, and by Edward H. Rosenthal of Frankfurt Kurnit Klein & Selz in New York City.

Stouffer was represented by Thomas S. McNamara of Indik & McNamara in New York City.

Scholastic Inc. v. Stouffer, 81 Fed.Appx. 396, 2003 U.S.App.LEXIS 24243 (2nd Cir. 2003) [ELR 25:11:16]

Appellate court affirms dismissal of copyright infringement suit against Britney Spears and Zomba Records, filed by songwriters who claim their lyrics were copied in Spears' recording "What U See"; songwriters failed to show Spears or Zomba had access to songwriters' lyrics before "What U See" was recorded, appellate court agrees

As long ago as 1995, songwriters Michael Cottrill and Lawrence Wnukowski were asked to write songs for Britney Spears by her manager and song

scout William Kahn. Years later, Cottrill and Wnukowski sent Kahn a song they'd written titled "What You See Is What You Get." Just months after that, Zomba Records released Spears' album "Oops! . . . I Did it Again," one of whose songs was titled "What U See (Is What U Get)." A coincidence, you say? Cottrill and Wnukowski thought not.

Despite the similarities of their titles, Zomba asserted that Spears' "What U See" was not Cottrill and Wnukowski's "What You See. . . ." Instead, Zomba said that Spears' "What U See . . ." was written by Per Magnusson, Jörgen Elofsson, Rami Yacoub, and David Kreuger, and was recorded by Spears at least a month before Cottrill and Wnukowski sent Kahn their song.

Nevertheless, convinced that their lyrics had been copied, Cottrill and Wnukowski sued Spears and Zomba for copyright infringement. They alleged that their lyrics could have gotten to Spears through Kahn,

or possibly through the Backstreet Boys' former manager Louis Pearlman, to whom they also had sent their song.

When confronted with the fact that Spears had recorded "What U See" before they sent their song to either man, they responded with an expert's declaration that it was possible to change the already-recorded lyrics of a song using the same software that Zomba used to mix Spears' recording.

Kahn declared that he hadn't sent Cottrill and Wnukowski's song to anyone, because he didn't think it was very good. And though Pearlman once had business dealings with Zomba, because it was the Backstreet Boys' record company too, Pearlman was never employed by or had a contract with Zomba. What's more, Zomba offered declarations and deposition testimony from Magnusson and the other writers of "What U See" establishing that no changes

had been made to their song, after Spears' recorded it. Cottrill and Wnukowski had no evidence to the contrary.

Given all this, in response to a motion for summary judgment by Spears and Zomba, a federal District Court dismissed the lawsuit on the grounds that Cottrill and Wnukowski had not shown there was "a reasonable possibility" that Spears, Zomba or their songwriters had access to Cottrill and Wnukowski's song. In an opinion by Judge Brooks Smith, marked "Not Precedential," the Court of Appeals has affirmed.

Judge Smith explained that "By arguing no more than what is technically possible, [Cottrill and Wnukowski] engage in speculation that [Spears and Zomba] altered 'What U See' after ['What You See . . .' had been submitted to Kahn]. Speculation is no substitute for the kind of circumstantial evidence needed to preclude the entry of summary judgment."

Also, given the testimony of the writers of "What U See" that no changes had been made to their song after Spears' recorded it, Cottrill and Wnukowski's "theory essentially required [the District Court] to impermissibly find [the writers'] testimony incredible while at the same time inferring a fact for which [Cottrill and Wnukowski] provided no evidence."

For these reasons, Judge Smith concluded that summary judgment had been properly granted.

Cottrill and Wnukowski were represented by George Bochetto of Bochetto & Lentz in Philadelphia. Spears and Zomba were represented by Michael T. Mervis of Proskauer Rose in New York City, and Vincent V. Carissimi of Pepper Hamilton in Philadelphia.

Cottrill v. Spears, 2004 U.S.App.LEXIS 1440 (8th Cir. 2004) [ELR 25:11:16]

Songwriter failed to show access to his song by writers of "Amazed," but further proceedings necessary to determine whether writers of "My Heart Will Go On" had access, Court of Appeals rules in opinion affirming dismissal of copyright infringement claims concerning "Amazed" but reversing dismissal of claims concerning "My Heart Will Go On"

Brooklyn-based musician and songwriter John Jorgensen claims that his song "Long Lost Lover" was copied - without permission or credit - by the writers of two hugely successful songs: "Amazed" and "My Heart Will Go On." Jorgensen made these claims in a copyright infringement lawsuit filed in federal court in New York City. Country music fans will recall that "Amazed" was recorded by Lonestar on the group's multi-platinum album "Lonely Grill." Almost

everybody will recall that “My Heart Will Go On” was recorded by Celine Dion and was the Academy Award-winning theme song for the movie “Titanic.”

At first, Jorgensen’s claims were rejected without trial when - in response to a defense motion for summary judgment - Judge John Keenan determined that Jorgensen failed to show that the writers of either allegedly infringing song had access to Jorgensen’s own. On appeal, however, Jorgensen - representing himself - has salvaged half his case, for the time being at least.

In opinion by Judge Chester Straub, the Court of Appeals has affirmed Judge Keenan’s conclusion that Jorgensen failed to show that the writers of “Amazed” - Chris Lindsey, Aimee Mayo and Marv Green - had access to Jorgensen’s song.

Jorgensen said he had mass mailed CDs of his song “Long Lost Lover” to companies listed in

songwriter market books, including BMG, the company that administers publishing rights to "Amazed." What's more, a BMG "managing producer" named Bruce Pollock admitted that he had received the CD from Jorgensen. However, Pollock also explained that he works for BMG Special Products, a division that has no connection to BMG's publishing company. And Pollock swore that he did not give Jorgensen's CD to anyone, let alone the writers of "Amazed," whom he said he "did not know and had never met."

Judge Straub noted that Jorgensen didn't offer any evidence to rebut Pollock's assertions. And the judge ruled that "Bare corporate receipt of Jorgensen's work, without any allegation of a nexus between the recipients and the alleged infringers, is insufficient to raise a triable issue of access."

On the other hand, Judge Straub concluded that the facts were different with respect to "My Heart Will

Go On." That song was written by James Horner and Will Jennings, and was recorded on the "Titanic" soundtrack which was manufactured and distributed by Sony Music Entertainment.

Sony Vice President Harry Leeds acknowledged that he had received tapes from Jorgensen, and conceded that it was "possible" that if he received an "interesting" tape, he might "pass it on" to one of his "friends in the A & R department." In addition, in response to a Request for Admissions, Sony admitted that "on limited occasions, writers, producers or musicians affiliated with Sony may have been shown some material solicited by the A & R Department." Finally, Jorgensen said that Leeds and Leeds' assistants "repeatedly" told him that his tapes, including one that contained "Long Lost Lover," were being sent to Sony's A & R Department.

Leeds denied saying any such thing to Jorgensen.

Indeed, his job with Sony involved reviewing promotional touring budgets. He was "not involved in the A & R process," and he did not know Horner or Jennings. Moreover, he said it was likely he threw away Jorgensen's tapes.

Nevertheless, Leeds denials simply raised disputed issues of fact. Judge Straub found that "Jorgensen's evidence sets out a clear nexus between Leeds . . . and the Sony A & R department . . . [which] occasionally shares . . . material with 'affiliated' songwriters." That was enough to require further proceedings concerning "My Heart Will Go On."

Jorgensen isn't necessarily entitled to a jury trial, however. Judge Straub emphasized that it wasn't clear whether "Horner and Jennings were songwriters 'affiliated' with Sony in the period between when Jorgensen sent his tapes to Sony and when 'Heart' was published." Without evidence of such an affiliation, the

judge said, "a jury could not reasonably infer simply from Sony's access to Jorgensen's work that Horner and Jennings had such access." As a result, Judge Straub said, when the case gets back to Judge Keenan, he could "permit limited discovery into the question of the songwriters' affiliation with Sony" and could then "entertain a renewed motion for summary judgment" if one would be "appropriate."

Jorgensen represented himself. BMG and Sony were represented by Orin Snyder of Parcher Hayes & Snyder in New York City. Famous Music, Fox Music and Blue Sky Rider Songs were represented by Jonathan Zavin of Loeb & Loeb in New York City.

Jorgensen v. Epic/Sony Records, 351 F.3d 46, 2003 U.S.App.LEXIS 24301 (2nd Cir. 2003) [ELR 25:11:17]

Creator and singer of separately-recorded countermelody on "Izzo (H.O.V.A.)" track of rapper Jay-Z's "Blueprint" album was not joint author, nor does she have valid Lanham Act claim; but she may own copyright in countermelody, so trial on infringement claim is scheduled

Federal District Judge Barbara Jones has scheduled for trial, later this year, a copyright infringement suit that perfectly illustrates the saying, "No good deed goes unpunished." The parties to the case would, no doubt, disagree about which of them performed the good deed, and which is being punished, just as they disagree about whether copyright infringement has taken place. The outcome of the trial will answer both questions.

The plaintiff is an aspiring artist named Demme Ulloa. In 2001, Ulloa was invited to a recording studio

while rapper Jay-Z was recording what eventually became the "Izzo (H.O.V.A.)" track on his album "The Blueprint." While listening to an unfinished version of "Izzo," Ulloa "created . . . and spontaneously began singing" a "countermelody" to the instrumental portion of the track. Jay-Z liked what he heard, and asked Ulloa to record her countermelody "for possible inclusion" in "Izzo." She of course did, without discussing "any terms" for its "possible use."

Apparently, Ulloa's recorded countermelody was used in "Izzo." But she was neither paid nor given credit for it. Her lawsuit was the eventual consequence. In it, she asserted ownership of the copyright in both the countermelody's composition and in her recording of it. She also claimed to be Jay-Z's "joint author" of the whole "Izzo" track. And she alleged that the release of "The Blueprint," without giving her creative credit, violated her rights under the Lanham Act too.

In an effort to dispose of the case without a trial, Jay-Z and his record company, Island Def Jam, made a motion for summary judgment. In it, they argued that Ulloa's countermelody was not sufficiently original to be protected by copyright. What's more, they said, if the countermelody is protected by copyright, it is a work-made-for-hire owned by them (rather than by Ulloa), or (if owned by Ulloa) it was impliedly licensed to them. Under no circumstances, they argued, was Ulloa a joint author of "Izzo." And they said her Lanham Act claim was nothing more than a duplicate of her infringement claim, and should be dismissed for that reason.

Judge Jones agreed with Jay-Z and Island Def Jam in part - but only in part. The judge agreed that Ulloa was not a joint author of "Izzo," because she could not show that Jay-Z ever intended to share authorship of it with her. The judge also agreed that

Ulloa's Lanham Act claim merely duplicated her infringement allegations. As a result, Judge Jones dismissed both of these claims.

However, the judge refused to dismiss Ulloa's infringement claims. The judge held that even though the countermelody was a derivative work based on "Izzo's" main melody, that didn't prevent the countermelody from being original enough to be protected by copyright. A trial is necessary on that issue, the judge concluded.

The judge also rejected Jay-Z and Island Def Jam's argument that the countermelody was a work-made-for-hire. Judge Jones' multi-factor analysis led her to conclude that none of the factors suggested the countermelody was a work-made-for-hire.

There was precedent for the argument that Ulloa granted Jay-Z and Island Def Jam an "implied license" to use her countermelody. But Judge Jones

distinguished those cases from Ulloa's. In those cases, the judge explained, the parties had agreed that the plaintiff's work could be used by the defendant; there was merely a disagreement about payment or the terms of the agreement. In this case, Ulloa alleged there had been no agreement at all; indeed, Jay-Z told her that her recording might not be used.

Furthermore, the judge added, even if an implied license had existed, Ulloa had grounds for rescinding it. "Although rescission is an extraordinary remedy," the judge acknowledged, Ulloa "would be entitled to rescission because her desire to receive public acknowledgement of her contribution to the Jay Z song and thus publicize her career, 'go[es] to the root of the agreement between the parties.'" As a result, Judge Jones rejected the "implied license" defense too.

Ulloa was represented by John P. Bostany in New York City. Universal Music and Island Def Jam

were represented by Andrew H. Bart of Pryor Cashman Sherman & Flynn in New York City. Jay Z, whose real name is Shawn Carter, was represented by Christine Lepera of Rubinbaum LLP in New York City.

Ulloa v. Universal Music, 2004 U.S.Dist.LEXIS 364 (S.D.N.Y. 2004) [ELR 25:11:18]

Radio station and owner must pay statutory damages to music publishers, in amounts authorized for "knowing" infringements, for broadcasting five songs after ASCAP license expired; but trial required to determine whether infringement of sixth song's copyright was "innocent," because CD cover said song was licensed by BMI

Radio station WDAO in Dayton, Ohio, "knowingly" and perhaps "willfully" infringed the

copyrights to five songs, by broadcasting them years after the station's ASCAP license expired, and even after the station had lost an earlier infringement lawsuit filed against it by ASCAP-member music publishers.

Federal District Judge Walter Rice has rejected the station's argument that its infringement of the copyrights to two of the songs - "This Will Be (An Everlasting Love)" and "Happy Birthday" - were, at worst, "innocent" infringements, because they were part of a live feed WDAO received from Sheridan Broadcasting Network. WDAO's agreement with Sheridan was surprisingly ambiguous about which of the two of them was supposed to get necessary performing rights licenses. The first sentence of the two-sentence paragraph headed "Licenses" said that WDAO "will maintain . . . such licenses," while the second sentence said Sheridan "will clear at the source all music" used on Sheridan's programs. Nevertheless,

Judge Rice held that the actual meaning of the paragraph didn't matter, because WDAO's reliance on Sheridan would not make the station an "innocent" infringer. Despite the agreement, it remained the radio station's obligation "to ensure that ASCAP music would not be played. . . ."

Judge Rice also rejected the station's argument that it was only an "innocent" infringer with respect to three other songs - "I Wanna Know," "Sarah Sarah" and "I Only Have Eyes for You." The station didn't deny that it played those songs. But it argued that it was an "innocent" infringer with respect to them, because it had marked on each CD those songs that could be played and had instructed its personnel not to play ASCAP songs. The judge explained that ". . . attempts to avoid infringing behavior by instructing employees not to play the copyrighted music does not render the 'accidental' infringement innocent when the defendant

is given prior notice of his obligations under the copyright laws."

Judge Rice did rule in WDAO's favor, at least temporarily, with respect to a sixth song - "Always and Forever" as performed by Stanley Jordan. The album cover of the CD containing that performance indicates that it is a BMI song, and WDAO does have a BMI license. Relying on CD covers for licensing information does not automatically make an infringement "innocent." But the judge held that WDAO had raised a genuine issue with respect to whether it "acted unreasonably by relying on the licensing information on the record label," when it broadcast that song without an ASCAP license. Judge Rice noted that even if WDAO proves that its reliance on the CD label and its BMI license was "reasonable," the station would not be relieved from liability. "Innocent infringement is still an infringement," he

said. It would simply mean that statutory damages for that song could be as little as $200, rather than the $750 minimum required in cases of knowing infringement, or the $30,000 or more authorized in cases of willful infringement.

Judge Rice also held that James W. Johnson, Jr., who is the station's president, general manager and majority owner, is liable for infringement too, because "he derived a financial benefit from the radio station's activities and . . . was in a position to control the activities of its personnel."

For these reasons, the judge granted summary judgment to the publishers of five of the unlicensed songs against WDAO and Johnson, both. The publishers had asked for $25,000 per infringed song, for infringements dating back to 1993. Judge Rice, however, awarded less. He noted that the station had been sued before for some post-1993 infringements,

and had paid a judgment for those. The judge also noted that infringements that occurred earlier than 1998 (the suit was filed in 2001) were barred by the Copyright Act's three-year statute of limitations. As a result, he awarded either $4,000 or $6,000 per infringed song (the opinion says $4,000 in one place and $6,000 in another). And Judge Rice issued an injunction barring further infringements.

The music publishers were represented by Daniel Oliver Berger of Thompson Hine & Flory, and by Jeffrey Francis Peck of Ulmer & Berne, of Cincinnati. WDAO and its owner were represented by Walter Reynolds of Porter Wright Morris & Arthur in Dayton.

Jobette Music Co. v. Johnson Communications, Inc., 285 F.Supp.2d 1077, 2003 U.S.Dist.LEXIS 17309 (S.D.Ohio 2003) [ELR 25:11:19]

Video game publisher breached contract with developer of Nintendo Game Cube "Little League Baseball" by failing to make agreed-upon progress payments; developer's recoverable damages include agreed-upon "early termination" payments as well as unpaid progress payments

The video game publisher NewKidCo entered into a written contract with game developer Saffire for Saffire's creation and NewKidCo's publication of a new "Little League Baseball" game for the Nintendo Game Cube. The contract provided that NewKidCo would make "progress payments" to Saffire when Saffire completed specified "milestones." In that respect, the agreement was like many others in the video game industry. And if both sides had performed as agreed, the contract never would have come to the attention of strangers, let alone a federal judge.

Saffire in fact did perform as agreed by completing several milestones on time. NewKidCo did not perform as agreed, however. After making some progress payments, it stopped, saying it was "unable" to make the additional payments called for by their agreement. Saffire faxed and mailed a notice of default to NewKidCo and then filed suit for breach of contract, in federal court in New York City. (Federal jurisdiction was based on diversity: Saffire is in Utah, while NewKidCo is in New York.)

In its suit, Saffire sought $881,150 in money damages: $295,000 in progress payments for milestones Saffire reached; and an additional $586,150 in "early termination" payments NewKidCo agreed to pay if it exercised its contractual right to terminate the project before it was completed. Though lawsuits are not games, it is fair to say that Saffire "won."

Judge Robert Sweet has granted Saffire's motion

for summary judgment. With respect to the $295,000 in progress payments, the judge noted that NewKidCo accepted the "milestones" submitted by Saffire, acknowledged that most of them were acceptable, and never rejected any as unacceptable. The Uniform Commercial Code requires rejection of unacceptable goods to be made in a reasonable time, the judge noted. Since Saffire continued to work in reliance of NewKidCo's acceptance of submitted milestones, "NewKidCo cannot now raise the defense of nonconforming goods," Judge Sweet ruled.

NewKidCo apparently raised a more vigorous defense to Saffire's claim for $586,150 in "early termination" payments. NewKidCo argued that it had never exercised its contractual right to terminate the project. But Judge Sweet held that "the agreement was terminated by NewKidCo's default on payments." He explained that "Saffire could not continue meeting its

milestones, while NewKidCo stopped sending the payments specified in the agreement." What's more, "if NewKidCo could avoid the obligations agreed to under the early termination provision by simply discontinuing payments, this would defeat the purpose of the provision."

NewKidCo also argued that the "early termination" provision was "an unenforceable penalty," because at least $486,150 of it was "more than the value of the work that is currently in dispute." Judge Sweet disagreed, however. He said the payment "is not penal if it takes into account the front-loading of Saffire's work and the back-loading of NewKidCo's payment." The judge explained that "Where . . . cash flow is a critical issue for one of the parties, they can decide to defer certain payments until after a project's completion." And that is what was done in this case.

Saffire was represented by Jeffrey D. Powell of

Bracken Margolin & Gouvis and by Queller Fisher Dienst Serrins Washor & Kool in New York City. NewKidCo was represented by Racquel Crespi Weintraub of Meister Seelig & Fein in New York City.

Saffire Corp. v. NewKidCo, LLC, 286 F.Supp.2d 302, 2003 U.S.Dist.LEXIS 17777 (S.D.N.Y. 2003) [ELR 25:11:20]

Trial court refuses to dismiss new claims of Little League coach who complains he was depicted in harmful way in Paramount Pictures' movie "Hardball"

Little League baseball games last six innings. And it looks as though a lawsuit involving Paramount Pictures' Hardball - a movie about Little League

baseball - may last that long as well.

The lawsuit in question was filed by Little League coach Robert Muzikowski. The lawsuit contends that a character in the movie named "Conor O'Neill" was understood by viewers to be Muzikowski, and that "O'Neill" had characteristics that injured Muzikowski's reputation and caused him harm in other ways too.

Early in the case, it was dismissed by federal District Judge Charles Kocoras. But Paramount's victory was short-lived, because Muzikowski appealed, and in an opinion by Judge Diane Wood, the appellate court reversed and sent the case back to Judge Kocoras for trial (ELR 25:1:10).

However, instead of just going to trial on the claims the Court of Appeals had approved, Muzikowski amended his complaint to add new claims, once the case got back to Judge Kocoras. Paramount objected to

the new claims on several grounds; some were purely procedural, but others concerned their legal merits. As a result, Paramount responded to several counts of Muzikowski's amended complaint with a motion seeking their dismissal. But the studio's motion has been largely unsuccessful.

After ruling in Muzikowski's favor on the procedural points (some of which involved issues unique to Illinois law), Judge Kocoras also denied most of Paramount's motion to dismiss on the merits.

Muzikowski alleged that the movie defamed him in his "profession" as a Little League coach, though in fact, he is a Little League volunteer and a stock broker by profession. This distinction could be significant, because a person who is defamed in his "profession" doesn't have to prove actual damages. The law in Illinois is unclear about whether volunteer activities can amount to a "profession." So Judge Kocoras denied

Paramount's motion to dismiss this claim.

Muzikowski also alleged he had been defamed as a stock broker, because of things the "O'Neill" character does in the movie. Paramount argued that viewers would need an explanation of the legal significance of "O'Neill's" activities, in order for them to understand that he may have violated the law, and thus the movie was not defamatory "per se." But Judge Kocoras disagreed. He said that suggestions that a person violated the rules of his profession can be defamatory "per se," and thus the judge also refused to dismiss this claim.

Muzikowski alleged that his depiction in the movie falsely implies that he endorsed it, and that the movie caused him emotional distress. Paramount asserted First Amendment defenses to these claims - defenses that Judge Kocoras suggested may be successful, eventually. He ruled, however, that

Paramount's motion to dismiss merely raised the question of whether Muzikowski's complaint alleged recognized claims; and the judge ruled that both of these claims are recognized.

The judge also refused to dismiss Muzikowski's false advertising claim, saying that it adequately alleged that he and Paramount are competitors in the marketing of his goodwill, and adequately alleges that Paramount's advertising was "misleading" when it said the movie was "based on" a true story. Judge Kocoras did dismiss Muzikowski's false advertising claim for money damages, because he failed to allege that consumers actually relied on the advertising's alleged falsity.

Finally, the judge refused to dismiss Muzikowski's unjust enrichment claim.

Muzikowski v. Paramount Pictures Corp., 2003 U.S.Dist.LEXIS 21766 (N.D.Ill. 2003) [ELR 25:11:21]

After jury returned verdict in favor of MGM, appellate court awards new trial to parents of drug overdose victim on claim that TV program "LAPD: Life on the Beat" invaded their privacy; parents had to show that program producers acted "intentionally," but jury was incorrectly instructed concerning meaning of "intent," appellate court rules

MGM has been defending itself for years against allegations that a television program it syndicates - "LAPD: Life on the Beat" - invaded the privacy of Robert and Marietta Marich, the parents of a drug overdose victim. MGM has done so successfully, twice, in a California trial court. But twice, the California Court of Appeal has reversed MGM's victories and has sent the case back to the trial court for further proceedings.

At issue in the long-running case is a "Life on the Beat" segment that showed police discovering the body of a drug overdose victim, and then showed an officer phoning the victim's parents and informing them of their son's death. The parents' responses - though "mainly unintelligible" - are audible too.

Early in the case, the trial court granted MGM's motion to dismiss, on the grounds that the phone conversation between the parents and the police was not private. The Court of Appeal, however, reversed that ruling (ELR 21:6:25).

Eventually, the case went to trial. Under California law, only "intentional" intrusions into private matters violate the right of privacy. The parents and MGM agreed about that. What they didn't agree about, however, was what kinds of facts show an "intentional" intrusion.

The trial judge instructed the jury that "Any

unintended or mistaken foray into the territory of another does not give rise to liability." Apparently relying on that instruction, the jury returned a special verdict by answering "no" to the question of whether the program's producer "intentionally intruded" on the parents' private affairs.

In an opinion by Justice Gary Hastings (who also wrote the opinion reversing MGM's earlier victory in the case), the Court of Appeal held that the trial judge's instruction was wrong. It was wrong, Justice Hastings said, because "mistake" has "no place in the definition of intent."

Mistake is an affirmative defense to invasion of privacy; but as an affirmative defense, the burden would have been on MGM to prove that the parents' side of the phone conversation was recorded by mistake. The jury was instructed in a way that imposed the burden on the parents' to prove that no mistake had

been made when their side of the conversation was recorded.

What's more, the testimony of the soundman who recorded the conversation showed that he did not make a "mistake" of the kind that would have helped MGM, Justice Hastings said. The soundman knew that it was possible that the parents' side of the conversation could be heard, even though he didn't intend to record their side. He mistakenly thought that if they could be heard, their side of the conversation would be taken out later by the program's editors. However, that type of mistake would not have made the soundman's actions unintentional, Justice Hastings concluded.

Robert and Marietta Marich were represented by Lawrence W. Watts of Watts & Associates in Houston. MGM was represented by Rex S. Heinke of Akin Gump Strauss Hauer & Feld in Los Angeles.

Marich v. MGM/UA Telecommunications, Inc., 7 Cal.Rptr.3d 60, 2003 Cal.App.LEXIS 1710 (Cal.App. 2003) [ELR 25:11:21]

New York court refuses to dismiss lawsuit alleging that rape of 14-year old guest on Maury Povich Show episode about "out-of-control teens," by man claiming to be "Maury's limo driver," was result of producers' negligence

In the days when "talk shows" dealt solely with news and politics, they didn't generate lawsuits very often. Now, though, talk shows concern themselves with more, and they get sued, regularly. Indeed, talk shows now get sued so often that New York Supreme Court Judge Diane Lebedeff has recognized such cases as "an emerging category of 'Talk Show Torts.'"

Judge Lebedeff had reason to make this observation, because she is hearing a lawsuit against Maury Povich and those involved in producing his show. The lawsuit was filed by the legal guardian of a 14-year old girl who was a guest on an episode of the Maury Povich Show dealing with "out-of-control teens" - one of whom was the girl herself.

According to the allegations of the complaint, while the girl was watching the taping of other guests, a man who claimed to be "Maury's limo driver" introduced himself, and later persuaded her to sneak away from her mother and grandmother for a tour of the town, during which he raped her. The complaint asserted several legal claims, including those for negligent care of the girl, negligent hiring of the limo driver, and infliction of emotional distress.

The case appears to be the first "Talk Show Tort" lawsuit in New York, and the defendants

responded with a motion seeking its dismissal, on the grounds that the complaint didn't allege recognized claims. Judge Lebedeff disagreed, however.

The judge ruled that the complaint alleged that the defendants negligently failed to supervise the 14-year old girl, and "no great legal scrutiny is required to identify a legally cognizable duty" that they do so, under the circumstances that existed in this case. Judge Lebedeff distinguished the "Jenny Jones" case (ELR 24:12:9), where a Michigan appellate court held that the show's producers were not liable for the killing of one guest by another. In this case, Judge Lebedeff noted, the complaint alleges that the Show's producers knew that the 14-year old was considered to be "out-of-control" by her own mother and grandmother, and had agreed to provide the girl with travel, care and chaperone arrangements "at the very time of the assault."

The judge also ruled that the complaint adequately alleged a claim for the negligent hiring of the limo driver.

Though the defendants will have to defend themselves against these negligence claims, they didn't come away from their motion completely empty-handed. Judge Lebedeff did dismiss a claim for infliction of emotional distress. She did, because the complaint did not allege facts showing that the defendants' actions were so "extreme and outrageous" that they were "atrocious and intolerable in a civilized society," as required by New York law to win such a claim.

The judge also rejected the argument that the Show's producers could be liable, even if they were not at fault, under a New York Penal Code provision that makes it a crime to endanger the welfare of a child.

The girl's guardian was represented by Robert A.

Burstein of Rand Rosenzweig Smith Radley Gordon & Burstein in New York City. Maury Povich and his co-defendants were represented by Mark P. Gimbel of Covington & Burling in New York City.

Craver ex rel. Coslett v. Povich, 768 N.Y.S.2d 571, 2003 N.Y.Misc.LEXIS 1439 (Sup. 2003) [ELR 25:11:22]

Oral agreements between music executives and Gaylord Entertainment for employment by record label Gaylord considered starting, but didn't, were unenforceable under statute of frauds, Tennessee Court of Appeals rules

Gaylord Entertainment once considered starting a new country music record label. It even hired former

Arista Records president Tim DuBois as the label's Executive Vice President. DuBois quickly recruited and hired five more record company executives to join him at the new company. However, before the five reported for work, Gaylord put the new record label "on indefinite hold." DuBois resigned, and Gaylord sent the five executives letters saying that if they had received employment offers from DuBois, the offers were "revoked."

The five executives - Rick Shedd, Mike Owens, Kevin Erickson, Denise Nichols and Bryan Switzer - thought that they had more than revocable "offers." In their minds, they had binding contracts. Two of them, in fact, had received and declined employment offers from RCA Records, precisely because they thought they had binding agreements with Gaylord.

As a result, the five executives sued Gaylord for breach of contract. They have not, however, been

successful. None of the five had signed agreements with Gaylord. That was fatal to their case, because under Tennessee's statute of frauds, any agreement that cannot be performed within one year must be written and signed in order to be enforceable. The five executives alleged that their agreements with Gaylord were for two and three years. That of course meant the agreements couldn't be performed within one year. And for that reason, a Tennessee trial court granted Gaylord's motion for summary judgment.

In an opinion by Judge Ben Cantrell, the Tennessee Court of Appeals has affirmed the dismissal of the executives' lawsuit. The executives argued that they had partially performed their contracts, and thus - under the doctrine of "partial performance" - their contracts were enforceable, despite the statute of frauds. Judge Cantrell disagreed, however. He held that the "partial performance" doctrine applies only where

the performance "has been substantial" and only where performance "began after the date of the contract." In this case, the executives performed tasks before their contracts were supposed to have begun, and those may not have been substantial.

Judge Cantrell also rejected the executives' argument that the doctrine of "promissory estoppel" made their contracts binding on Gaylord. The doctrine applies only where breach of an oral contract would verge on actual fraud. In this case, the judge said, Gaylord "simply decided to abandon its plan to launch a new record company before entering into enforceable contracts with the [five executives]." Nothing that Gaylord did verged on fraud or even improper motive, he said.

The five executives were represented by Jay S. Bowen in Nashville. Gaylord Entertainment was represented by Laurence M. Papel in Nashville.

Shedd v. Gaylord Entertainment Co., 118 S.W.3d 695, 2003 Tenn.App.LEXIS 271 (Tenn.App. 2003) [ELR 25:11:23]

FIFA denied temporary restraining order in lawsuit complaining that Nike's use of "USA 03" in connection with sponsorship of U.S. Women's National Soccer Team infringed FIFA's "USA 2003" mark for Women's World Cup soccer tournament

FIFA - as the Federation Internationale de Football Association is commonly known - lost its bid for a temporary restraining order that would have prevented Nike from using "USA 03" in connection with Nike's sponsorship of the U.S. Women's National Soccer Team. FIFA wanted a TRO because it was

using "USA 2003" in connection with last year's Women's World Cup - an international soccer tournament that FIFA was then conducting in the United States. The dispute between FIFA and Nike arose for two reasons.

First, FIFA had licensed the use of "USA 2003" to World Cup sponsors, including Adidas. Nike was not a World Cup sponsor and thus wasn't licensed by FIFA. But Nike does compete with Adidas in the sale of sports clothing and related goods.

Second, FIFA's adoption of the "USA 2003" mark was done in a rush, because originally, the 2003 Women's World Cup was scheduled to take place in China, where FIFA's mark would have been "2003 China." However, the SARS outbreak in China forced FIFA to transfer the tournament to the United States, which had successfully hosted the previous World Cup in 1999. As a result, FIFA's application to the U.S.

Patent and Trademark Office to register "USA 2003" was still pending, when Nike began using "USA 03."

When FIFA and Nike were unable to settle their dispute out of court, Nike filed a declaratory relief suit in federal court in New York City. Two days later, FIFA filed its own infringement suit in federal court in Washington, D.C., where it immediately sought a temporary restraining order. Federal District Judge Ellen Huvelle rejected Nike's argument that the case should be heard in New York. She reasoned that Nike's lawsuit was merely a "preemptive strike," and that staying or transferring FIFA's lawsuit could make the case moot before FIFA's request for a restraining order could be heard, because the World Cup was about to begin and would be over in just a few weeks.

On the other hand, Judge Huvelle denied FIFA's request for a restraining order, for two reasons. First, the judge found that FIFA's "USA 2003" mark was

descriptive rather than distinctive, and that FIFA had not shown that the mark had acquired secondary meaning. For that reason, FIFA failed to show that it owned trademark rights in "USA 2003."

Second, even if FIFA had shown "USA 2003" had secondary meaning, FIFA didn't show that Nike's use of "USA 03" was likely to cause consumer confusion. Some likelihood-of-confusion factors favored FIFA, the judge acknowledged, but others did not. When Judge Huvelle balanced all of the factors against one another, she concluded that those pointing towards confusion were "significantly outweighed by those suggesting that no serious confusion will result from Nike's use of the 'USA 03' mark."

FIFA was represented by James L. Bikoff of Silverberg Goldman & Bikoff in Washington, D.C. Nike was represented by Warren E. Olsen of Fitzpatrick Cella Harper & Scinto in Washington, D.C.

Federation Internationale de Football Association v. Nike, Inc., 285 F.Supp.2d 64, 2003 U.S.Dist.LEXIS 17536 (D.D.C. 2003) [ELR 25:11:23]

Evidence supported jury's finding that boxer Bernard Hopkins falsely and with malice told reporter that he paid former HBO executive Lou DiBella $50,000 to get his fights on HBO, federal District Court finds; court denies Hopkins' post-trial motions and enters judgment in favor of DiBella for $110,000 in compensatory damages and $500,000 in punitive damages; court also refers conduct of Hopkins' trial lawyer to Committee on Grievances

The relationship between boxer Bernard Hopkins and former HBO executive Lou DiBella got off to a

good start, or so it seemed, to outsiders and DiBella himself. Hopkins defeated Felix Trinidad in September 2001 to become middleweight champion of the world. And according to at least one observer, that fight "was the culmination of DiBella's efforts to promote and develop Hopkins' boxing career," after DiBella left HBO.

Shortly thereafter, however, something went terribly wrong. What exactly happened isn't clear to outsiders, nor, apparently, to DiBella. A year or so later, DiBella told a jury that he thought that Hopkins "was not just a client." DiBella thought "we were actually friends," so that what Hopkins did a few months after the Trinidad fight "really blew me away. . . ."

What Hopkins did was tell a reporter for the online boxing magazine Maxboxing.com that DiBella had asked Hopkins for $50,000 to get one of his fights

on HBO, and Hopkins paid it, all while DiBella was still employed by HBO.

DiBella claimed this wasn't so, and he responded to the article by suing Hopkins for libel. Early in the case, Hopkins attempted to get the case dismissed, on the grounds that his statements to the reporter were opinions, and thus not defamatory under New York law. But federal District Judge Denny Chin ruled that Hopkins' statements were statements of fact, not mere opinion, and unless they were true, they were defamatory because they accused DiBella of "fraud and dishonesty in his profession, business and trade." (ELR 24:2:16)

When the case went to trial, the jury found that Hopkins' statements to Maxboxing.com's reporter were false, were made with knowledge of or with reckless disregard for their falsity, and were made maliciously with a deliberate intent to injure DiBella. Based on

these findings, the jury returned a $610,000 verdict in DiBella's favor: $110,000 in compensatory damages, and $500,000 in punitive damages.

In post-trial proceedings, Hopkins sought relief from this expensive result by making a motion for judgment as a matter of law, or for a new trial. But Judge Chin has denied Hopkins' motion.

In an opinion that reviews in some detail the facts proved at trial, the judge agreed with the jury that the evidence proved that Hopkins' statements were false. Among other things, the evidence showed that although Hopkins did pay DiBella $50,000, it was a fee for consulting, public relations and marketing services, and that none of it was paid to DiBella before DiBella left HBO. Indeed, it wasn't paid until months after DiBella left HBO.

What's more, Judge Chin agreed that the evidence showed that Hopkins knew or should have

known that DiBella had not solicited money to get Hopkins' fight on HBO, and that no money was paid to DiBella before his departure from HBO.

Finally, the judge agreed with the jury that the evidence showed that Hopkins made the statements to the Maxboxing.com reporter with the intent to hurt DiBella, and that Hopkins did so believing - incorrectly - that he wouldn't be held liable for making those statements, because they would be published by a reporter who would be protected by the First Amendment.

The dispute between DiBella and Hopkins has injured more than the two of them. Hopkins' trial lawyer has been injured as well, because of actions Judge Chin found the lawyer took before and during trial.

One of the key issues in the case was the date on which DiBella asked to be paid a $50,000 fee. Hopkins

testified it was before DiBella left HBO, while Hopkins was meeting with two other lawyers, at their offices, about a separate lawsuit. One of the lawyer's time records was introduced into evidence in an effort to prove the date of that meeting. But the time record didn't show that Hopkins actually was at that meeting. Instead, in a portion of the time record that had been whited-out, the original time record showed that the lawyers had a phone conversation with Hopkins - something they wouldn't have done, of course, if he were in the room with them, as Hopkins and one of the lawyers testified.

Hopkins' trial lawyer had whited-out the time record's reference to the phone conversation, before offering a copy of it into evidence, saying that the whited-out portion concerned an unrelated matter that was protected by the attorney-client privilege. Nevertheless, knowing that he had whited-out language

that "undercut" Hopkins' testimony he was meeting with his lawyers on the day DiBella asked to be paid, the trial lawyer argued that the time record proved the date of DiBella's request.

Judge Chin found this to be "highly troubling" and decided to "refer the matter . . . to the Court's Committee on Grievances."

DiBella was represented by Judd Burstein in New York City. Hopkins was represented by Robert W. Hayes of Cozen O'Connor in New York City.

DiBella v. Hopkins, 285 F.Supp.2d 394, 2003 U.S.Dist.LEXIS 17395 (S.D.N.Y. 2003) [ELR 25:11:24]

Real estate company ordered not to move site-specific sculptures from South Boston's Eastport Park, because doing so is likely to violate rights of sculptor David Phillips under Massachusetts Art Preservation Act, though not under federal Visual Artists Rights Act

Pembroke Real Estate has been ordered by a federal judge not to move sculptures by artist David Phillips out of a South Boston waterfront park the company manages under a contract with the Massachusetts Port Authority.

Pembroke itself commissioned Phillips' creation of 27 sculptures now displayed in Eastport Park. But just a year after the Park opened, the company decided the Park needed to be re-designed in order to make room for more plants for better shade, and to simplify its walkways. The new design requires the removal

(and relocation or storage) of Phillips' sculptures (as well as other artists' works that are displayed in the Park too).

Phillips objects to Pembroke's plans and has filed a lawsuit against the company designed to prevent his sculptures from being moved. So far, the artist has been successful. Judge Patti Saris has granted his motion for a preliminary injunction, though she did so on grounds that may not have been successful, if Eastport Park were located in any other state than Massachusetts. The judge ruled that Pembroke's plans to move Phillips' sculptures would not be likely to violate his rights under the federal Visual Artists Rights Act. The reason the judge ruled in his favor nonetheless is that she concluded Pembroke's plans are likely to violate Phillips' rights under the Massachusetts Art Preservation Act.

Judge Saris' conclusion turned on her

distinguishing "site-specific art" from what artists call "plop-art," as well as her distinguishing the rights given artists by the federal statute from those given artists by the Massachusetts statute.

"Plop-art" is the term given by artists (apparently with respect) to separately conceived works of art that are "simply placed in a space." "Site-specific art" on the other hand are works of art that are created for specific locations, where "the location is a constituent element of the work."

This distinction was important, because Pembroke does not intend to damage or destroy any of Phillips' 27 sculptures. The company therefore contends that its plans do not violate the sculptor's rights under federal or state law. Phillips, however, contends that his 27 sculptures are site-specific, so that simply moving them from Eastport Park does damage them. As he explained it, "Taking the sculpture from its

current location [in Eastport Park] and locating it on a private campus in Rhode Island not near the Ocean, as [Pembroke] has offered to do, would be like painting over the background landscape in the Mona Lisa."

Judge Saris agreed with Phillips that most (though not all) of his sculptures are site-specific - specific, that is, to Eastport Park and even to one another. That, however, was not sufficient for him to prevail on his claim that moving his works out of the Park would violate his rights under the federal Visual Artists Rights Act. The reason the judge ruled against Phillips on that claim is that the federal Act contains a provision that allows the modification of works of art for certain specific reasons, including "public presentation" and "placement." Judge Saris interpreted this provision to mean that "an artist has no right to the placement or public presentation of his sculpture. . . ."

The Massachusetts Art Preservation Act is

different from the federal Act. The Massachusetts statute was modeled on the California Art Preservation Act - not on the federal Act - and the Massachusetts statute does not exclude "public presentation" or "placement" from its protections. Since expert testimony offered on behalf of Phillips showed that "for site-specific art, the location of a piece is a constituent element of the art," and because the there is no "public presentation" exclusion in the Massachusetts statute, Judge Saris concluded that Phillips "has a reasonable likelihood of success. . ." under that statute.

The judge therefore ordered Pembroke not to move any of Phillips' sculptures that are displayed along the northeast-southwest axis of the Park (which are the ones she found to be site-specific), until the case is concluded. Though Pembroke may move Phillips' other sculptures (those that she found not to be site-specific), the judge ordered the company not to destroy

or alter them.

Phillips was represented by Andrew D. Epstein of Barker Epstein & Loscocco in Boston. Pembroke was represented by Marc J. Goldstein of Palmer & Dodge in Boston.

Editor's note: Phillips is a very successful artist whose works are displayed around the world. In the Boston area alone, his works include the bronze frogs in the Boston Common Frog Pond Playground, sculpture at the Porter Square Subway Station in Cambridge, a fountain at the Christian Science Reflection Pond, and a sculpture at Quincy Square (near Harvard Square) in Cambridge. Because of his popularity, this lawsuit may not affect his ability to get further commissions, even though developers now know that he is likely to sue them if they later decide to move his works to new locations. However at first blush, this opinion seems to hurt the chances of less

popular artists receiving commissions. That is, the opinion seems to discourage Massachusetts developers from commissioning art works for their properties, because it suggests that once the works are installed, they may be "set in stone," legally as well as literally. There is, however, a way to avoid that result, if it is considered and dealt with at the time art works are commissioned. The Massachusetts statute permits artists to waive their rights, so long as it's done in writing. So if flexibility is important to a developer and not offensive to an artist, the artist can waive his or her rights under the Massachusetts statute when the commission agreement is signed. In this case, Pembroke didn't ask Phillips to waive his rights, and he didn't.

Phillips v. Pembroke Real Estate, Inc., 288 F.Supp.2d 89, 2003 U.S.Dist.LEXIS 19051 (D.Mass. 2003) [ELR 25:11:25]

High school athlete not a "public figure," West Virginia Supreme Court holds in defamation lawsuit against newspaper that reported athlete had exposed himself to cheering section during post-game celebration

When Quincy Wilson was in high school, he was an award-winning football and basketball player. But he was not a "public figure." By a narrow 3-to-2 majority, the West Virginia Supreme Court of Appeals has so held, in a defamation lawsuit Wilson filed against The Daily Gazette, a newspaper published in Charleston.

The Gazette incurred Wilson's wrath by publishing two articles reporting that he had "exposed himself" to the opposing team's cheering section during celebrations that followed his team's victory in the 1999 statewide basketball championship game.

Wilson's lawsuit didn't get far, at first. A Circuit Court judge granted the Gazette's motion for summary judgment, on the grounds that Wilson was a public figure and had not shown that the newspaper published the offending articles with actual malice.

On appeal, however, Wilson did better. In an opinion by Justice Robin Davis, a majority of the Supreme Court ruled that Wilson was not a public figure of any kind - not an "all-purpose" public figure, not a "limited purpose" public figure, and not an "involuntary" public figure.

In so ruling, Justice Davis declined to follow a 1984 decision of a federal District Court in Georgia which ruled that a college football player became a limited purpose public figure "when he first engaged in the sport." (ELR 6:10:16). Justice Davis noted that the Georgia opinion was dicta and has not been adopted by any other court in the country. What's more, she said,

the U.S. Supreme Court has held that there must be "a particular controversy" in order for a person to become a limited purpose public figure. This was significant, she added, because "The mere fact of playing on a high school football team, or little league baseball team, or a college golf team, is not in and of itself a controversy."

Since Wilson was not a public figure, he simply has to prove the Gazette had published its articles negligently - not with actual malice - in falsely reporting that he exposed himself. (The Gazette claims that Wilson did expose himself, so its articles are not false at all. But the Circuit Court had held that the truth of the articles was something a jury would have to decide, so that issue wasn't presented to the Supreme Court.)

Justices Warren McGraw and Joseph Albright dissented. In an opinion by Justice McGraw, they agreed that is "undesirable . . . to make young high

school students public figures." They nevertheless dissented, because "that, in fact, is what our society has done," Justice McGraw said.

Wilson was represented by Ancil G. Ramey of Steptoe & Johnson in Charleston and William E. Galloway in Weirton. The Daily Gazette was represented by Rudolph L. DiTrapano of DiTrapano Barrett & DiPiero in Charleston.

Wilson v. Daily Gazette, 588 S.E.2d 197, 2003 W.Va.LEXIS 63 (W.Va. 2003) [ELR 25:11:26]

Previously Reported:

Court denies NFL's request for stay in Maurice Clarett eligibility case. Ohio State sophomore Maurice Clarett will remain eligible to be

selected in the upcoming NFL draft, as federal District Judge Shira Scheindlin originally ordered in Clarett's antitrust suit against the League (ELR 25:9:4). The NFL asked Judge Scheindlin to stay her order, pending the League's appeal. But the judge has denied that request. "If a stay is granted," Judge Scheindlin reasoned, "Clarett will miss the 2004 draft. He will not be eligible to play in the NFL until the 2005 draft, when he would have been eligible under the current Rule. If the stay is granted, Clarett will have effectively lost his lawsuit." The judge acknowledged that if she denied the NFL's request for a stay, it too would be harmed. "Teams will make personnel decisions - including trades, releasing old players and drafting new players - in accordance with the [earlier] Order." However, she added, even if that order "is subsequently reversed on appeal, at worst, the NFL will be forced to tolerate the handful of younger players who are

selected in the 2004 draft." On balance, the harm to be suffered by Clarett if a stay were granted would be greater than the harm suffered by the NFL if it were denied. So for that and other reasons, Judge Scheindlin denied it. *Clarett v. National Football League*, Case No. 03 Civ. 7441 (SAS) (S.D.N.Y. 2004), available at http://www.nysd.uscourts.gov/rulings/03cv07441_stay_021104.pdf [ELR 25:11:27]

New York Yankees games must be carried as part of Cablevision's "basic package," arbitrators decide. The 2004 season hasn't even begun yet, and already the New York Yankees have won a very significant contest. This contest didn't take place in a stadium, and the Yankees' opponent wasn't another baseball team. It took place instead in an arbitration hearing room, where the Yankees' squared off against Cablevision Systems. The issue: whether the Yankees

games have to be carried by Cablevision as part of its "basic" service, as the Yankees want; or whether instead, Cablevision may carry Yankees games on a separate - and separately-charged-for - channel, as Cablevision wants. According to news reports, three arbitrators have unanimously ruled that Cablevision must carry Yankees games as part of its basic package - a decision that will double the size of the Yankees' cable-TV audience, according to one estimate. Cable rights to Yankees games are owned by the YES Network which has a contract with Cablevision authorizing it to show those games to Cablevision subscribers in the New York City area. The dispute between YES and Cablevision over this issue broke out at the beginning of the 2002 baseball season, and as a result, Cablevision didn't carry Yankees games at all for a while. That prompted YES to file an antitrust lawsuit against Cablevision, to which Cablevision

responded with a motion to dismiss. A federal District Court denied Cablevision's motion (ELR 24:10:10). And that ruling eventually led to an "interim agreement" which made YES available to all Cablevision customers, many of whom did not have to pay extra for it, for the 2003 baseball season (ELR 25:1:18). The interim agreement also provided for binding arbitration over the terms of Cablevision's showing of Yankees games in 2004 and subsequent seasons. That was the arbitration that YES (and thus the Yankees) just won. However, according to news reports, Cablevision didn't come away from the arbitration completely empty-handed: Cablevision will pay YES less this year than last: $1.93 per subscriber, rather than $2.28. The arbitrators' decision itself does not appear to have been made public. (Yankees' news coverage available at, http://newyork.yankees.mlb.com/NASApp/mlb/nyy/news/nyy_news.jsp?ymd=20040324

&content_id=668303&vkey=news_nyy&fext=.jsp
[ELR 25:11:27]

Attorneys' fees and costs awarded in TVT Records v. Island Def Jam. Federal District Judge Victor Marrero has awarded TVT Records almost $223,000 in attorneys' fees and litigation costs - on top of the $24 million in compensatory damages and $29 million in punitive damages already awarded to TVT Records - in its bitterly-contested lawsuit against Island Def Jam Music and its former chairman, Lyor Cohen (ELR 25:9:12). Though $223,000 is a substantial amount, it is only a fraction of the $3.25 million in attorneys' fees and costs actually incurred by TVT in connection with the case. The reason that Judge Marrero awarded TVT only a fraction of what it had requested was that he declined to award TVT the attorneys' fees it incurred from the beginning of the

case until the trial was done. The judge did so, he explained, simply because he had allowed TVT to offer evidence to the jury about the $3 million in fees it had incurred until then, so the punitive damages awarded to TVT already included reimbursement for those fees, the judge concluded. On the other hand, Judge Marrero did award TVT part, though not all, of the fees and costs it incurred in post-trial proceedings, including those it incurred in making its motion for fees. He didn't award TVT all that it requested, because only part of the case involved copyright infringement, for which fees are recoverable, and the rest involved common law claims for breach of contract, interference with contract and fraud, for which fees are not recoverable. *TVT Records v. Island Def Jam*, 288 F.Supp.2d 506, 2003 U.S.Dist.LEXIS 18926 (S.D.N.Y. 2003) [ELR 25:11:27]

DEPARTMENTS

Entertainment Lawyer News:

John Turitzin joins Marvel as EVP and General Counsel. Marvel Enterprises, Inc., has appointed John Turitzin Executive Vice President and General Counsel. Before joining the company, Turitzin served as its outside counsel (and as outside counsel to its predecessor, Toy Biz, Inc.), since its formation in 1993. Turitzin joined Marvel from Paul Hastings Janofsky & Walker, where he was a partner. Before becoming a partner at Paul Hastings, Turitzin was a partner at Battle Fowler, which he joined in 1985. Turitzin began his legal career as an associate at Cahill Gordon & Reindel. He graduated from Earlham College and earned a J.D. from New York University School of Law and a Masters in Public Affairs from the

Woodrow Wilson School at Princeton University.

Lisa Rovinsky joins Alston & Bird. Lisa Rovinsky has joined Alston & Bird as a partner in its Atlanta and New York offices where she will be a member of the firm's Integrated Marketing and Advertising Practice. Before joining the firm, she was Chief Marketing Counsel at The Coca-Cola Company. Rovinsky went to The Coca-Cola Company in 1997, and from 2000 through 2004 was responsible for managing the company's global marketing legal department of 17 lawyers and support staff. During that time, she was involved in all aspects of the production and execution of advertising, marketing and promotions for the company's domestic and international brands. She provided counsel on intellectual property acquisition and protection, including copyright, trademark and right of publicity.

She managed the structuring and negotiating of a variety of international and domestic marketing agreements for sponsorships of sports and entertainment properties such as the Olympics, World Cup soccer, NBA, NASCAR, NCCA Championships, PGA TOUR, The Tiger Woods Foundation, Universal Parks and Resorts, Harry Potter movies, Jazz at Lincoln Center and American Idol as well as sponsorships of sports teams and universities. She also handled endorsement agreements with athletes and celebrities, e-marketing alliances, music licenses, and media and creative service agency agreements. Prior to The Coca-Cola Company, Rovinsky was in private practice with the New York law firm formerly known as Hall Dickler Kent Goldstein & Wood where she provided counsel on all aspects of advertising, marketing and intellectual property law to numerous corporations, advertising and sales promotion agencies and sports marketing

companies. Before joining Hall Dickler in 1995, Lisa was Vice President and Counsel of MasterCard International Incorporated, where she practiced general corporate and intellectual property law and specifically managed all legal aspects of MasterCard's global and domestic marketing activities, including its sponsorship of World Cup soccer. She received her B.A., summa cum laude, from Tufts University where she was Phi Beta Kappa and her J.D. from Harvard Law School.
[ELR 25:11:28]

In the Law Reviews:

The Columbia Journal Law & the Arts has published Volume 27, Number 2 with the following articles:

Trademark: Champion of Free Speech by Pierre N.

Leval, 27 The Columbia Journal of Law & the Arts 187 (2003)

Safeguarding Native American Sacred Art by Partnering Tribal Law and Equity: an Exploratory Case Study applying the Bulun Bulun Equity to Navajo Sandpainting by Amina Para Matlon, 27 The Columbia Journal of Law & the Arts 211 (2003)

The Narratives of Cyberspace Law (or, Learning From Casablanca) by Michael J. Madison, 27 The Columbia Journal of Law & the Arts 249 (2003)

Intellectual Property Rights Can Help Stimulate the Economic Development of Least Developed Countries by Jean Raymond Homere 277 (2003)

Loyola University Chicago Law Journal has published

Volume 35, Number 1 as a Symposium Issue entitled Conference on Technology and Governance with the following articles:

Law Regulating Code Regulating Law by Lawrence Lessig, 35 Loyola University Chicago Law Journal (2003)

FCC Authority to Regulate the Internet: Creating It and Limiting It by James B. Speta, 35 Loyola University Chicago Law Journal (2003)

Toward a Next Generation Regulatory Strategy by Philip J. Weiser, 35 Loyola University Chicago Law Journal (2003)

Private Internet Governance by Jay P. Kesan, 35 Loyola University Chicago Law Journal (2003)

Commentary: Time to Hug a Bureaucrat by A. Michael Froomkin, 35 Loyola University Chicago Law Journal (2003)

Of World Music and Sovereign States, Professors and the Formation of Legal Norms by Justin Hughes, 35 Loyola University Chicago Law Journal (2003)

The Prospect of Reconciling Internet and Cyberspace by Brett M. Frischmann, 35 Loyola University Chicago Law Journal (2003)

Website Access: The Case for Consent by David McGowan, 35 Loyola University Chicago Law Journal (2003)

File-Sharing Tools and Copyright Law: A Study of In Re Aimster Copyright Litigation and MGM Studios,

Inc. v. Grokster, Ltd. by Robyn Axberg, 35 Loyola University Chicago Law Journal (2003)

Authors' Welfare: Copyright as a Statutory Mechanism for Redistributing Rights by Tom W. Bell, 69 Brooklyn Law Review 229 (2003)

Entertainment Law: An Analysis of Judicial Decision-Making in Cases Where a Celebrity's Publicity Right is in Conflict with a User's First Amendment Right by Daniel E. Wanat, 67 Albany Law Review 251 (2003)

Eldred's Aftermath: Tradition, the Copyright Clause and the Constitutionalization of Fair Use by Stephen M. McJohn, 10 Michigan Telecommunications and Technology Law Review 95 (2003)

First Amendment Challenges to Copyright after Eldred

v. Ashcroft: The DMCA's Circumvention of Free Speech by Rabeh Soofi, Notre Dame Law School's Journal of Legislation 169 (2003)

Eldred v. Ashcroft and the (Hypothetical) Copyright Term Extension Act of 2020 by Thomas R. Lee, 12 Texas Intellectual Property Law Journal 1 (2003)

The Entertainment Law Review, published by Sweet and Maxwell, www.sweetandmaxwell.co.uk, has issued Volume 15, Issue 2 with the following articles:

The Role of Sponsorship Regulation in Non-Commercial Broadcasting by Lesley Hitchens, 15 Entertainment Law Review 33 (2004) (for publisher, see above)

Where Broadcasting and Football Collide: Conflicting

Approaches to Football Club Ownership by Daniel Geey, 15 Entertainment Law Review 42 (2004) (for publisher, see above)

Implementation of The Copyright Harmonisation Directive in the United Kingdom by Alexander Ross, 15 Entertainment Law Review 47 (2004) (for publisher, see above)

Sport Personalities: Sponsorship and Endorsement Deals by David Bond, 15 Entertainment Law Review 51 (2004) (for publisher, see above)

Current Challenges in the Polish Audiovisual Market by Oskar Tulodziecki, 15 Entertainment Law Review 54 (2004) (for publisher, see above)

Well-known Mark, Likelihood of Confusion and

Dilution-A Gauling Judgment? by Chris McLeod, 15 Entertainment Law Review 56 (2004) (for publisher, see above)

ITV plc-Advertisers' Concerns by Robert Wegenek, 15 Entertainment Law Review 57 (2004) (for publisher, see above)

Thorpedo Wins Trade Mark Court Battle by Catherine Lee, 15 Entertainment Law Review 59 (2004) (for publisher, see above)

Book Review: "Law, Ethics and the Visual Arts" 4th Edition by John Henry Merryman and Albert E. Elsen, 15 Entertainment Law Review 61 (2004) (for publisher, see above)

The Copyright Term Extension Act: We May Know the

Words, But Can We Find the Harmony? by Kelly Slavitt, 11 Michigan State University DCLCollege of Law Journal of International Law 457 (2002)

An "Unholy Alliance": The Law of Media Ride-Alongs by Karen M. Markin, 12 CommLaw Conspectus Journal of Communications Law and Policy 33 (2004) (published by the Institute for Communications Law Studies and The Columbus School of Law, The Catholic University of America)

Play It Again, Uncle Sam: Another Attempt by Congress to Regulate Internet Content. How Will They Fare This Time? by Maureen E. Browne, 12 CommLaw Conspectus Journal of Communications Law and Policy 79 (2004) (for publisher, see above)

Works of Art and Other Items of Tangible Personal

Property: Valuation-Taxation-Planning (With Form) (Part 1) by Ralph E. Lerner, ALI-ABA Estate Planning Course Materials 27 (2003) (www.ali-aba.org, "Articles and Forms Online")

Recent Developments in Copyright Law by Gretchen McCord Hoffmann, 12 Texas Intellectual Property Law Journal 111 (2003)

Clear Control: An Antitrust Analysis of Clear Channel's Radio and Concert Empire by Adam J. van Alstyne, 88 Minnesota Law Review 627 (2004)

A Reckless Disregard of the Ordinary Infringer?: Moving Toward a Balanced and Uniform Standard for Willful Copyright Infringement by Robert Aloysius Hyde, 35 The University of Toledo Law Review 377 (2003)

Is Your Copyright Protected in China? Reality and Practical Options by Qiang Bjornbak, 12 The California International Practitioner 2 (2002-2003) (published by the State Bar of California International Law Section)

What the Supreme Court Could Learn about the Child Online Protection Act by Reading Playboy by Shaun Richardson, 12 William & Mary Bill of Rights Journal 243 (2003)

Federalizing or Eliminating Online Obscenity Law as an Alternative to Contemporary Community Standards by Mark Cenite, 9 Communication Law and Policy 25 (2004) (published by Lawrence Erlbaum Associates, Inc., www.catchword.com/elrbaum/108111680)

Broadcast, Cable and Digital Must Carry: The Other

Digital Divide by Joel Timmer, 9 Communication Law and Policy 101 (2004) (for publisher, see above)

The Wolf Has Come: Are China's Intellectual Property Industries Prepared for the WTO? by Yahong Li, 20 UCLA Pacific Basin Law Journal 77 (2002)

Authorisation and Creativity: The Supreme Court of Canada is Showing Unprecedented Interest in Copyright Law by Madeleine Lamothe-Samson, 137 Copyright World 12 (2004) (published by LLP Ltd, 69-77 Paul Street, London EC2A 4LQ, UK, pplaistowe@llplimited.com.)

Creating Borders on the Internet: Free Speech, the United States, and International Jurisdiction by Cherie Dawson, 44 Virginia Journal of Interntional Law 637 (2004)

Ethics and Privilege in the Digital Age by David H. Bernstein and D. Peter Harvey, 93 The Trademark Reporter 1240 (2003) (http://www.inta.org/pubs/tmr.html)

The "Artistic Relevance Test" Just Became Relevant: The Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution by Kerry L. Timbers and Julia Huston, 93 The Trademark Reporter 1278 (2003) (for website, see above)

What Must a Foreign Service Mark Holder Do to Create and Maintain Trademark Rights in the United States? by Thomas L. Casagrande, 93 The Trademark Reporter 1354 (2003) (for website, see above)

The Protection of Trade Dress and Color Marks in Australia by Trevor Stevens, 93 The Trademark

Reporter 1382 (2003) (for website, see above)
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