CUTTING-EDGE CASE DEVELOPMENTS IN ENTERTAINMENT LAW

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TV REALITY SHOW RELEASE OVERIDES OBJECTION CLAUSE

The U.S. District Court for the Southern District of New York upheld a release clause signed by an entertainment attorney who appeared in WE network's reality TV show *Money. Power. Respect. Shapiro v. NFGTV Inc.*, 16 Civ. 9152 (S.D.N.Y. 2018).

Entertainment attorney Kelly Shapiro filed suit alleging fraudulent inducement, among other things, over how she was depicted in the series. District Judge Paul G. Gardephe noted Shapiro claimed "the production company falsely represent[ed] that the series was intended to 'shed light' on 'minority females in the entertainment business,' when Defendants actually intended to use the show to 'defame and disparage her.'"

Shapiro had been able to get a clause inserted in the participation agreement that allowed her to object to scenes that "cause[d her] to directly violate a rule of professional conduct." But District Judge Gardephe determined Shapiro's causes of action were barred because the agreement included a release of "any and all claims … whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden in any way directly or indirectly related to or arising directly or indirectly out of" the reality show and that she didn't alleged fraud separate from the release.

ORGINAL *HOUSEWIVES*' PRODUCERS' FRAUD CLAIMS ARE TIME-BARRED, THOUGH CONTRACT BREACH CLAIM CAN PROCEED

The New York Appellate Division, First Department, ruled that fraud claims brought by Kevin Kaufman and Patrick Moses — co-creators/co-executive producers of the initial season of the TV series *The Real Housewives of Orange County* — against Scott Dunlop, the third creator/executive producer, were time-barred. *Moses v. Dunlop*, 155 A.D.3d 466 (N.Y. App. Div., 1st Dept. 2017).

The plaintiffs sought income they claimed they were owed in connection with the series. In 2006, Dunlop allegedly had told Kaufman and Moses that Bravo Media would no longer be using the trio's production company, though Dunlop went on to continue to executive-produce the series.

The appellate court noted of the fraud claim: "At the very latest, [the plaintiffs] were on inquiry notice by January 2007, when Dunlop presented Moses and Kaufman with the settlement and release agreement [among Dunlop, Kaufman, Moses and a Brave affiliate] — more than two years before the commencement of this action."

But the appellate court allowed the plaintiffs' breach of contract claim to proceed over their 2005 co-production agreement with Dunlop, "because the contracts impose continuing obligations, each of which can be breached, triggering a new cause of action with its own [six-year] limitations period."

FANTASY SPORTS PROMPTS NEW LOOK AT EXCEPTIONS TO RIGHT OF PUBLICITY CONSENTS

In a case of first impression, the U.S. District Court for the Southern District of Indiana decided that the newsworthiness and public interest exceptions to Indiana's right-of-publicity statute, Indiana Code §32-36-1-1 *et seq.*, do apply to online fantasy sports companies that use college athletes' names and likenesses. *Daniels v. FanDuel Inc.*, 1:16-cv-01230 (S.D.Ind. 2017). The Indiana statute's liberal choice-of-law provision for right-of-publicity disputes makes the ruling nationally notable.

Defendants FanDuel and DraftKings include commentary, and athletes' names and fictitious salaries, on the fantasy sports operators' sites, and have used players' names and likenesses for marketing purposes. Indiana Code §32-36-1-7 includes in its right of publicity protection, for which written consent is required, "a personality's property interest in the personality's: (1) name; (2) voice; (3) signature; (4) photograph; (5) image; (6) likeness; (7) distinctive appearance; (8) gestures; or (9) mannerisms."

In raising the newsworthiness and public interest exceptions to enforcement of these rights, FanDuel and DraftKings pointed to the Southern District of Indiana ruling in *Time Inc. v. Sand Creek Partners L.P.*, 825 F.Supp. 210 (S.D.Ind. 1993), which addressed Indiana's common law prior to the enactment of its right-of-publicity statute. In *Daniels*, District Judge Tanya Walton Pratt noted the *Sand Creek* court had held, "The scope of the subject matter which may be considered 'of public interest' or 'newsworthy' has been defined in most liberal and far reaching terms."

District Judge Pratt thus decided "that the Indiana Supreme Court would conclude that the broad definition of 'newsworthy,' as developed at common law, applies to the statutory exception listed in the right-of-publicity statute." She then granted the defendants' motion to dismiss under the statute's newsworthiness exception, Indiana Code §32-36-1-1(c)(1)(B).

The Indiana statute's newsworthiness exception doesn't specifically require that parties such as fantasy sports sites qualify as "reporting" or news outlets. But the Indiana statute's public interest exception, Indiana Code §32-36-1-1(c)(3), does require that an individual's otherwise-protected personality traits be used "in connection with the *broadcast or reporting* of an event or a topic."

Judge Pratt found the fantasy sports operators *were* engaged in "reporting" within the coverage of §32-36-1-1(c)(3). She noted: "Defendants do provide factual data, and their websites could be used as 'reference sources,' either for purposes of playing the associated game, or for information about the collegiate sports and athletes represented on the websites."

However, for those in the "fantasy" content business, the *Daniels* decision did include some caveats. For example, Judge Pratt declined to dismiss the athletes' right-of-publicity suit on copyright preemption grounds. The U.S. Court of Appeals for the Seventh Circuit, within which the Southern District of Indiana resides, has case law on this. *Toney v. L'Oreal U.S.A. Inc.*, 406 F.3d 905 (7th Cir. 2005), which was decided under the Illinois Right of Publicity Act (IRPA), 765 Ill. Comp. Stat. 1075/1-60, involved the unauthorized use of a photograph of model in a hair care ad. The Seventh Circuit found: "Toney's identity is not fixed in a tangible medium of expression. There is no 'work of authorship' at issue in Toney's right of publicity claim. A person's likeness — her persona — is not authored and it is not fixed. The fact that an image of the person might be fixed in a copyrightable photograph does not change this. From this we must also find that the rights protected by the IRPA are not 'equivalent' to any of the exclusive rights within the general scope of copyright that are set forth in [17 U.S.C.] Sec. 106."

In light of *Toney*, Judge Pratt concluded in *Daniels* that an individual's persona doesn't amount to a copyright "writing."

After the players appealed, the Supreme Court of Indiana in April 2018 accepted a certified question from the U.S. Court of Appeals for the Seventh Circuit involving the interpretation of Indiana Code §32-36-1, in fantasy sports settings. The question is: "Whether online fantasy-sports operators that condition entry on payment, and distribute cash prizes, need the consent of players whose names, pictures, and statistics are used in the contests, in advertising the contests, or both." *Daniels v. FanDuel Inc.*, 18S-CQ-00134.

TRADEMARK CANCELLATION CLAIM CAN'T PROCEED AGAINST MARILYN MONROE BRAND MANAGER

The U.S. District Court for the Southern District of New York dismissed with prejudice a trademark cancellation claim against Authentic Brands Group (ABG), a brand manager for Marilyn Monroe LLC, by deciding that a trademark licensee can't be sued for trademark cancellation. *A.V.E.L.A., Inc. v. The Estate of Marilyn Monroe LLC*, 12 Civ. 4828 (S.D.N.Y. 2018).

X One X, which "creat[es] new artistic works in print, graphic and lithographic mediums," and International Fine Arts Publishing alleged the Monroe LLC improperly claimed exclusive rights in 15 trademarks managed by ABG.

District Judge Katherine Polk Failla first found that Marilyn Monroe LLC wasn't ABG's alter ego, by noting: "The claim that the Monroe Estate directs licensees to send correspondence to ABG fails to show that the two companies operate as a single entity, particularly given that the Monroe Estate shares an address with ABG, which … is of little consequence to the single-entity analysis. And, even if true, the suggestion that ABG is the Monroe Estate's sole manager offers little evidence that the two companies operate as a single entity."

District Judge Failla then found: "[T]here is little doubt that the trademark owner is the Monroe Estate, not ABG. The trademark registrations themselves belie [the] assertion to the contrary: They indisputably list the Monroe Estate as the owner. The only reference to ABG is in the Monroe Estate's street address, which is listed as: '100 West 33rd Street, Suite 1007, c/o Authentic Brands Group, LLC, New York, NY 10001.' The mere fact that the Monroe Estate's address references ABG does not, and could not, establish that ABG owns the trademarks."

LIMITS ON FORMER MEMBERS' ABILITIES TO USE BAND NAMES

The U.S. Court of Appeals for the Eleventh Circuit affirmed a Florida federal district court's grant of a permanent injunction in favor of The Commodores music group barring former member Thomas McClary from using the band name. *Commodores Entertainment Corp. v. McClary*, 879 F.3d 1114 (11th Cir. 2018).

McClary left The Commodores in 1984, but in recent years toured as "Commodores Featuring Thomas McClary" and "The 2014 Commodores." The group's general partnership agreement stated: "Upon the death or withdrawal of less than a majority of the Partners, the remaining majority of the Partners shall continue to have the right to use the Group Name for any purpose."

In the band's trademark suit against McClary, the appeals court found: "[T]he unrefuted record can lead only to the reasonable conclusion that McClary lacked control over the musical venture known as 'The Commodores' after he left the band to pursue his solo career. In the period after he left the band, save two performances as a fill-in guitarist in 2010, he did not meet with the other members of the group to rehearse or perform. He did not join the group to make business decisions about performance schedules or recordings. He stopped writing songs with the group. He was not involved with the group's decisions about performances, whether about the songs to be performed, the personnel to be involved, or the production details of the shows. The rights to use the name 'The Commodores' remained with the group after McClary departed, and the corollary is also true: McClary did not retain rights to use the marks individually."

In a different case, a Manhattan federal district court ruled that an agreement among the estates and surviving members of the rock band Lynyrd Skynyrd that prohibited former members, such as signatory/drummer Artemis Pyle, from allowing "authorized" projects focusing on the band's 1977 plane crash also applied to a film production company to which Pyle gave that permission. *Ronnie Van Zant Inc. v. Pyle*, 270 F.Supp.3d 656 (S.D.N.Y. 2017).

The agreement Pyle signed in the 1980s stipulated: "Each of the [parties] shall have the right to exploit his (or with respect to the Estates, the applicable decedent's) own respective life story in any manner or medium, including without limitation, in books or other print publications and in theatrical feature or television motion picture, without obligation, financial or otherwise, to any other party hereto. … provided that no such exploitation of life state rights is authorized which purpose to be a history of the 'Lynyrd Skynyrd' band, as opposed to the life story of the applicable individual."

In 2016, however, Pyle entered into an agreement for Cleopatra Films to produce a film "based on the story of Lynyrd Skynyrd's 1977 plane crash and the event surrounding it." Pyle was to receive 5% of net revenues, narrate the movie and have a "Consultant" or "Co-Producer" credit.

But issuing a permanent injunction against Cleopatra, District Judge Robert W. Sweet noted that the band members/estates consent order agreement's "terms prohibit those 'in concert or participation with' the signatories from violating these portions of the Consent Order's strictures. If there was a violation of the Consent Order by Pyle, it is within the power of the Court to enjoin those acting in concert with him …"

EMPIRE TV SHOW DOESN'T INFRINGE ON HIP-HOP LABEL TRADEMARK

The U.S. Court of Appeals for the Ninth Circuit decided that the Fox TV show *Empire* didn't violate federal Lanham Act or California trademark rights of the urban music record label Empire Distribution. *Twentieth Century Fox TV v. Empire Distribution Inc.*, 875 F.3d 1192 (9th Cir. 2017).

The TV show is about a fictional New York-based record company named "Empire Enterprises." Fox also sells *Empire* soundtrack albums and merchandise and promotes its TV program through live events.

The Ninth Circuit affirmed a Central District of California declaratory summary-judgment ruling in favor of Fox under the bell-weather decision in *Rogers v. Grimaldi* 875 F.2d 994 (2d Cir. 1989). Under *Rogers*, expressive works in which the title is artistically relevant to the underlying work, and doesn't explicitly mislead consumers regarding its source, can escape Lanham Act liability.

Empire Distribution argued Fox's use of "Empire" beyond the expressive content of the show and related music was no more than "an umbrella brand to promote and sell music and other commercial products." But the appeals court observed: "Although it is true that these promotional efforts technically fall outside the title or body of an expressive work, it requires only a minor logical extension of the reasoning of *Rogers* to hold that works protected under its test may be advertised and marketed by name, and we so hold."

However, Empire Distribution further contended that a limiting footnote in *Rogers* should apply. In the footnote, the Second Circuit said its test for determining whether a work like Fox's violated the Lanham Act "would not apply to misleading titles that are confusingly similar to other titles." But the Ninth Circuit struck down Empire Distribution's reliance on this, by noting: "This footnote has been cited only once by an appellate court since *Rogers*, in a case in which the Second Circuit itself rejected its applicability and applied the *Rogers* test." *See, Cliff Notes Inc. v. Bantam Doubleday Dell Publ'g Grp. Inc.*, 886 F.2d 490 (2d Cir. 1989).

As for artistic relevance, the appeals court reasoned: "Fox used the common English word 'Empire' for artistically relevant reasons: the show's setting is New York, the Empire State, and its subject matter is a music and entertainment conglomerate, 'Empire Enterprises,' which is itself a figurative empire."

The appeals court went on to conclude: "Fox's *Empire* show, which contains no overt claims or explicit references to Empire Distribution, is not explicitly misleading, and it satisfies the second *Rogers* prong."

NO TRADEMARK PROTECTION FOR *DIRTY DANCING* PHRASE USED IN FINANCIAL SERVICES AD

The U.S. District for the Central District of California declined to vacate a prior court order that dismissed Lions Gate Entertainment's trademark claims in a lawsuit over a financial services advertising campaign that included a phrase similar to a signature line

“Nobody puts Baby in a corner” from the film *Dirty Dancing*. *Lions Gate Entertainment Inc. v. TD Ameritrade Services Co.*, 2:15-05024 (C.D.Calif. 2017).

TD Ameritrade’s ad featured the phrase “Nobody puts your old 401k in a corner” along with visuals that evoked *Dirty Dancing*. The district court ruled in March 2016 that the claims were preempted by federal copyright law. (Lions Gates’ complaint also alleged copyright infringement.)

In the court ruling, District Judge Dean D. Pregerson noted: “Plaintiff claims that Defendants have used a slightly altered version of its trademark in advertising for services that Plaintiff argues will cause consumer confusion as to Plaintiff’s endorsement or association with those services … even though the advertisements clearly promote TD’s financial services and do not mention Lions Gate or *Dirty Dancing*, or attempt to pass off products of TD as from Lions Gate or vice versa.”

District Judge Pregerson further explained: “Lions Gate alleged trademark violations arising ‘not only on the alleged mark, but also on other elements from the film *Dirty Dancing*,’ such as an image of a man lifting a piggy bank over his head, which evoked the movie’s signature dance lift, and a reference to the song that played during the movie’s closing dance scene with the line, ‘[b]ecause retirement should be the time of your life.’”

The district judge concluded: “Together with these other elements, the use of a variant of Lions Gate’s trademark phrase in TD’s advertisement served to evoke the ‘communications, concepts, or ideas’ embodied in the movie *Dirty Dancing*. As such, the Trademark Claims are barred under *Dastar [v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003)], as they do not protect rights in a communicative product that are distinct from those already protected by the Copyright Act.”

TRADEMARK DISPUTE OVER CELEBRITY-RELATED VENUE NAMES

The U.S District Court for the Middle District of Tennessee, Nashville Division, granted summary judgment in favor of the owner of the restaurant chain “Dierks Bentley’s Whiskey Row” in a trademark suit over the use of “Row.” *The Row Inc. v. Rooke LLC*, 3:16-cv-00687 (M.D.Tenn., 2017).

Rooke has a federally registered mark for “Whiskey Row” that it uses in conjunction with “Dierks Bentley’s.” The Row Inc. later obtained a federal trademark registration for and opened a popular restaurant in Nashville named “Genuine Food and Drink The Row Kitchen and Pub.” In 2016, The Row sued Rooke for trademark infringement and for cancellation of the “Whiskey Row” mark. The Row argued its use of “Row” was “arbitrary” and thus entitled to the highest degree of trademark protection.

But District Judge Waverly D. Crenshaw Jr. found the mark was entitled to lesser protection as “descriptive” by noting that “in Nashville The Row seems as likely to conjure up images of Music Row as much as it does a restaurant” and that “it is not otherwise particularly strong.”

The district judge concluded: “Even though both marks are used in the restaurant business, the parties utilize the same marketing channels, and they will compete head-to-head in Nashville, other important factors weigh overwhelmingly against the likelihood of confusion. These are: The Row mark, apart from being entitled to protection because it is registered, is not particularly strong; its mark looks nothing like the Whiskey Row mark; there is no evidence of actual confusion; and there is nothing to suggest that Whiskey Row sought registration in an effort to play off The Row mark."

"LENGTHY" RECORD BEHIND HISTORICAL CHARACTER RESULTS IN DENIAL OF RULE 21(b)(6) MOTION IN INFRINGEMENT DISPUTE OVER *ANASTASIA*

The U.S. District Court for the Southern District of New York denied a pre-trial defense request to end a copyright infringement suit brought over the recent Broadway musical *Anastasia*. *Becdelievre v. Anastasia Musical LLC*, 16 Civ. 9471 (S.D.N.Y. 2018).

Anastasia was the youngest daughter of Russia's last imperial ruler. There had long been a mystery as to whether she survived the 1918 murder of her family during the communist revolution. The plaintiffs own the copyrights to a 1940s play about Anastasia by French playwright Marcelle Maurette and a 1952 English version by Guy Bolton. The defendants produced the recent Broadway musical *Anastasia*, written by co-defendant Terrance McNally.

District Judge Alvin K. Hellerstein noted, "This case presents a relatively simple copyright dispute, but one that is complicated by a lengthy historical record." The district court's ruling focused on a judge's role when defendants file a motion under Rule 12(b)(6) of the Federal Rules of Civil Procedure for "failure to state a claim upon which relief can be granted" in a copyright infringement case of this type.

Judge Hellerstein explained that the defendants want "me to make this comparison [as to whether there is substantially similar between the musical and the plaintiffs' works] before Answers are filed, and without guidance by experts. I am unable to make such a complicated comparison. In order to do so, I would need to take judicial notice of facts said to be historical — an inappropriate exercise. I would also have to analyze similarities and differences among different literary expressions. The complaint is well-pleaded, and not dismissable on motion."

The district judge added: "But even accepting defendants' description of the historical record on its face and dismissing it from the analysis, the two works share significant commonalities not traced to any documented historical record."

The district court also emphasized the Second Circuit's view that "[t]he total concept and feel test ... is simply not helpful in analyzing works that, because of their different genres and media, must necessarily have a different concept and feel."

STATUTE OF LIMITATIONS FOR COPYRIGHT INFRINGEMENT CLAIMS IS NO BAR TO DISCOVERY REQUESTS

The U.S. District Court for the Southern District of California overrode an objection by musician Carlos Santana and co-defendants that asked the court to bar a plaintiff from pursing discovery dating back past the three year statute of limitations, 17

U.S.C. §507(b), for copyright infringement claims. *Gottesman v. Santana*, 16-cv-2902 (S.D.Calif. 2018).

In 2005, Santana Tesoro LLC hired visual artist Eric Gottesman to develop artwork for Carlos Santana merchandise and marketing purposes. In November 2016, Gottesman filed an infringement action against Santana and 32 co-defendants over the alleged unauthorized use of twenty of the Santana artworks Gottesman had created. The Santana defendants only responded to Gottesman's document production and interrogatories requests — for costs, sales and profits information — for the three years prior to the filing of the infringement suit.

Federal Magistrate Jill L. Burkhardt first noted: "To the extent Santana Defendants are relying on a perceived agreement with Plaintiff to limit their discovery obligations, they have not met their burden to establish that there was a meeting of the minds as to the terms of that agreement."

On the statute of limitations issue, Magistrate Burkhardt decided Gottesman had established the pre-November 29, 2013, financial information was relevant to the case. "The statute of limitations is not a rigid barrier separating discoverable information from information outside the scope of discovery," she wrote. "Santana Defendants cite no binding authority for the proposition that the statute of limitations provides a definitive boundary for discoverable information."

Magistrate Burkhardt added: "Even if the statute of limitations provided a barrier to discoverable information in this case, the statute of limitations is an affirmative defense that Santana Defendants have not yet established."

NEW YORK COURT WILL CONSIDER COPYRIGHT OWNERSHIP CLAIM, BUT NOT REGISTRATION ISSUE, IN DISPUTE OVER STAGE PRODUCTION

In a declaratory action over who owns the copyright in a stage production named *Once Upon a Pastime*, the U.S. District Court for the Southern District of New York declined to cancel the defendant's copyright registration of the work. *Pastime LLC v. Schreiber*, 16-CV-8706 (S.D.N.Y 2017).

The plaintiffs claim that script revisions made by writer Lee Schreiber were done as a work for hire under an agreement Schreiber entered into with the play's original developers, who later transferred their rights to the plaintiffs. But Schreiber registered *Once Upon a Pastime* with the U.S. Copyright Office, listing himself as sole author of the work.

District Judge J. Paul Oetken commented, "Schreiber's motion to dismiss presents a play-within-a-play (about a play)." District Judge Oetken then noted: "Nothing in the Copyright Act, nor any other federal statute, grants federal courts the power to cancel or nullify a copyright registration." The district judged added, however, "A federal court's finding that a copyright is invalid, on the other hand, is a determination of ownership which does not disturb the registration of a copyright."

The court went on to deny Schreiber's motion to dismiss Pastime's ownership claim. "Whether Schreiber can claim any ownership in 'Once Upon a Pastime' turns on this Court's interpretation and application of the Copyright Act's 'works made for hire' provision. Consequently, Pastime has sufficiently alleged federal-question jurisdiction to survive a motion to dismiss …"

ELEVENTH CIRCUIT SEES NO PERSONAL JURISDICTION IN MALPRACTICE SUIT AGAINST LAW FIRM THAT HANDLED CONCERT INDUSTRY LITIGATION

The U.S. Court of Appeals for the Eleventh Circuit affirmed the dismissal of a legal malpractice lawsuit brought in Georgia federal district court by Georgia plaintiffs who were unsuccessfully represented by a Florida law firm in a concerts-booking race discrimination case in New York federal court a decade before. *Rowe v. Gary, Williams, Parteni, Watson & Gary, P.L.L.C.*, 16-17798 (11th Cir. 2018).

Determining the Georgia federal district court lacked personal jurisdiction over the law firm, the Eleventh Circuit explained in an unpublished but notable ruling: "Plaintiffs point to few actual contacts that occurred in Georgia — mainly to the one litigation preparation meeting in December 2002, the taking of one deposition for the New York action, and the initial contact between Plaintiffs and the Gary Firm. As to the initial meeting, we find that it was 'fortuitous' that Willie Gary happened to be in Atlanta working on an unrelated case at the time Rowe initiated contact with the Gary Firm."

The appeals court added: "Plaintiffs argue the Gary Defendants regularly communicated with them via phone, e-mail, and even fax about the New York action, including the contested discovery e-mails and the offer of settlement. While [Leonard] Rowe might have been in Georgia for some of the discussions about the ongoing litigation, he clearly admits that he also spoke to the Gary Defendants about his case from New York and in the Gary Firm office in Florida."

GENERAL COUNSEL FOR FESTIVAL COMPANY CAN'T BE DEPOSED IN LAWSUIT BY LICENSEE

The U.S. District Court for the Southern District of Florida affirmed that an attorney for the company that promotes the Ultra Music Festival couldn't be deposed in a lawsuit brought by an "Ultra Music" licensee. *Adria MM Productions Ltd. v. Worldwide Entertainment Group Inc.*, 17-21603 (S.D.Fla. 2017).

Worldwide Entertainment and the Croatian company Adria MM agreed to a contract for the latter to license "Ultra" marks. But Adria ended up suing Worldwide in the Florida federal court, alleging breach of contract and fraud, among other things. Worldwide counterclaimed with trade secret, trademark and breach of contract allegations.

Adria moved to depose Sandra York, Worldwide's general counsel and supervisory counsel over the Adria litigation. The district court granted Worldwide's motion to quash but allowed Adria to "respond later as to why it should be permitted to depose opponent's general counsel."

Southern District of Florida Judge Federico A. Moreno noted in the subsequent ruling: “Adria argues that York has personal, first-hand, exclusive knowledge of at least seven non-privileged, pre-litigation factual matters, and that questioning on those matters would not expose litigation strategy. However, Adria fails to meet the stringent standard required to depose an opposing party’s attorney.”

Though the Federal Rules of Civil Procedure don’t bar deposing a party’s lawyer, District Judge Moreno observed that “federal courts generally disfavor such depositions and permit them in only limited circumstances.” In this case, the district judge concluded: “Adria has failed to demonstrate that York’s deposition is the only practical means of obtaining the information sought, or that the information sought is relevant and crucial to the preparation of the case. Further, although Adria agrees to limit questioning to non-privileged matters, there is no other indication that Adria’s needs outweigh the dangers of deposing York.”

NO ATTORNEY FEES AWARD FOR MANAGEMENT COMPANY THAT WON BAND NAME LITIGATION

The U.S. District Court for the District of South Carolina declined to award attorney fees and costs to the Marshall Tucker Band’s former manager M T Industries (MTI) following dismissal of the band’s trademark claims against it. *Marshall Tucker Band Inc. v. M T Industries Inc. (MTI)*, 7:16-00420 (D.S.C. 2017).

MTI filed a trademark application with the U.S. Patent and Trademark Office (USPTO) for the band’s name in digital media. MTI made the bare statement in its application that it had used the band name for that purpose “in commerce.” But in its trademark infringement suit, the Marshall Tucker Band failed to provide evidence of actual “in commerce” use by MTI. Earlier this year, District Judge Mary Geiger Lewis dismissed the band’s trademark infringement and dilution claims. MTI then moved for attorney fees and costs under the Lanham Act, 15 U.S.C. §1117, and under Rule 54 of the Federal Rules of Civil Procedure.

In the attorney fees ruling, District Judge Lewis first recalled: “Here, the Court granted Defendants’ motion to dismiss, dismissing Plaintiffs’ federal trademark infringement and trademark dilution claims with prejudice. In that those were the only claims establishing independent federal jurisdiction over the action, the Court dismissed without prejudice Plaintiffs’ federal trademark cancellation and declaratory judgment claims for lack of subject matter jurisdiction.”

Thus, Judge Lewis ruled, MTI was a “prevailing party” because it “unquestionably received at least ‘some relief’” when she dismissed the case. But in denying attorney fees and costs for MTI, the district judge decided the Marshall Tucker Band’s lawsuit was neither frivolous nor objectively unreasonable. “Although the Court ultimately determined Plaintiffs’ federal trademark infringement and trademark dilution claims to be without merit, the Court is unable to hold it was ‘so unreasonable that no reasonable litigant could believe’ those claims would succeed,” Judge Lewis wrote. “Furthermore, the fact Plaintiffs could have — and perhaps should have — proceeded before the USPTO fails to meet this frivolous or objectively unreasonable standard as well.”

Noting “however unwise” it turned out to be or the band to pursue its claims in court, instead of through the USPTO, Judge Lewis concluded that “it was entirely within their discretion to choose this [judicial] venue.”

INVESTMENT FIRM’S LAWSUIT GETS GREENLIGHT IN LITIGATION FUNDING DISPUTE

The U.S. District Court for the Central District of California denied Danish recording artist Aura Dione’s motion to dismiss a suit against her that alleges failure to reimburse an investment firm for funding Dione’s litigation against her manager. *Europlay Capital Advisors LLC v. Joensen*, 2:17-cv-02377 (C.D.Calif. 2017).

Dione (Maria Louis Joensen) battled her manager Khalid Schroeder over intellectual property rights in her music. Europlay Capital agreed to retain the law firm Skadden, Arps, Slate, Meagher & Flom to represent Dione in the Schroeder case and says Dione orally agreed to reimburse Europlay within 12 months of the end of the management litigation. Dion won $1.689 million from Schroeder and the ownership rights to her music.

Europlay later sued Dione alleging breach of contract and fraud for non-payment of any of the more than $2 million in legal fees that Europlay paid Skadden. Dione filed a motion to dismiss Europlay’s complaint under Rules 12(b)(6) and 9(b) of the Federal Rules of Civil Procedure for failure to state viable claims. She argued Europlay couldn’t proceed on the breach of contract claim because, by offering to be Dion’s “legal consultants” regarding Schroeder, the investment firm had engaged in the unauthorized practice of law.

District Judge Christina A. Snyder noted, however, that Dione’s “contention that Europlay engaged in the unauthorized practice of law, and therefore should be estopped from enforcing the alleged oral agreement, has no bearing upon whether Europlay has properly stated a claim for relief for breach of oral contract pursuant to Rule 12(b)(6). Instead, accepting plaintiff’s allegations as true, the Court cannot make the inference at this stage that Europlay is estopped from stating this claim.”

District Judge Snyder then decided about Europlay’s fraud claim: “Here, plaintiff alleges more than a mere failure to pay in order to support its claim of fraud in the inducement. Europlay alleges that [Dione] gave repeated assurances to it that payment would be made as it continued to advance funds to pay for her lawsuit, and that she absconded from this jurisdiction [back to Europe] to avoid repayment that she knew would come due in the following months. In light of these allegations, Europlay sufficiently alleges a claim for fraudulent promising at the pleading stage of this case.”