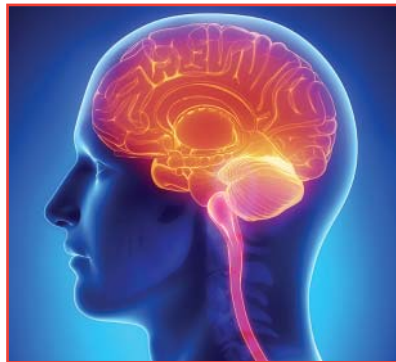
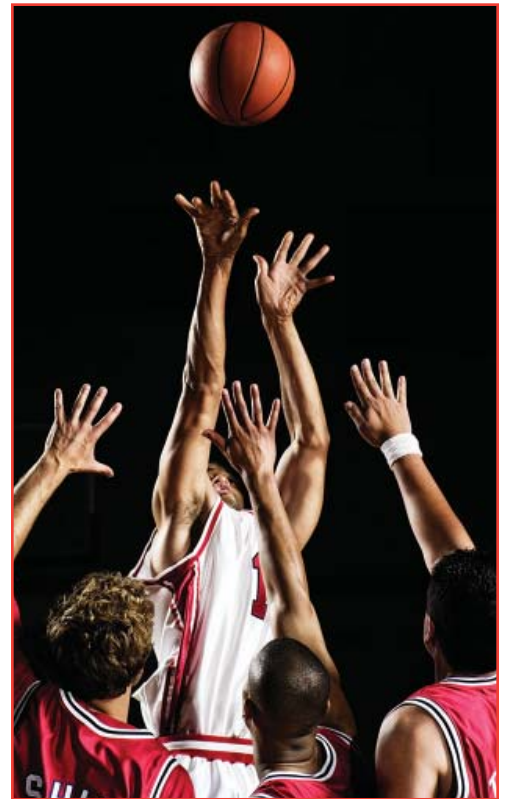


# Entertainment, Arts and Sports Law Journal



A publication of the Entertainment, Arts and Sports Law Section of the New York State Bar Association

**Concussion Litigation in the NHL; Is It Time to Pay College Athletes?; Bullying in Sports; The Anti-Flopping Policy in the NBA; and Much More**



Section  
Members get  
**20% discount\***  
with coupon code  
PUB2140N

# In The Arena: A Sports Law Handbook

Co-sponsored by the New York State Bar Association and the Entertainment, Arts and Sports Law Section

As the world of professional athletics has become more competitive and the issues more complex, so has the need for more reliable representation in the field of sports law. Written by dozens of sports law attorneys and medical professionals, *In the Arena: A Sports Law Handbook* is a reflection of the multiple issues that face athletes and the attorneys who represent them. Included in this book are chapters on representing professional athletes, NCAA enforcement, advertising, sponsorship, intellectual property rights, doping, concussion-related issues, Title IX and dozens of useful appendices.

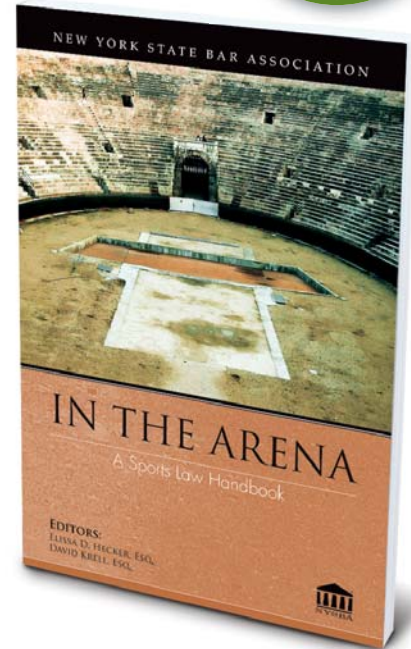
## Table of Contents

Intellectual Property Rights and Endorsement Agreements  
How Trademark Protection Intersects with the Athlete's Right of Publicity  
Collective Bargaining in the Big Three  
Agency Law  
Sports, Torts and Criminal Law  
Role of Advertising and Sponsorship in the Business of Sports  
Doping in Sport: A Historical and Current Perspective  
Athlete Concussion-Related Issues  
Concussions—From a Neuropsychological and Medical Perspective  
In-Arena Giveaways: Sweepstakes Law Basics and Compliance Issues  
Navigating the NCAA Enforcement Process  
Title IX  
Mascots: Handle With Care  
An Introduction to European Union Sports Law  
Dental and Orofacial Safety

## Get the Information Edge

1.800.582.2452    [www.nysba.org/pubs](http://www.nysba.org/pubs)

Mention Code: PUB2140N



### EDITORS

**Elissa D. Hecker, Esq.**  
**David Krell, Esq.**

### PRODUCT INFO AND PRICES

2013 | 574 pages | softbound  
| PN: 4002

Non-Members \$80

**NYSBA Members \$65**

Order multiple titles to take advantage of our low flat rate shipping charge of \$5.95 per order, regardless of the number of items shipped. \$5.95 shipping and handling offer applies to orders shipped within the continental U.S. Shipping and handling charges for orders shipped outside the continental U.S. will be based on destination and added to your total.

**\*Discount good until May 23, 2014**



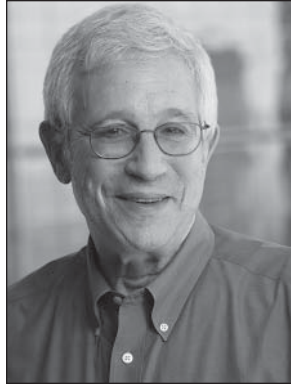
# Table of Contents

	Page
Remarks from the Chair.....	4
Editor’s Note/Pro Bono Update .....	5
Law Student Initiative Writing Contest.....	7
The Phil Cowan Memorial/BMI Scholarship .....	8
NYSBA Guidelines for Obtaining MCLE Credit for Writing.....	10
Copyright Office’s Copyright Small Claims Proposal..... (Joel L. Hecker)	11
Entertainment Immigration: Skilled Workers and Models..... (Michael Cataliotti)	13
Monuments Men, Hidden Treasures, and the Restitution of Looted Art..... (Leila Amineddoleh)	16
The Other Skate Drops: The NHL Concussion Lawsuit..... (Carter Anne McGowan)	23
The NHL Concussion Litigation..... (Carrie Anderer)	33
The Twentieth Century and Property Expropriation: Quest for the Return of the Morozov Collection..... (Amanda Agnieszka Rottermund)	37
Chronic Traumatic Encephalopathy: The Developing Legal Case Against High School Football .....	44
(G. Ivan Hannel, Andrew Gartman and Jason Karpel)	
Boys Will Be Boys, but the Law Is the Law—The Potential Liability for Professional and College Sports Teams When Handling Allegations of Bullying Among Teammates.....	51
(Eric D. Bentley)	
Who Is a Journalist? New Jersey Extends Shield Law Protection to Partisan Blogger Tina Renna.....	55
(Raymond Baldino)	
Notoriety, Exclusivity, and the First Amendment: What’s the Value of a High-Profile Crime?.....	58
(Ethan Bordman)	
Labor Relations and the Anti-Flopping Policy: Has the NBA Dropped the Ball?.....	65
(David Fogel)	
Misrepresentation Under the DMCA: The State of the Law.....	72
(Amanda Schreyer)	
It Is <i>Not</i> Time to Pay College Athletes.....	80
(James A. Johnson)	
Russian Sport Disputes Resolution: Theory and Real Practice .....	82
(Sergey Yurlov)	
Entertainment, Arts and Sports Law Section Annual Meeting Program Transcript.....	85
Once Upon a Time... A Brief Memoir and Life Tips .....	129
(Michael A. Feit)	
TV 101	
Not Everyone Smiles on Candid Camera.....	133
(Nima Daivari)	
Krell’s Korner: A Funny Thing Happened on the Way to McDonaldland.....	135
(David Krell)	



## Remarks from the Chair

I am writing this less than 24 hours after being elected Chair of EASL, so my initial column will not dwell on EASL's past activities, but on the future. I am very honored to be Chair and excited about our future. I know that I have very big shoes to fill (figuratively, not literally). I am grateful that Rosemarie Tully, and, in fact all past Chairs, have left a great legacy.



Now that EASL's 25th Anniversary is behind us, we can look to the next 25 with great anticipation. With the help of my Vice Chairs, Diane Krausz and Jason Baruch, our Albany liaison Beth Gould and the entire Executive Committee, I am confident that we can make 2014 a wonderful and unique year for EASL.

The first two quarters of the year contained several great programs, including The Fashion Law Committee event and Sports Law Symposium in conjunction with Fordham, the always popular and successful theatre law CLE event in conjunction with CTI in April, organized

by Jason Baruch and Diane Krausz, our Spring Meeting in May and our legal panel at CMJ in October.

I am sure that we will be presenting many other programs, both educational and social, during the year that will prove to be both enlightening and fun. Several of these are currently under discussion and will be announced as soon as they are confirmed.

Our law school liaison program, organized and supervised by Jason Aylesworth, has so far proven to be very successful and has introduced many future entertainment lawyers and EASL members to us. I also look forward to the continued events and activities of our Diversity Committee, headed by Anne Atkinson, Rich Boyd and Cheryl Davis. I can't list all of our subcommittees, but I'm sure that they will all do exciting things over the next year. Our website, *Journal* and Blog, edited and administered by Elissa Hecker, will continue to be great resources for EASL and the entire legal community.

I hope to have more things to report and comment upon as I settle in.

Stephen B. Rodner

A graphic with a dark background. On the left, a stylized bird is perched on a white wave-like shape. A speech bubble from the bird contains the text 'Follow NYSBA and EASL on Twitter'. Below the bird is the NYSBA logo, which consists of a stylized building with columns and the text 'NYSBA' underneath. On the right side of the graphic, the word 'visit' is written in a large, white, lowercase font. Below it, the Twitter URLs 'www.twitter.com/nysba and www.twitter.com/nysbaeasl' are listed in a white, lowercase font. At the bottom right, the text 'and click the link to follow us and stay up-to-date on the latest news from the Association and the EASL Section' is written in a white, lowercase font.

**Follow NYSBA  
and EASL  
on Twitter**

**visit**  
**www.twitter.com/  
nysba and  
www.twitter.com/  
nysbaeasl**

and click the link to follow us and  
stay up-to-date on the latest news  
from the Association and the  
EASL Section

# Editor's Note/Pro Bono Update

Welcome to our new Officers!

- Chair: Steve Rodner
- Vice Chair: Diane Krausz
- Second Vice Chair: Jason Baruch
- Secretary: Anne S. Atkinson
- Assistant Secretary: Jay Kogan
- Treasurer: Richard A. Garza
- Assistant Treasurer: Carol J. Steinberg



This terrific leadership team will work closely with the Executive Committee and continue EASL's forward thinking programs, panels and activities.

Elissa

**The next *EASL Journal* deadline is Wednesday, April 30, 2014**

Elissa D. Hecker practices in the fields of copyright, trademark and business law. Her clients encompass a large spectrum of the entertainment and corporate worlds. In addition to her private practice, Elissa is a Past Chair of the EASL Section. She is also Co-Chair and creator of EASL's Pro Bono Committee, Editor of the EASL Blog, Editor of *Entertainment Litigation, Counseling Content Providers in the Digital Age*, and *In the Arena*, is a frequent author, lecturer and panelist, a member of the Board of Editors for the *NYSBA Journal*, Chair of the Board of Directors for Dance/NYCA, a member of the Copyright Society of the U.S.A (CSUSA), a member of the Board of Editors for the *Journal of the CSUSA* and Editor of the CSUSA Newsletter. Elissa is a repeat Super Lawyers Rising Star, the recipient of the CSUSA's inaugural Excellent Service Award and recipient of the New York State Bar Association's 2005 Outstanding Young Lawyer Award. She can be reached at (914) 478-0457, via email at [echeckeresq@echeckeresq.com](mailto:echeckeresq@echeckeresq.com) or through her website at [www.echeckeresq.com](http://www.echeckeresq.com).



The Pro Bono Committee had a busy start to 2014.

On January 14th, we co-sponsored a Clinic with the IP Section that focused on Intellectual Property issues for startup companies, in conjunction with The City of New York and WeWork.

On February 23rd, we held our second annual Dance/NYCA Symposium Clinic at the Gibney Dance Center in Manhattan. After over so many volunteer attorneys responded, we had to close registration due to capacity issues. Thank you to everyone who attended—once again we had an overwhelming satisfaction rate from the dance clients.

Special thanks to:



Caroline Camp  
Bob Celestin  
Charles Chen  
Alex Guxman  
Anibal A. Luque  
John Moore  
Brooke Smarsh  
Kristine Sova  
La-Vaughnda A. Taylor  
Ning Yu Wu  
Ji Young (Rachel) Yoo

We will also be holding a Clinic at NYFA on June 3rd, and you should receive the details regarding such by email.

As you can see, we are trying to expand our pro bono reach throughout New York State and to as many entertainment, art and sports related communities as we can. In this vein, we are looking to establish Clinics on Long Island and upstate New York as well. We even had





an EASL member from Las Vegas reach out, because he wanted to start similar clinics there!

All of the successes of our Clinics, which we have been running for over a decade, are due to you—our member volunteers. Thank you.

**Elissa D. Hecker**  
**Carol Steinberg**  
**Kathy Kim**  
**Irina Tarsis**



### Speakers Bureau

Carol Steinberg coordinates Speakers Bureau programs and events.

- **Carol Steinberg,** [elizabethcjs@gmail.com](mailto:elizabethcjs@gmail.com)

### Litigations

Irina Tarsis coordinates pro bono litigations.

- **Irina Tarsis,** [tarsis@gmail.com](mailto:tarsis@gmail.com)



### Pro Bono Steering Committee

For your information, should you have any questions or wish to volunteer for our pro bono programs and initiatives, please contact the Pro Bono Steering Committee member who best fits your interests as follows:



### Clinics

Elissa D. Hecker and Kathy Kim coordinate walk-in legal clinics with various organizations.

- **Elissa D. Hecker,** [eheckeresq@eheckeresq.com](mailto:eheckeresq@eheckeresq.com)
- **Kathy Kim,** [kathykimesq@gmail.com](mailto:kathykimesq@gmail.com)



We are looking forward to working with all of you, and to making pro bono resources available to all EASL members.



The New York State Bar Association  
Entertainment, Arts and Sports Law Section

## Law Student Initiative Writing Contest

Congratulations to the 2013 LSI winners:

TIMOTHY J. GEVERD, of George Mason University School of Law, for his article entitled:  
“Failure to Warn: The National Hockey League Could Pay the Price for  
Its Pursuit of Profit at the Expense of Player Safety”

CRAIG TEPPER, of Benjamin N. Cardozo School of Law, for his article entitled:  
“A Model for Success: Why New York Should Change the Classification of  
Child Models Under New York Labor Laws”

and

ASHLEY WEISS, of the University of California, Hastings College of the Law, for her article entitled:  
“Proving Secondary Liability Against a Brokerage and Its Broker”

The Entertainment, Arts and Sports Law (EASL) Section of the New York State Bar Association offers an initiative giving law students a chance to publish articles both in the *EASL Journal* as well as on the EASL Web site. The Initiative is designed to bridge the gap between students and the entertainment, arts and sports law communities and shed light on students’ diverse perspectives in areas of practice of mutual interest to students and Section member practitioners.

Law school students who are interested in entertainment, art and/or sports law and who are members of the EASL Section are invited to submit articles. This Initiative is unique, as it grants students the opportunity to be *published and gain exposure* in these highly competitive areas of practice. The *EASL Journal* is among the profession’s foremost law journals. Both it and the Web site have wide national distribution.

### Requirements

- **Eligibility:** Open to all full-time and part-time J.D. candidates who are EASL Section members.
- **Form:** Include complete contact information; name, mailing address, law school, phone number and email address. There is no length requirement. Any notes must be in *Bluebook* endnote form. An author’s blurb must also be included.
- **Deadline:** Submissions must be received by **Wednesday, April 30, 2014**.
- **Submissions:** Articles must be submitted via a Word email attachment to [echeckeresq@echeckeresq.com](mailto:echeckeresq@echeckeresq.com).

### Topics

Each student may write on the subject matter of his/her choice, so long as it is unique to the entertainment, art and sports law fields.

### Judging

Submissions will be judged on the basis of quality of writing, originality and thoroughness.

Winning submissions will be published in the *EASL Journal*. All winners will receive complimentary memberships to the EASL Section for the following year. In addition, the winning entrants will be featured in the *EASL Journal* and on our Web site.

# The Phil Cowan Memorial/BMI Scholarship

Law students, take note of this publishing and scholarship opportunity: The Entertainment, Arts & Sports Law Section of the New York State Bar Association (EASL), in partnership with BMI, the world's largest music performing rights organization, has established the Phil Cowan Memorial/BMI Scholarship! Created in memory of Cowan, an esteemed entertainment lawyer and a former Chair of EASL, the Phil Cowan Memorial/BMI Scholarship fund offers up to two awards of \$2,500 each on an annual basis in Phil Cowan's memory to a law student who is committed to a practice concentrating in one or more areas of entertainment, art or sports law.

The Phil Cowan Memorial/BMI Scholarship has been in effect since 2005. It is awarded each year at EASL's Annual Meeting in January in New York City.

## The Competition

Each Scholarship candidate must write an original paper on any legal issue of current interest in the area of entertainment, art or sports law.

The paper should be twelve to fifteen pages in length (including *Bluebook* form footnotes), double-spaced and submitted in Microsoft Word format. PAPERS LONGER THAN 15 PAGES TOTAL WILL NOT BE CONSIDERED. The cover page (not part of the page count) should contain the title of the paper, the student's name, school, class year, telephone number and email address. The first page of the actual paper should contain only the title at the top, immediately followed by the body of text. *The name of the author or any other identifying information must not appear anywhere other than on the cover page.* All papers should be submitted to designated faculty members of each respective law school. Each designated faculty member shall forward all submissions to his/her Scholarship Committee Liaison. The Liaison, in turn, shall forward all papers received by him/her to the three (3) Committee Co-Chairs for distribution. The Committee will read the papers submitted and will select the Scholarship recipient(s).

## Eligibility

The Competition is open to all students—both *J.D. candidates* and *L.L.M. candidates*—attending eligible law schools. “Eligible” law schools mean all accredited law schools within New York State, along with Rutgers University Law School and Seton Hall Law School in New Jersey, and up to ten other accredited law schools throughout the country to be selected, at the Committee's discretion, on a rotating basis.

## Free Membership to EASL

All students *submitting* a paper for consideration will immediately and automatically be offered a free member-

ship in EASL (with all the benefits of an EASL member) for a one-year period, *commencing January 1st of the year following submission of the paper.*

## Yearly Deadlines

**December 12th:** Law School Faculty liaison submits all papers she/he receives to the EASL/BMI Scholarship Committee.

**January 15th:** EASL/BMI Scholarship Committee will determine the winner(s).

*The winner will be announced, and the Scholarship(s) awarded at EASL's January Annual Meeting.*

## Prerogatives of EASL/BMI's Scholarship Committee

The Scholarship Committee is composed of the current Chair of EASL and, on a rotating basis, former EASL Chairs who are still active in the Section, Section District Representatives, and any other interested member of the EASL Executive Committee. *Each winning paper will be published in the EASL Journal and will be made available to EASL members on the EASL website.* BMI reserves the right to post each winning paper on the BMI website, and to distribute copies of each winning paper in all media. *The Scholarship Committee is willing to waive the right of first publication so that students may simultaneously submit their papers to law journals or other school publications. In addition, papers previously submitted and published in law journals or other school publications are also eligible for submission to The Scholarship Committee.* The Scholarship Committee reserves the right to submit all papers it receives to the *EASL Journal* for publication and the EASL Web site. The Scholarship Committee also reserves the right to award only one Scholarship or no Scholarship if it determines, in any given year that, respectively, only one paper, or no paper is sufficiently meritorious. All rights of dissemination of the papers by each of EASL and BMI are non-exclusive.

## Payment of Monies

Payment of Scholarship funds will be made by EASL/BMI directly to the law school of the winner, to be credited against the winner's account.

## About BMI

BMI is an American performing rights organization that represents approximately 600,000 songwriters, composers, and music publishers in all genres of music. The non-profit making company, founded in 1940 collects license fees on behalf of those American creators it represents, as well as thousands of creators from around the world who chose BMI for representation in the United



States. The license fees BMI collects for the “public performances” of its repertoire of more than 7.5 million compositions are then distributed as royalties to BMI-member writers, composers and copyright holders.

### About the New York State Bar Association / EASL

The 76,000-member New York State Bar Association is the official statewide organization of lawyers in New York and the largest voluntary state bar association in the nation. Founded in 1976, NYSBA programs and activities

have continuously served the public and improved the justice system for more than 125 years.

The more than 1,600 members of the Entertainment, Arts and Sports Law Section of the NYSBA represent varied interests, including headline stories, matters debated in Congress, and issues ruled upon by the courts today. The EASL Section provides substantive case law, forums for discussion, debate and information-sharing, pro bono opportunities, and access to unique resources including its popular publication, the *EASL Journal*.

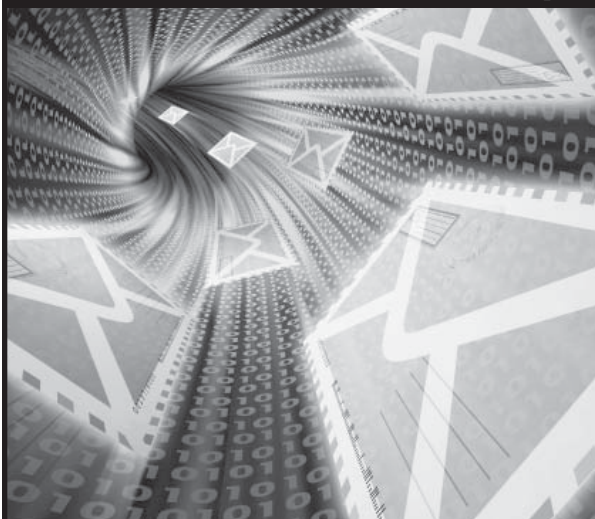
## Initiative: The Phil Cowan/BMI Memorial Scholarship

Toward the end of Judith Bresler’s tenure as the Millennium Chair of EASL (2000-2002), Phil Cowan, a founding member and former Chair of EASL, died after a courageous battle with cancer. Phil was an exceptional human being in so many respects and to honor his memory the EASL Section, including a number of former Section Chairs—Founding Chair Marc Jacobson, Eric Roper, Howard Siegel, John Kettle, Sam Pinkus and Tim DeBaets—took steps to implement what is now the Phil Cowan/BMI Memorial Scholarship which, on a yearly basis, awards monies to as many as two deserving law students who are committed to practicing in the legal fields of entertainment, art, sports or copyright—practice areas central to Phil’s interests. BMI came on board as a partner through the sustained—and enormously appreciated—efforts of Gary Roth, who has ably chaired a number of

EASL committees as well as having served the Section as Member-at-Large. Through this Scholarship initiative, EASL has awarded such Scholarships each year since 2005, based on a writing competition open to law students enrolled in all the accredited law schools throughout New York State as well as Rutgers University Law School and Seton Hall University in New Jersey. In addition, BMI selects on an annual rotating basis up to 10 other law schools throughout the United States to participate in the Scholarship writing competition.

The Committee is co-chaired by former Section Chair Judith Bresler of Withers Bergman LLP, Acting Justice Barbara Jaffe of the Supreme Court of the State of New York and Richard Garza, Executive Director, Legal and Business Affairs, Performing Rights, BMI.

### Request for Articles



If you have written an article you would like considered for publication, or have an idea for one, please contact *Entertainment, Arts and Sports Law Journal* Editor:

**Elissa D. Hecker**  
Editor, *EASL Journal*  
eheckeresq@eheckeresq.com

*Articles should be submitted in electronic document format (pdfs are NOT acceptable), along with biographical information.*

[www.nysba.org/EASLJournal](http://www.nysba.org/EASLJournal)

# NYSBA Guidelines for Obtaining MCLE Credit for Writing

Under New York's Mandatory CLE Rule, MCLE credits may be earned for legal research-based writing, directed to an attorney audience. This might take the form of an article for a periodical, or work on a book. The applicable portion of the MCLE Rule, at Part 1500.22(h), states:

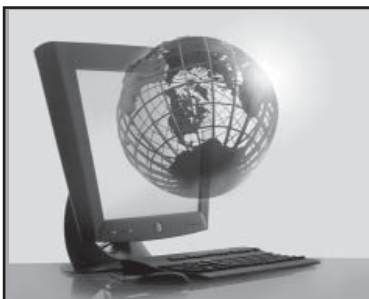
*Credit may be earned for legal research-based writing upon application to the CLE Board, provided the activity (i) produced material published or to be published in the form of an article, chapter or book written, in whole or in substantial part, by the applicant, and (ii) contributed substantially to the continuing legal education of the applicant and other attorneys. Authorship of articles for general circulation, newspapers or magazines directed to a non-lawyer audience does not qualify for CLE credit. Allocation of credit of jointly authored publications should be divided between or among the joint authors to reflect the proportional effort devoted to the research and writing of the publication.*

Further explanation of this portion of the rule is provided in the regulations and guidelines that pertain to the rule. At section 3.c.9 of those regulations and guidelines, one finds the specific criteria and procedure for earning credits for writing. In brief, they are as follows:

- The writing must be such that it contributes substantially to the continuing legal education of the author and other attorneys;
- it must be published or accepted for publication;
- it must have been written in whole or in substantial part by the applicant;

- one credit is given for each hour of research or writing, up to a maximum of 12 credits;
- a maximum of 12 credit hours may be earned for writing in any one reporting cycle;
- articles written for general circulation, newspapers and magazines directed at nonlawyer audiences do not qualify for credit;
- only writings published or accepted for publication after January 1, 1998 can be used to earn credits;
- credit (a maximum of 12) can be earned for updates and revisions of materials previously granted credit within any one reporting cycle;
- no credit can be earned for editing such writings;
- allocation of credit for jointly authored publications shall be divided between or among the joint authors to reflect the proportional effort devoted to the research or writing of the publication;
- only attorneys admitted more than 24 months may earn credits for writing.

In order to receive credit, the applicant must send a copy of the writing to the New York State Continuing Legal Education Board, 25 Beaver Street, 8th Floor, New York, NY 10004. A completed application should be sent with the materials (the application form can be downloaded from the Unified Court System's Web site, at this address: [www.courts.state.ny.us/mcle.htm](http://www.courts.state.ny.us/mcle.htm) (click on "Publication Credit Application" near the bottom of the page)). After review of the application and materials, the Board will notify the applicant by first-class mail of its decision and the number of credits earned.



**ENTERTAINMENT, ARTS AND SPORTS LAW SECTION**  
**Visit us on the Web at [www.nysba.org/EASL](http://www.nysba.org/EASL)**  
**Check out our Blog at <http://nysbar.com/blogs/EASL>**

# Copyright Office's Copyright Small Claims Proposal

By Joel L. Hecker

## Introduction

In a letter dated October 11, 2011, the House of Representatives, Committee on the Judiciary, requested that the Copyright Office consider and report back to the House of Representatives on the challenges faced in resolving small copyright claims in the current legal system.<sup>1</sup> In response, the Copyright Office conducted a two-year study which involved public hearings, consideration of formal comments, and a thorough analysis of the issues. At the conclusion of this process, the Copyright Office reported back to the Judiciary Committee<sup>2</sup> with its recommendation for the creation of a voluntary system of adjudication of such claims to be administered by the Copyright Office. In connection with this letter to the Judiciary Committee, the Copyright Office released the findings of the two-year study to the public,<sup>3</sup> consisting of 201 pages.

The formal comments to the Copyright Office were made on behalf of a number of copyright stakeholders. For example, The American Photographic Artists' submission stated that "the current system deters authors from asserting their rights, renders these cases difficult for any attorney to take on, and encourages copyright infringement by all phases of society."<sup>4</sup> Another formal comment stressed the combined impact of small claims on the livelihoods of individual creators, likening the challenges to "death by a thousand cuts."<sup>5</sup> Organizations that provide *pro bono* assistance to lower-income artists also emphasized that there is a pressing need for alternatives to the existing federal court litigation structure.

The proposal, on the other hand, also underscores that the alleged infringers must be allowed to defend themselves vigorously, since there certainly are legitimate frustrations of those responding to unfounded or suspect claims, which defendants may in some circumstances themselves be smaller actors facing high litigation costs.

This article will discuss the proposal.<sup>6</sup>

## Outline of Proposal

At the outset, it must be understood that the proposal is simply one of how to proceed in establishing a new structure as an alternative forum to the United States District Court system. It is a discussion document which hopefully will lead to an alternate system to enable small copyright claims to be resolved expeditiously and with minimum cost.

The term "small copyright claims" is derived from a state court tradition of referring to copyright claims of modest economic value. The proposal makes clear that such claims are not small to the individual creators who are deprived of income or opportunity due to the misuse

of their works; and the problem of addressing these lower-value infringements is not a small one for our copyright system.

The Copyright Office acknowledged that the structuring of an alternative process is not easy and must be viewed in the larger context of federal powers. Our Constitution, in particular, protects both the role of the federal judiciary and the rights of those who participate in adjudicatory proceedings. These principles are enshrined in Article III and the Fifth and Seventh Amendments, as well as in judicial interpretations of these and other constitutional provisions. This includes the right of trial by jury and the exclusive jurisdiction granted to the United States federal courts for resolution of copyright infringement issues.

## Summary of Recommendations

The Copyright Office Report recommendations can be briefly summarized as follows:

- Congress should create a centralized tribunal within the Copyright Office to administer small copyright claims proceedings. These proceedings would be conducted through online and teleconferencing facilities at the Copyright Office without any requirement of personal appearances. The tribunal would consist of three adjudicators, two of whom having significant experience in copyright law with the third having a background in alternative dispute resolution. It is anticipated that these judges would be staff attorneys within the Copyright Office who will be paid at a specified government pay grade level. When not engaged in these duties they will perform such other duties as may be assigned to them by the Register of Copyrights.
- It is important to note that this alternative system would be entirely voluntary. Its focus would be on small infringement cases valued at no more than \$30,000 in damages. Copyright owners would be required to have registered their works or filed applications for registration prior to bringing actions. They would be eligible to recover either actual or statutory damages up to a maximum of \$30,000, but statutory damages would be limited to \$15,000 per work (or \$7,500 for a work not registered by the normally applicable deadline for statutory damages). This limitation is less than that provided for in the Copyright Act, but on the other hand, provides for statutory damages when works are not timely registered and therefore where such statutory damages would not be available at all in the federal court system.



- Claimants initiating a proceeding would provide notice of the claim to the respondent parties who would have to agree to the process, either through an opt-out or opt-in mechanism or by affirmative written consent (the Copyright Office does not take a position on whether an opt-in or opt-out process is preferable). All relevant defenses, including fair use, as well as limited counterclaims arising from the infringing conduct at issue, would be permitted. Certain DMCA matters, including those relating to takedown notices, would be subject to a declaration of non-infringement.
- The proceedings would be streamlined with limited discovery and no formal motion practice. The parties would provide written submissions and the hearings would be conducted through telecommunications facilities. A responding party's agreement to cease infringing activity could be considered and reflected in the tribunal's determination.
- Any determinations would be binding only with respect to the parties and claims actually at issue in the proceeding and would have no precedential effect, meaning that the result could not be used in any other copyright infringement matter as a precedent. The determination would be subject to limited administrative review for error and could be challenged in a District Court on the basis of fraud, misconduct, or other improprieties.
- As part of the proposal, the Copyright Office has drafted proposed legislation to implement this small claims system, which includes a section-by-section analysis of the actual proposal. The draft legislation also includes alternative provisions to implement the system on either an opt-out or opt-in basis. It should be emphasized that this is just a discussion draft submitted to Congress for Congress to take action as it deems appropriate.

## Analysis of Proposal

The Copyright Office is, in effect, attempting to build a system from the ground up to meet the very real problem of the cost of copyright infringement litigation and the burden placed upon the "small" copyright creators who either do not have the means or time to pursue copyright infringement litigation in the federal courts under the rules now in place. The proponents of the plan cite the benefits of having government funding of claim resolutions with a streamlined process not requiring any personal appearances, and without the need to have a lawyer. There is obviously a definite benefit to a low cost proceeding without the need to actually appear and without the need to have an attorney navigate through the intricacies of copyright infringement litigation.

Those opposed to the proposal are troubled by the voluntary aspect which they believe would lead many, if not most, defendants to simply ignore the request or

refuse to proceed within this voluntary adjudication process. Certainly an argument can be made that any well-financed infringer would not be particularly interested in a streamlined procedure when just ignoring it may very well foreclose the copyright claimant from proceeding in federal court.

## Conclusion

A streamlined copyright small claims system is necessary and long overdue. The Copyright Office should be commended for undertaking the difficult task of analyzing the issues and coming up with a proposed solution, including an actual draft of proposed legislation. For those of you who wish to consider the actual language of the proposal and review all of the formal comments, the full report is available at [www.copyright.gov/docs/smallclaims](http://www.copyright.gov/docs/smallclaims).

Hopefully, this report will lead to a system, either as proposed or modified, which will provide small copyright claimants and small copyright defendants with a realistic and effective system that will give them the opportunity to resolve these copyright infringement disputes expeditiously and in a cost effective manner. Obviously, only time will tell whether all this work by the Copyright Office and the people and entities who worked on the proposal, and who made official comments, will bear fruit.

## Endnotes

1. Letter from Lamar S. Smith, Chairman, to the Honorable Maria A. Pallante, Register of Copyrights, United States Copyright Office (Oct. 11, 2011).
2. Letter from Maria A. Pallante, Register of Copyrights and Director, United States Copyright Office, to Bob Goodlatte, Chairman, and John Conyers, Jr., Ranking Member (Sept. 30, 2013).
3. *Copyright Office Releases Report on Copyright Small Claims*, COPYRIGHT OFFICE NEWSNET (Sept. 30, 2013), Issue 518, Page 1.
4. *Id.*
5. *Id.*
6. The entire record, consisting of the Copyright Office Report, Remedies for Small Claims dated September 30, 2013; the First, Second and Third Notices of Inquiry; comments responding to the three Notices of Inquiry; transcripts of the November 2012 Public Hearings; and Statement of the Copyright Office before the Subcommittee on the Courts, the Internet, and Intellectual Property, Committee on the Judiciary dated March 29, 2006, can be found at [www.copyright.gov/docs/smallclaims](http://www.copyright.gov/docs/smallclaims).

**Joel L. Hecker, Of Counsel to Russo & Burke, 600 Third Avenue, New York, NY 10016, practices in every aspect of photography, publishing and visual arts law, including copyright, licensing, publishing contracts, privacy rights, and other intellectual property issues. He acts as general counsel to the hundreds of professional photographers, publishers, stock photo agencies, graphic artists and other photography and content-related businesses he represents nationwide and abroad. Joel can be reached at (212) 557-9600, [www.RussoandBurke.com](http://www.RussoandBurke.com), or via email [HeckerEsq@aol.com](mailto:HeckerEsq@aol.com).**

# Entertainment Immigration: Skilled Workers and Models

By Michael Cataliotti

In our last installment, we discussed an array of options for those international artists, entrepreneurs, and corporate entities that may seek to enter the U.S. to initiate, develop, or expand their foreign presence. The array of options available to those individuals included E-1, E-2, L-1A, L-1B, O-1A, and O-1B. While we touched upon each of those to varying degrees, this installment of Entertainment Immigration is going to focus on the last of the non-immigrant categories, H-1B, as it relates to the arts.

## H-1B—Skilled Workers and Models

Beginning with the H-1B, it is important to reiterate the information from the first Entertainment Immigration article titled *“The Intersection of Immigration and Entertainment Law”*:

The H-1B is generally inapplicable to most artists, but there are some—graphic designers readily come to mind—who will often qualify for the H-1B, thereby making it a feasible option for some. As a result, a brief overview of the options should suffice with the potential for a more detailed breakdown to come. The H-1B process requires three key considerations: (1) Does the prospective beneficiary possess a bachelor’s degree or equivalent; (2) Does the position in which the prospective beneficiary will work require a bachelor’s degree or equivalent, or can the position be filled by someone with an associate’s or practical training; and (3) Is the pay for the position equal or above that which has been determined by the Secretary of Labor (of the Department of Labor)?<sup>1</sup>

Another way in which the H-1B may appear a bit more frequently for those entertainment or arts attorneys dealing primarily with fashion is in the representation of models,<sup>2</sup> but being that this is incredibly specific and limited, this topic will save for another article. It is important to note here the simple fact that the H-1B visa may be a viable option for a model, depending upon his or her credentials and supporting evidence.<sup>3</sup>

## Skilled Workers

When working with a skilled worker, the baseline consideration is whether the worker’s talents coincide

with one of those position descriptions that would be applicable for H-1B classification, while keeping in mind those three considerations above, as well as the individual’s job description and duties to be performed.

This can be accomplished by going to a combination of O\*Net Online<sup>4</sup> and the Foreign Labor Certification Data Center,<sup>5</sup> but other means are acceptable as well.<sup>6</sup> Once a suitable position description is found to correspond with the worker’s credentials and prospective employment skill level, the next step is to review the applicable prevailing wage and cross-reference this with the amount offered by the petitioning company (i.e., the worker’s prospective employer). There are certain additional types of compensation that may be factored into the overall wage package, but those are more nuanced, very specific, and beyond this article’s reach. If the amount offered meets or exceeds the prevailing wage for the worker’s position in the specific geographic location of work, coupled with the appropriate position description and qualifications, then obtaining a prevailing wage determination should be within reach.

With the preliminary determination of the applicable position description and salary satisfied, the next step is to obtain the prevailing wage determination by filing the necessary form, ETA Form 9141, with the Department of Labor<sup>7</sup>. If satisfactory and approved, the Department of Labor will issue an ETA Form 9035, Labor Condition Application, which should be added to the H-1B petition as part of the overall body of evidence.

In addition to the labor condition application, the additional evidence that must be submitted with a skilled worker petition includes, but is not limited to:

- USCIS Form I-129 with applicable supplement;
- A copy of the employment contract between the worker and the petitioner;
- Evidence of the worker’s education credentials, ideally a copy of the diploma;
  - If the degree was procured from an overseas institution, the diploma should be translated and demonstration made that the degree is the equivalent of a U.S. bachelor’s degree. This can be done through various means, though is frequently satisfied by procuring an attestation from a professor or administrator with authority to grant credits in the worker’s field or a college credentials evaluation service.
- A copy of the worker’s resume;

- Evidence of the worker's past projects to demonstrate competency in the area of specialty; and/or
- Published material by or about the worker.<sup>8</sup>

Now the timing: For H-1B petitions, United States Citizenship & Immigration Services (USCIS) operates on a fiscal year schedule. This means that once all of the forms are executed, the evidence compiled, and the cover letter detailing the bases for H-1B status completed, the application should be *received by the USCIS Service Center on April 1st* for a position *commencing on or after October 1st* of the same year. The only time when a worker does not fall under this limitation is when he or she is not subject to the cap on H-1B petitions, or put in immigration parlance, *the worker is cap exempt*. If the worker is seeking H-1B status for the first time, it is likely that he or she will be subject to the cap.<sup>9</sup>

## Models

An H-1B petition for a model's benefit still requires the prevailing wage determination,<sup>10</sup> and as such, those provisions above under **Skilled Workers** are applicable here. Of course, they will likely be more straightforward and easier to determine, as a fashion model is likely to be employed under the position description, "Models."<sup>11</sup>

As per the applicable guidelines, the prominent model must "be coming to the United States to perform services which require a fashion model of prominence."<sup>12</sup> This should not pose an issue, however, as due to the fiercely competitive and harsh world of fashion, a designer or artist can afford to have only such a model. More to the point, this may be shown if:

- The services to be performed involve events or productions which have a distinguished reputation; or
- The services are to be performed for an organization or establishment that has a distinguished reputation for, or record of, employing prominent persons.<sup>13</sup>

As an extension of this, it follows that the model must be one of distinguished merit and ability.<sup>14</sup> According to the regulations, a fashion model of distinguished merit and ability is someone who is "prominent in the field of fashion modeling."<sup>15</sup> This may be demonstrated by setting forth *two* of the following categories illustrating that the model:

- Has achieved national or international recognition and acclaim for outstanding achievement in his or her field as evidenced by reviews in major newspapers, trade journals, magazines, or other published material;
- Has performed and will perform services as a fashion model for employers with a distinguished reputation;

- Has received recognition for significant achievements from organizations, critics, fashion houses, modeling agencies, or other recognized experts in the field; or
- Commands a high salary or other substantial remuneration for services evidenced by contracts or other reliable evidence.<sup>16</sup>

Additionally, a copy of the employment contract or a summary of such contract, by and between the petitioner (i.e., the employer or agent), and beneficiary (i.e., the model), must be submitted.

Now that we have touched upon all of the non-immigrant categories, in the next article we will move to the more robust world of green card applications and petitions.

## Endnotes

1. 8 CFR § 214.2(h)(4)(iii)(A)(1); (B)(1-3); and (C)(1-2) (2012).
2. 8 CFR § 214.2(h)(4)(i)(A)(3) (2012).
3. Michael Cataliotti, *The Intersection of Immigration and Entertainment Law*, 25 N.Y. St. B.A. EASL J. 2, 67.
4. U.S. Dep't of Labor, O\*Net OnLine, <http://www.onetonline.org/>, (last visited Dec. 19, 2013).
5. State of Utah under contract with the U.S. Dep't of Labor, Foreign Labor Certification Data Center Online Wage Library, <http://www.flcdatacenter.com/>.
6. Listed under "H-1B Prevailing Wages," Question 1., Answer: "A wage rate set forth in a collective bargaining agreement (CBA); A wage rate for the occupation and area of intended employment under either the Davis-Bacon Act (DBA) or the McNamara-O'Hara Service Contract Act (SCA), which are available at <http://www.wdol.gov>; A wage rate produced by a survey conducted by an independent authoritative source that meets the requirements set forth in Departmental regulations at 20 CFR sec. 655.731." U.S. Dep't of Labor Employment & Training Administration, Foreign Labor Certification: OFLC Frequently Asked Questions and Answers – H-1B Prevailing Wages, <http://www.foreignlaborcert.doleta.gov/faqsanswers.cfm#prevailingwage>.
7. It should be noted that some of these pieces of evidence are listed under the equivalent degree section, but in practice, they are very useful to bolster the submission and ensure that the worker's qualifications are truly understood. This is especially true with some of the more modern and complex positions involving 3D printing or patternmaking. U.S. Dep't of Labor Employment & Training Administration, Foreign Labor Certification – Prevailing Wages (PERM, H-2B, H-1B, H-1B1, and E-3), Filing Process, <http://www.foreignlaborcert.doleta.gov/pwscreens.cfm>.
8. 8 CFR § 214.2 (h)(4)(ii)(A)(1-4); (B)(1-3); (C)(1-4); (D)(1-5) (2012).
9. However, if a worker is seeking H-1B for the first time, he or she *will be cap exempt* if he or she will be working at "institutions of higher education or related or affiliated nonprofit entities, nonprofit research organizations, or governmental research organizations," <http://www.uscis.gov/working-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-fiscal-year-fy-2014-cap-season>.
10. This is the same prevailing wage that was discussed above by searching through O\*Net OnLine and the Foreign Labor Certification Data Center Online Wage Library.



11. This is available through the Foreign Language Certification Data Center Online Wage Library by running a search through the "Search Wizard." The resulting link would be as follows for New York: <http://www.flcdatacenter.com/OesQuickResults.aspx?area=35644&code=41-9012&year=14&source=1>.
12. 8 CFR § 214.2(h)(4)(i)(C) (2012).
13. 8 CFR § 214.2(h)(4)(vii)(B) (2012).
14. 8 CFR § 214.2(h)(4) (2012).
15. 8 CFR § 214.2(h)(4)(i)(C) (2012).
16. 8 CFR § 214.2(h)(4)(vii)(C) (2012).

Michael Cataliotti is an entertainment attorney who practices primarily in the areas of business immigration, entertainment transactions, and corporate governance for U.S. start-ups and expansions. He advises individuals and corporations from such industries as music, fashion, film, television, art, theatre, digital media, literature, and food and beverage on an array of transactions and immigration matters. Michael is a member of the American Immigration Lawyers Association (AILA) and an active supporter of FWD.us.

## There are millions of reasons to do Pro Bono.

(Here are some.)



Each year in communities across New York State, indigent people face literally millions of civil legal matters without assistance. Women seek protection from an abusive spouse. Children are denied public benefits. Families lose their homes. All without benefit of legal counsel. They need your help.

If every attorney volunteered at least 20 hours a year and made a financial contribution to a legal aid or pro bono program, we could make a difference. Please give your time and share your talent.

Call the New York State Bar Association today at **518-487-5640** or go to [www.nysba.org/probono](http://www.nysba.org/probono) to learn about pro bono opportunities.



# Monuments Men, Hidden Treasures, and the Restitution of Looted Art

By Leila Amineddoleh

The recent discovery of a hidden art trove is the stuff of which movies are made. In fact, similar stories have been featured in films. The recent announcement of Cornelius Gurlitt's art cache involves a familiar cast of players: Hitler, Goebbels, Nazi commanders, Allied forces, political figures, and even the Monuments Men (a group featured in the 2014 release of George Clooney's "The Monuments Men," based on a book of the same title). On November 3, 2013, in what some called "one of the largest and most significant discoveries of masterpieces plundered by the Nazis,"<sup>1</sup> a major piece of news was announced: "A Modernist art haul, 'looted by Nazis' recovered by German police."<sup>2</sup>

The "Gurlitt Collection" is shrouded in mystery, as the origins of the majority of the approximately 1,400 works are murky, thus prompting a large-scale investigation. What is clear is the following: the artwork, believed to be worth more than \$1.35 billion,<sup>3</sup> was seized from Cornelius Gurlitt in early 2012. Gurlitt first attracted the attention of police in 2010 after a random cash check during a train trip between Switzerland and Munich.<sup>4</sup> These suspicions led to a raid on Gurlitt's apartment in the spring of 2011. During that raid, police were confronted with a massive art collection.<sup>5</sup>

The art has a troubled past. During the Nazi regime, Hitler violently pushed forward his agenda for art and "German culture." From the start of his maniacal rule, Hitler targeted art that was not "pure" or "Germanic."<sup>6</sup> Like many failed artists (Hitler was twice rejected by the Academy of Fine Arts in Vienna), Hitler considered himself to be an art critic.<sup>7</sup> He aimed to create a pure Germanic culture by obliterating "degenerate art" and replacing it with Germanic works.<sup>8</sup> The works deemed "degenerate" included modern art that the Fuhrer thought "insulted German feeling," or would "destroy or confuse natural form or simply reveal an absence of adequate manual and artistic skill."<sup>9</sup> He hated anything that was "unfinished" or abstract.<sup>10</sup> So in 1937, the Nazis began a campaign against offending art. Nazi art experts ransacked German public collections for anything modernist to be displayed as "degenerate," to be sold abroad or destroyed.<sup>11</sup> On June 30, 1937, Goebbels issued a decree<sup>12</sup> authorizing Adolf Ziegler (Hitler's favorite painter, and the man tasked with overseeing the purging of "degenerate art") and a five-man commission to visit German museums and select works for an exhibition of "degenerate" art.<sup>13</sup> 19,500 works of art from the "Verfallszeit" (depraved period) were confiscated from museums in all states and communes in the Reich.<sup>14</sup> In July of that year, the works were gathered for an exhibit "The Entar-

tete Kunst" (Degenerate Art) that opened in Munich. The works were displayed without a proper curatorial process, and some were even partially covered by pejorative slogans.<sup>15</sup> (Ironically, it was the most successful modern art exhibition of all time.<sup>16</sup>) After the exhibition traveled and concluded, many objects were sold at auction.<sup>17</sup> Some were purchased by museums or private collectors, some by Nazi officials.<sup>18</sup> The fate of some nearly 5,000 works was more tragic, as they were burned on March 20, 1939.<sup>19</sup> Another group of approximately 4,000 paintings met the same fiery end on July 27, 1942 in a bonfire outside the Galerie Nationale in Paris.<sup>20</sup>

This is where the story takes an unexpected turn. More than 300 of the exhibited "degenerate" works were allegedly stolen by art dealer Hildebrand Gurlitt, who reported them destroyed by bombardments.<sup>21</sup> These works disappeared for over half a century. However, they appeared again in 2012, and were seized from Hildebrand's son that same year.<sup>22</sup> At least 300 of the 1,400 works in the collection are thought to belong to a body of about 16,000 works once declared "degenerate art." Others are suspected to have been the property of fleeing Jewish collectors who were forced to leave behind belongings during their devastating flight out of the Third Reich.<sup>23</sup>

Hildebrand Gurlitt (who was ironically a "quarter-Jew"<sup>24</sup>) hailed from a culturally prominent family: amongst other artistic members, his grandfather was a well-known painter and his father was an architectural historian.<sup>25</sup> At the age of 29, Hildebrand became the first director of the König Albert museum in Zwickau,<sup>26</sup> where he served as the director until 1930.<sup>27</sup> During that period, he developed contacts with important modern artists from that era.<sup>28</sup> Following his time in Zwickau, he moved to Hamburg, where he was curator and managing director of the Kunstverein (Art Association).<sup>29</sup> He and other board members were allegedly forced by the Nazis to resign in 1933. Although fired for exhibiting "degenerate art," Hildebrand was appointed as a dealer for the Führermuseum in Linz where he continued to trade in modern art, under orders from the Ministry of Public Enlightenment and Propaganda.<sup>30</sup> In the words of Nazi Propaganda Minister Joseph Goebbels, the Nazis tried to "make some money from this garbage [art deemed "degenerate"]." Hildebrand was a modern art specialist, and thus was recruited by Goebbels to raise cash for the Third Reich by selling modern art.<sup>31</sup> Gurlitt was one of four dealers appointed by the Commission for the Exploitation of Degenerate Art to sell confiscated and stolen works abroad. The dealers were permitted to buy pieces for very little from Jewish collectors (who were often under duress), to then

sell abroad for profit. Gurlitt profited from the sales, not all of which were reported to the commission.<sup>32</sup> Evidently, Gurlitt also sold art to German collectors.<sup>33</sup> In fact, some of the art seized by Gurlitt was passed along to Nazi officials.

Hildebrand Gurlitt was arrested and his collection was seized by the Allies in Aschbach, Germany in 1945.<sup>34</sup> He was interrogated by Lieutenant Dwight McKay of the U.S. Third Army about his activities as a Nazi art dealer.<sup>35</sup> During this interrogation, Gurlitt denied handling confiscated art in France.<sup>36</sup> He claimed that his collection and documentation regarding art transactions were destroyed during the 1945 firebombing of Dresden.<sup>37</sup> The “surviving” 139 works were seized by the Allies and then studied by the Monuments Men<sup>38</sup> (who were a group of Allied servicemembers and civilians working to safeguard art and cultural objects during World War II, and who helped in the restitution process after the end of conflict). The works were returned to Hildebrand after he convinced them that they were legally acquired.<sup>39</sup> However, he failed to mention that he had another 1,250 pieces hidden.<sup>40</sup> For five years, Gurlitt corresponded with the Monuments Men, asserting his innocence and rightful ownership.<sup>41</sup> In fact, he easily convinced the Allies that he was innocent; his partial Jewish ancestry and his documented history as a champion to “degenerate” modern art deemed him above suspicion.<sup>42</sup> Appallingly, Gurlitt even allegedly claimed to have helped Jews fund their escape from Nazi-occupied zones.<sup>43</sup> Designated as a victim of Nazi crimes, Gurlitt was released, and the works were returned to him in January 1951.<sup>44</sup> However, the deceit does not end there: Hildebrand Gurlitt was killed in a car crash in 1956, and in 1967, his widow told authorities that all of her late husband’s paintings were destroyed in the bombing of Dresden.<sup>45</sup> Through these lies, the Gurlitts had been able to keep this cache hidden. When Hildebrand Gurlitt died, the works were passed down to his son, Cornelius, without the knowledge of the authorities.<sup>46</sup>

Finally, on February 28, 2012, based on a court order for tax-related allegations (the only assertions against Cornelius at this time),<sup>47</sup> the works were confiscated.<sup>48</sup> At that point, the public prosecutor in Augsburg commissioned German provenance researcher Meike Hoffmann to examine the collection.<sup>49</sup> Her first task was to determine the identity of artists whose works were in Gurlitt’s possession.<sup>50</sup> There are countless unanswered questions about the art trove, but there are a few confirmed facts thus far. There are two different types of art in the Gurlitt collection: (1) “degenerate art” and (2) “stolen art.” Degenerate art was removed from German museums and public institutions and confiscated. Stolen art refers to works that were taken, mainly from Jewish owners, under pressure or by threat or through Nazi-sanctioned purchases and exchanges.<sup>51</sup> However, determining the accurate history of each individual piece is a monumentally complex task that involves delving into historic events

without documentary evidence and very few living witnesses. Luckily, there is some paperwork to assist in this quest. Hildebrand Gurlitt claimed that his records were destroyed during the war; however, that was a lie. The documents were found in crates during the government’s seizure of items from Cornelius’ apartment.<sup>52</sup>

One of the controversies surrounding the art discovery relates to the lack of transparency about the works. Bavarian prosecutors handling this case have not been forthcoming in releasing information about the seized items. As of the time of this writing, officials in Augsburg would not release a complete inventory of the objects, citing privacy rights.<sup>53</sup> The head of the state prosecutor’s office in Augsburg defended the lack of information by stating that German privacy laws prevented his office from making investigation details public.<sup>54</sup> The government also would not provide information about the objects’ location during the inventory and research process.<sup>55</sup> Individuals and organizations around the world, including Jewish interest groups, have demanded that officials in Augsburg provide more data. Anne Webber of the Commission for Looted Art in Europe stated, “We have reminded the Bavarian authorities of the need for transparency and requested a full list of the works. So far we have had no response.” The Holocaust Art Restitution Project sent a letter to Wolfgang Schäuble, the German Ministry of Finance, demanding that the German government disclose a full, complete and detailed inventory of the Gurlitt collection, and to create a commission for the restitution of works to heirs.<sup>56</sup> One of the difficulties related to restitution is that, as time moves forward, survivors pass away, and remaining heirs may be unaware of their families’ looted assets. As stated by Stuart Eizenstat, the U.S. State Department’s special adviser on Holocaust issues, “No one can have a fair restitution-claims process without fair access to information.”<sup>57</sup>

In fact, the German federal government has urged Bavarian prosecutors to publicize the list of works in the Gurlitt collection. This has been met with resistance by local investigators who view this matter as a tax case.<sup>58</sup> Bavarian officials have defended their lack of transparency, stating that they have not publicized the list for fear that it would release a surge of false claims from fortune seekers.<sup>59</sup> The head of the German Museums Association initially went on record saying that the reluctance to publish lists of works is tied to the likelihood of large numbers of claims.<sup>60</sup> The state prosecutors also kept the trove secret for nearly two years so that it would not hinder investigations related to tax evasion and embezzlement.<sup>61</sup> Yet pressure from U.S. and Jewish groups was so great that within about a week, the German government disclosed additional information. The government stated that about 590 of the paintings could have been stolen by the Nazis, and that the government would publicize information about some of the pieces at [www.lostart.de](http://www.lostart.de), a site regularly updated.<sup>62</sup> Furthermore, the



German government is in talks with the Jewish Claims Conference (JCC) to collaborate with art provenance experts to create a task force.<sup>63</sup> The task force is now composed of six individuals, both German and international experts (although the identity of the experts has not been disclosed).<sup>64</sup> The German government recognized that: "Without transparent documentation, a complete clarification as to the origins of these works of art can hardly be achieved."<sup>65</sup> After all, how can restitution occur without disclosure of information about the objects?

Even with information about the objects in Gurlitt's treasure trove, heirs of legitimate owners and museums seeking to reclaim works will face major obstacles. Cornelius Gurlitt has fought the restitution process, stating that he will not voluntarily return the works.<sup>66</sup> He claims to be the legitimate heir of the works, and that he was unaware of their origins.<sup>67</sup> According to Cornelius Gurlitt: "I've never committed a crime, and even if I had, it would fall under the statute of limitations. If I were guilty, they would put me in prison."<sup>68</sup> In fact, Gurlitt appears to be obsessed with the works, stating that he has never loved anything more than the paintings. Compared to the deaths of his family members, Cornelius stated that "parting with my pictures was the most painful [experience] of all."<sup>69</sup>

As recognized by Gurlitt, claimants seeking restitution will face the hurdle of the statute of limitations. If Gurlitt claims to have taken the works in good faith, German law may favor him over the actual owners, the opposite approach of that taken in the United States.<sup>70</sup> Here, it may be possible for the original owners and their heirs to toll the statute of limitations in order to file a case for theft. In the U.S., the statute of limitations for theft (according to U.S. law, objects seized by the Nazis are considered stolen,<sup>71</sup> as are works sold under duress<sup>72</sup>) may be tolled by one of two doctrines: (1) the Demand and Refusal Rule or (2) the Discovery Rule. New York is the only state that follows the Demand and Refusal Rule; under that rule, the statute of limitations begins to run at the time that the original owner demands the return of his or her work and the current possessor refuses to return it.<sup>73</sup> The original owner cannot indefinitely delay making the demand,<sup>74</sup> but in the case that an artwork's location was concealed, courts may excuse a delay in demand.<sup>75</sup> The Discovery Rule tolls the statute of limitations until the time that an owner knew or reasonably should have known the whereabouts of the object.<sup>76</sup>

In Germany, the statute of limitations for civil suits is imposed by statute, primarily Sections 194 through 218 of the German Civil Code (*Bürgerliches Gesetzbuch*, BGB). The period generally runs for three years, but the limitations for certain matters can extend to 10 or 30 years. However, under the German civil code, the limitations period may not extend over 30 years.<sup>77</sup> U.S. representatives and art market players like Ronald Lauder (Presi-

dent of the World Jewish Congress) have insisted that German courts disregard the time constraints for cases involving works stolen by the Nazis.<sup>78</sup> German Justice Minister Sabine Leutheusser-Schnarrenberger has stated that that outcome is unlikely.<sup>79</sup> Statutes of limitations are enacted to avoid fraudulent and stale claims from arising after evidence has been lost or facts have become blurred with the passage of time or the defective memory, death, or disappearance of witnesses. However, this rationale for the statute of limitations is weak for the current case. The Gurlitt family actively hid the existence of a treasure trove, and lied to officials about the artwork. The heirs of the original owners probably never knew they had rights to any of the art because they believed their collections were destroyed during the ravages of war.

However, some promising news regarding the time limitations was reported by the German newspaper *Spiegel*.<sup>80</sup> Winfried Bausback, a law professor and member of the Bavarian state government, stated that he does not agree with the proposition that restitution claims of Holocaust victims would be ignored due to time limitations. For that reason, he instructed his ministry to draft legislation dealing with this issue. The legislation would apply retroactively and would prevent someone from acquiring an object in bad faith (including the case of someone inheriting property) and then invoking the limitations period.<sup>81</sup>

Another way to overcome the restrictive regime of German statute of limitations is to bring claims in a jurisdiction with more forgiving time restrictions. Each case involving each individual piece of art is unique. If lawsuits are filed in non-German jurisdictions, those venues may potentially apply limitations rules and tolling exceptions that are more favorable to victims (such as the Demand and Refusal or the Discovery Rules). However, bringing forth litigation in foreign jurisdictions will depend on the individual facts of each case. For example, some of the works seized by the Allies (which were subsequently returned, based upon Hildebrand's misrepresentations) had been in the U.S. for some period of time.<sup>82</sup> Those works could potentially have a connection to a U.S. jurisdiction, allowing claimants to file suit in this country.

Independent of that legal conundrum, another way for Holocaust survivors to avoid damning limitations periods is for them to urge criminal charges against Gurlitt under the "Nuremberg principles."<sup>83</sup> These principles, developed during the Nuremberg trials against Nazi leaders, classify mass looting in the context of genocide as a crime against humanity.<sup>84</sup> A war crime does not have a statute of limitations, and a German court could charge Gurlitt as an accomplice to war crimes.<sup>85</sup> However, this argument is far-fetched and unlikely to persuade the court, as Hildebrand Gurlitt was a quarter Jewish himself and faced discrimination due to his background. In addition, Cornelius cannot be held for a crime that he did

not actually commit. “His father did bad things during the Nazi period, but under our [the German] legal system you can’t punish the son for that.”<sup>86</sup>

Another difficulty involves adverse possession (or in Germany, “prescription”). Cornelius Gurlitt could conceivably be protected under German laws of prescription.<sup>87</sup> Under this doctrine, title to someone else’s property can be acquired without compensation by holding the property for a set time (in Germany, a period of 10 years) in a manner that conflicts with the true owner’s rights.<sup>88</sup> Whereas adverse possession only applies to real property in the U.S.,<sup>89</sup> prescription also applies to personal property (including art) in Germany.<sup>90</sup> Yet the law does state that: “Acquisition by prescription is excluded if the acquirer on acquiring the proprietary possession is not in good faith or if he later discovers that he is not entitled to the ownership.” It has been argued by Cornelius Gurlitt himself that he is the owner, he acquired the works in good faith as the heir of Hildebrand Gurlitt, and that he believes that he is entitled to ownership. However, it has recently been indicated that Gurlitt may be willing to cooperate in the restitution process; according to his attorney, he wants to “take responsibility.”<sup>91</sup> Yet this change of attitude and willingness to discuss the return of artwork does not suggest that the heirs’ legal battles will be simple to overcome.

Even if claimants can overcome the hurdles of statute of limitations and prescription, proving ownership is a formidable task. When Jews and other victims of Nazi atrocities were forced to escape from their homes in fear of their lives, the ownership records of their art collections were not of the utmost importance. These people were fleeing for their lives, families were being torn apart, people were being murdered across a continent, and individuals were losing possession to every worldly object in their names. When families were forced to agonizingly abandon their lives and loved ones, were forced to march towards their deaths, most were unable to carry property with them. For those lucky enough to flee with property, such items were often family pictures and heirlooms, not documentary evidence proving ownership of modern art. For this reason, the heirs to these victims will face an uphill battle to recover property. These individuals may be facing an impossible task—proving ownership without any documentation. In order to make a restitution claim, it is essential to prove an ownership right. This task is one of the heaviest burdens facing claimants.

One of the hopes for Holocaust victims and their heirs is the possibility of new legislation directing appropriate solutions for Nazi-era appropriations. An international agreement used in the restitution battle is the Washington Principles. As the name suggests, the Washington Principles are principles, not law. They are “non-binding principles” intended to assist in the resolution of issues related to Nazi-looted art.<sup>92</sup> The draft-

ers recognized that participating nations are bound to differing legal regimes,<sup>93</sup> but that participants recognize the importance of the values articulated in this document. Although admirable in their purpose, the articles are weak, not only because they are non-binding, but they are also vague (although defensibly so since this area of the law generally involves property without clear provenance and documentation). The convention calls for “a just and fair solution,” and recognizes that the fairness and justice of a solution will vary “according to the facts and circumstances surrounding a specific case.” Drafters of the Washington Principles recognized the fact-specific nature of the task. In the controversy over the Gurlitt collection, the facts presented are quite complex. Works were hidden from the public for over six decades, making it impossible for any claimant to pursue art restitution and present documentation proving ownership.

Along with 44 other nations, Germany was a signatory to the Washington Principles. However, claims are being made that Germany is not abiding by the principles.<sup>94</sup> Germany has not adopted a formal, national approach to restitution; thus, claims are complicated, lengthy, and require the claimant to build a full-proof case. The Germans believe that burden of proof should rest with claimants, even in cases related to Nazi looting.<sup>95</sup> Bavarian state collections contain thousands of works acquired during the Nazi period, and that information has not yet been published.<sup>96</sup> Under the fifth article of the Washington Principles, “Every effort should be made to publicize art that is found to have been confiscated by the Nazis” in order to return the works to rightful owners.<sup>97</sup> In addition, the second article requires that “relevant records and archives” should be open and accessible to researchers.<sup>98</sup> Neither of these things has been done by the German authorities. Germany has an office solely devoted to restitution claims, the Federal Office for Central Services and Unresolved Property Issues (the BADV); the office handles applications related to illegal property seizures during the National Socialist era, expropriations in East Germany from 1949 to 1990, and compensations for expropriations under occupation law.<sup>99</sup> However, the office has not been responsive or forthcoming with information.<sup>100</sup> Furthermore, restitution claims may be difficult to enforce in this case under the Washington Principles because they apply “only to state institutions, but not for private collectors.”<sup>101</sup>

Courts and law enforcement officials may determine that Gurlitt is the actual owner of the treasure trove.<sup>102</sup> According to some legal experts, Gurlitt may succeed in asserting ownership over many of the works. “The legal situation as far as I can tell is that Gurlitt is the rightful owner of a large share of the work in question— even if that is questionable from a moral and ethical point of view,” said Uwe Hartmann, head of the government agency charged with researching the provenance of art in

public collections.<sup>103</sup> As the legal process is so complex, uncertain, and time-consuming (sadly, any surviving Holocaust victims may perish during this time), the best option may be for Holocaust heirs to work through this process by negotiating with Cornelius Gurlitt. There is precedent of his negotiating. In 2011, he sold a work by Max Beckmann titled “The Lion Tamer” for €864,000, which he shared with the heirs of the prior owner, a Jewish collector.<sup>104</sup>

Finally, if all else fails, hope rests with the German government and diplomatic posturing. Returning the works to Gurlitt is shocking to the collective conscience. For this reason, international politics may play a role in the search for an equitable solution; the German government may find it necessary to intervene in order to avoid a morally reprehensible outcome. U.S. and Israeli officials are calling on Germany to improve its restitution policies to find a proper resolution to these issues.<sup>105</sup>

However, besides the stolen works belonging to Holocaust victims and their heirs, there are hundreds of works (estimated to be about 380)<sup>106</sup> that were stolen from museums and found their way into Gurlitt’s collection. Sadly, it is likely that the Gurlitt family will be able to keep all of the pieces that were taken from museums and deemed to be “degenerate.”<sup>107</sup> The Law on the Confiscation of Products of Degenerate Art, passed on May 31, 1938, decreed that the Third Reich could appropriate art from public museums in Germany without compensation.<sup>108</sup> The confiscation law allowed the Nazis to seize “degenerate” art that Hitler viewed as un-German or Jewish in nature.<sup>109</sup> Most troubling is that this law is still valid today.<sup>110</sup> Unlike anti-Semitic laws that were revoked after the fall of the Third Reich, the 1938 law regarding degenerate art still exists. Under German law, there is no obligation to return works seized from a museum, unless they were loaned by private individuals or had foreign owners.<sup>111</sup> The German government and professionals in the art world are hesitant to repeal the law for fear that it would open Pandora’s Box, as it would unravel an intricate web of agreements involving Nazi-looted art.<sup>112</sup> The law therefore makes it unlikely that any of the museums will be able to reclaim their works.<sup>113</sup>

There are so many unanswered questions related to the “Gurlitt Collection.” Will this discovery prompt a change in German or international law? Will statutes of limitations be modified for cases involving Nazi-looted property? Will this case change the legal landscape for all future Nazi-looted art disputes? What will happen to stolen objects without heirs? What is the fate of the “degenerate” objects that were once part of public collections? Should these works be returned to the public realm? There are so many unanswered questions, but one thing is certain—we will be examining legal and moral questions for years, if not decades.

## Endnotes

1. Carlo Angerer & Andy Eckardt, *Nazi Art Trove in German Apartment Includes Previously Unknown Matisse*, NBC News, Nov. 5, 2013, [http://worldnews.nbcnews.com/\\_news/2013/11/05/21318847-nazi-art-trove-in-german-apartment-includes-previously-unknown-matisse](http://worldnews.nbcnews.com/_news/2013/11/05/21318847-nazi-art-trove-in-german-apartment-includes-previously-unknown-matisse).
2. Although the breaking news source to announce the find was a German newspaper (Aktualisiert am Montag, *Fahnder entdecken 1500 Werke von Picasso, Chagall und weiteren Künstlern*. Focus, Nov. 4, 2013, [http://www.focus.de/kultur/kunst/nazi-raubkunstmeisterwerke-zwischen-muell-fahnder-entdecken-kunstschatz-in-milliardenhoehe\\_aid\\_1147066.html](http://www.focus.de/kultur/kunst/nazi-raubkunstmeisterwerke-zwischen-muell-fahnder-entdecken-kunstschatz-in-milliardenhoehe_aid_1147066.html)), one of the first English-language announcements was made by The Guardian, Philip Oltermann, *Modernist art haul, 'looted by Nazis', recovered by German police*, The Guardian, Nov. 3, 2013, [http://www.theguardian.com/world/2013/nov/03/nazis-looted-modernist-masterpieces-germany-police?CMP=tw\\_t\\_gu](http://www.theguardian.com/world/2013/nov/03/nazis-looted-modernist-masterpieces-germany-police?CMP=tw_t_gu).
3. Angerer, *supra*, note 1.
4. Oltermann, *supra*, note 2.
5. *Id.*
6. Lynn Nicholas, *Spoils of War 39* (Elizabeth Simpson ed., Harry N. Abrams 1997).
7. Jonathan Jones, *What the Nazis Didn't Want You to See*, The Guardian, Aug. 15, 2005, <http://www.theguardian.com/world/2005/aug/16/secondworldwar>.
8. Rachael Bell, *The Third Reich's Pillage of European Art and Treasures*, Crim=e Library, [http://www.trutv.com/library/crime/gangsters\\_outlaws/gang/stolen\\_art/2.html](http://www.trutv.com/library/crime/gangsters_outlaws/gang/stolen_art/2.html).
9. Frederic Spotts, *Hitler and the Power of Aesthetics 151-68* (The Overlook Press 2002).
10. Nicholas, *supra*, note 6.
11. Jones, *supra*, note 7.
12. Stephanie Barron, *Modern Art and Politics in Prewar Germany*, in *Degenerate Art: The Fate of the Avant-Garde in Nazi Germany 9-23* (Stephanie Barron ed., Los Angeles: Los Angeles County Museum of Art, 1991).
13. *The Case of the Missing "Degenerate Art," Lost then Found*, Art Tattler International, Oct. 21, 2012-Jan. 28, 2013, <http://arttattler.com/archivedegenerateart.html>.
14. *Id.*
15. Ursula A. Ginder, *Munich 1937: The Development of Two Pivotal Art Exhibitions*, graduate student paper for University of California Santa Barbara, June 2004, <http://www.history.ucsb.edu/faculty/marcuse/classes/133c/133cproj/04proj/GinderNaziArt047.htm>.
16. Jones, *supra*, note 7.
17. United States Holocaust Memorial Museum, *1937 Munich Exhibit of Degenerate Art*, <http://www.ushmm.org/information/exhibitions/online-features/collections-highlights/julien-bryan/nazi-germany-1937/1937-munich-exhibition-of-degenerate-art>.
18. *Id.*
19. Ginder, *supra*, note 15.
20. Allison Meier, *10 of the Most Infamous Art Destructions of World War II*, Hyperallergic, Nov. 20, 2013, <http://hyperallergic.com/94427/10-of-the-most-infamous-art-destructions-of-world-war-ii/>.
21. Allan Hall, *Nazi Art Treasure Trove Valued at £1 Billion is Found in Shabby Munich Apartment*, Daily Mail, Nov. 3, 2013, <http://www.dailymail.co.uk/news/article-2486251/1bn-haul-art-Picasso-Renoir-Matisse-squalid-Munich-flat.html>; Melissa Eddy et al., *German Officials Provide Details on Looted Art*, N.Y. Times, Nov. 5, 2013, <http://www.nytimes.com/2013/11/06/arts/design/german-officials-provide-details-on-looted-art-trove.html?pagewanted=1&r=1>.



22. Eddy, *supra*, note 21; Oltermann, *supra*, note 2.
23. Oltermann, *supra*, note 2.
24. Walter Laquer, *Degenerate Art and the Jewish Grandmother*, Mosaic, Nov. 2013, <http://mosaicmagazine.com/supplemental/2013/12/degenerate-art-and-the-jewish-grandmother/> (stating that Hildebrand Gurlitt's grandmother was Jewish, and that under the Nuremberg laws, he was considered a "quarter-Jew").
25. *Id.*
26. Bernhard Fulda & Aya Soika, Max Pechstein: The Rise and Fall of Expressionism (de Gruyter 2012), at 258.
27. Städtisches Museum Zwickau [Municipal Museum Zwickau], [http://www.zwickau2000.de/z5/stadt/museum\\_zwickau.html](http://www.zwickau2000.de/z5/stadt/museum_zwickau.html).
28. *Hildebrand Gurlitt—the Axis Behind the Munich Art Treasure*, Freie Presse, Nov. 5, 2013, <http://www.freiepresse.de/NACHRICHTEN/TOP-THEMA/Hildebrand-Gurlitt-der-Sachse-hinter-dem-Muenchner-Kunstschatz-artikel8592544.php>.
29. Nicholas O'Donnell, *Focus Turns to Hildebrand Gurlitt's Postwar Interrogation; Cornelius Gurlitt's Whereabouts. Belvedere Official Questions Whether Collection was Really a Secret*, The Art Law Report, Nov. 7, 2013, <http://www.artlawreport.com/2013/11/07/focus-turns-to-hildebrand-gurlitts-postwar-interrogation-cornelius-gurlitts-whereabouts-belvedere-official-questions-whether-collection-was-really-a-secret/>.
30. *Hildebrand Gurlitt—the Axis Behind the Munich Art Treasure, supra*, note 28.
31. Angerer, *supra*, note 1.
32. Lynn H. Nicholas, *The Rape of Europa: The Fate of Europe's Treasures in the Third Reich and the Second World War* (Random House 2009) at 24.
33. *Entartete' Kunstgeschäfte*, [‘Degenerate’ Art Shops], Der Standard, Aug. 6, 2008, <http://derstandard.at/1216918696497/Entartete--Kunstgeschaefte>.
34. Commission for Looted Art in Europe, *Gurlitt Case: Hildebrand Gurlitt: Allied Documents, Interrogation and Collection List 1945-1950*, [http://www.lootedart.com/QDES4V964951\\_print;Y](http://www.lootedart.com/QDES4V964951_print;Y); Guy Walters, *Revealed: The Oddball Who Hid £1bn of Art in His Squalid Flat... and the Extraordinary Story of How His Father, who Stole Paintings for the Nazis, Conned Allied Investigators*, The Daily Mail, Nov. 12, 2013, <http://www.dailymail.co.uk/news/article-2504403/Cornelius-Gurlitt-oddball-hid-1bn-Nazi-art-flat.html>.
35. *Id.*
36. Declassified reports re: Hildebrand Cornelius Gurlitt, [http://www.lootedart.com/web\\_images/pdf2013/Supporting%20documentation%20provided%20by%20Gurlitt%20and%20related%20documentation%20from%20the%20Allies%20regarding%20the%20collection.pdf](http://www.lootedart.com/web_images/pdf2013/Supporting%20documentation%20provided%20by%20Gurlitt%20and%20related%20documentation%20from%20the%20Allies%20regarding%20the%20collection.pdf).
37. Reports <http://www.fold3.com/document/231981211/>.
38. Walters, *supra*, note 34. See generally, Robert Edsel, *The Monuments Men: Allied Heroes, Nazi Thieves and the Greatest Treasure Hunt in History* (Center Street 2010).
39. Mary M. Lane, et al., *The Strange Tale of Nazis, Mr. Gurlitt and the Lost Masterpieces*, Wall Street Journal, Nov. 8, 2013, <http://online.wsj.com/news/articles/SB10001424052702303309504579185861314057386>.
40. *Id.*
41. Walters, *supra*, note 34.
42. *Hildebrand Gurlitt—the Axis Behind the Munich Art Treasure, supra*, note 28.
43. Oltermann, *supra*, note 2.
44. Walters, *supra*, note 34.
45. *Id.*
46. Oltermann, *supra*, note 2.
47. Dietmar Hipp & Conny Neumann, *Art Investigation: Empathy Alone Doesn't Help Us Any Further*, Spiegel, Nov. 25, 2013, <http://www.spiegel.de/international/germany/bavarian-justice-minister-says-empathy-for-gurlitt-is-no-longer-any-help-a-935560.html>.
48. Bernhard Shulz, *Comment: What Next for the Gurlitt Treasures?*, The Art Newspaper, Dec. 2, 2013, <http://www.theartnewspaper.com/articles/Comment-What-next-for-the-Gurlitt-treasures/3113.7>
49. *Id.*
50. Shulz, *supra*, note 48.
51. *Id.*
52. *Id.*
53. Eddy, *supra*, note 21.
54. Soeren Kern, *Germany: The Greatest Double Robbery in the History of Art?*, Gatestone Institute, Nov. 8, 2013, <http://www.gatestoneinstitute.org/4048/germany-stolen-art>.
55. Eddy, *supra*, note 21.
56. Press Release, *Plundered Art, a Perspective from the Holocaust Art Restitution Project* (Nov. 8, 2013), [http://plundered-art.blogspot.com/2013/11/the-holocaust-art-restitution-project.html?utm\\_source=feedburner&utm\\_medium=email&utm\\_campaign=Feed%3A+plundered-art+%28plundered+art%29](http://plundered-art.blogspot.com/2013/11/the-holocaust-art-restitution-project.html?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+plundered-art+%28plundered+art%29).
57. Mary M. Lane, U.S., *Israel Step Up Pressure on Germany Over Looted Art*, Wall Street Journal, Dec. 9, 2013, <http://online.wsj.com/news/articles/SB10001424052702304744304579248491947641318>.
58. *Munich Art Fund: Government Plans to Publish List to Gurlitt Treasure*, Nov. 11, 2013, <http://www.spiegel.de/kultur/gesellschaft/muenchner-kunstfund-bundesregierung-will-aufklaerung-beschleunigen-a-932850.html>.
59. Mary M. Lane, *Germany Plans to Publish List of Nazi-Looted Works in Art Trove*, The Wall Street Journal, Nov. 14, 2013, <http://online.wsj.com/news/articles/SB10001424052702303789604579198263866899006>.
60. Mark Hudson, *Nazi art: does Germany have a problem returning art stolen by the Nazis?*, The Telegraph, Nov. 4, 2013, <http://www.telegraph.co.uk/culture/art/art-news/10425983/Nazi-art-does-Germany-have-a-problem-returning-art-stolen-by-the-Nazis.html>.
61. Mary M. Lane, *supra*, note 59.
62. Kirsten Grieshaber, *Germany Starts Identifying Munich Art Found Online*, Associated Press, Nov. 11, 2013, [heraldnet.com/article/20131111/NEWS02/711119883/Germany-starts-identifying-Munich-art-found-online](http://heraldnet.com/article/20131111/NEWS02/711119883/Germany-starts-identifying-Munich-art-found-online).
63. *Id.*
64. Lane, *supra*, note 59.
65. *Id.*
66. *Cornelius Gurlitt wants to keep Nazi art: "I haven't loved anything more,"* Reuters, Nov. 18, 2013, <http://www.smh.com.au/entertainment/art-and-design/cornelius-gurlitt-wants-to-keep-nazi-art-i-havent-loved-anything-more-20131118-2xpxm.html#ixzz2o2IPYe1p>.
67. Angerer, *supra*, note 1.
68. Simon Shuster, *Why the Man Who Hoarded Nazi-Looted Art May Get to Keep It All*, Time, Nov. 19, 2013, <http://world.time.com/2013/11/19/why-the-man-who-hoarded-nazi-looted-art-may-get-to-keep-it-all/>.
69. *Cornelius Gurlitt wants to keep Nazi art: "I haven't loved anything more," supra*, note 66.
70. Nicholas O'Donnell, *First List of Art Found in Gurlitt Collection is Released, Website Overwhelmed as Claimants Consider Legal Options*, Art Law Report, Nov. 12, 2013, <http://www.artlawreport.com/2013/11/12/first-list-of-gurlitt-collection-released-website-overwhelmed-as-claimants-consider-legal-options/>.

71. *Republic of Austria v. Altmann*, 541 U.S. 677 (2004).
72. See *Vineberg v. Bissonnette*, 548 F.3d 50 (1st Cir. 2008) (the first case to equate a forced sale with a theft).
73. *Menzel v. List*, 24 N.Y.2d 91, 246 N.E.2d 742, 298 N.Y.S.2d 979 (1969).
74. *Kunstsammlungen zu Weimar v. Elicofon*, 678 F. 2d 1150 (2d Cir. 1982).
75. See *Bakalar v. Vavra*, 819 F. Supp.2d 293 (S.D.N.Y. 2011) (finding that with the tumultuous circumstances after the fall of the Third Reich, “a certain amount of delay or specificity might be excused.”).
76. *O’Keeffe v. Snyder*, 83 N.J. 478 (1980).
77. See *Bürgerliches Gesetzbuch [BGB] [Civil Code]*, 2 Jan. 2002, Federal Law Gazette, Title 1, § 202.
78. *US reportedly pushing Germany for transparency on return of Nazi-looted art*, Fox News, Nov. 7, 2013, <http://www.foxnews.com/world/2013/11/07/us-reportedly-pushing-germany-to-return-nazi-looted-art/>; World Jewish Congress, *Lauder: Germany must address Nazi-looted art in private hands* (Nov. 20, 2013), [worldjewishcongress.org/en/news/14154/lauder\\_germany\\_must\\_address\\_nazi\\_looted\\_art\\_in\\_private\\_hands](http://worldjewishcongress.org/en/news/14154/lauder_germany_must_address_nazi_looted_art_in_private_hands).
79. Alex Webb, *Germany Can’t Extend Art Theft Statute, Minister Tells Paper*, Bloomberg News, Nov. 21, 2013, <http://www.businessweek.com/news/2013-11-21/germany-can-t-extend-art-theft-statute-minister-tells-paper>.
80. Dietmar Hipp & Conny Neumann, “*Art Investigation: ‘Empathy Alone Doesn’t Help Us Any Further’*,” Spiegel Online, Nov. 25, 2013, <http://www.spiegel.de/international/germany/bavarian-justice-minister-says-empathy-for-gurlitt-is-no-longer-any-help-a-935560.html>.
81. *Id.*
82. Mary M. Lane & Harriet Torry, *Works of Dealer Behind Nazi Art Trove Toured U.S.*, Wall Street Journal, Nov. 7, 2013, [http://online.wsj.com/news/articles/SB10001424052702303763804579183593547457088?mod=WSJ\\_World\\_LEFTSecondNews](http://online.wsj.com/news/articles/SB10001424052702303763804579183593547457088?mod=WSJ_World_LEFTSecondNews).
83. Simon Shuster, *Why the Man Who Hoarded Nazi-Looted Art May Get to Keep It All*, Time, Nov. 19, 2013, <http://world.time.com/2013/11/19/why-the-man-who-hoarded-nazi-looted-art-may-get-to-keep-it-all/>.
84. *Id.*
85. *Id.*
86. *Claims on German Art Trove Face Legal Hurdles*, New Zealand Herald, Nov. 15, 2013, [http://www.nzherald.co.nz/world/news/article.cfm?c\\_id=2&objectid=11157684](http://www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=11157684).
87. *Bürgerliches Gesetzbuch [BGB] [Civil Code]*, 2 Jan. 2002, Federal Law Gazette, Title 3, Subtitle 2, § 937, [http://www.gesetze-im-internet.de/englisch\\_bgb/englisch\\_bgb.html#p3639](http://www.gesetze-im-internet.de/englisch_bgb/englisch_bgb.html#p3639).
88. *Id.*
89. *O’Keeffe v. Snyder*, 83 N.J. 478 (1980).
90. *Bürgerliches Gesetzbuch [BGB] [Civil Code]*, 2 Jan. 2002, Federal Law Gazette, Title 3, Subtitle 2, § 937.
91. Mary M. Lane, *Son of Nazi Art Dealer Signals Readiness to Discuss Restitution*, Wall Street Journal, Jan. 24, 2014, [online.wsj.com/news/articles/SB10001424052702303448204579340922947502270](http://online.wsj.com/news/articles/SB10001424052702303448204579340922947502270).
92. U.S. Dept. of State, Bureau of European and Eurasian Affairs, Washington Conference Principles on Nazi-Confiscated Art (Dec. 3, 1998), <http://www.state.gov/p/eur/rt/hlcst/122038.htm>.
93. *Id.*
94. Mark Hudson, *Nazi Art: Does Germany Have a Problem Returning Art Stolen by the Nazis?*, The Telegraph, Nov. 4, 2013, <http://www.telegraph.co.uk/culture/art/art-news/10425983/Nazi-art-does-Germany-have-a-problem-returning-art-stolen-by-the-Nazis.html>.
95. Susan McArthur & Andrew Wood, *Looted Treasures, Patient Sleuthing*, The Globe and Mail, Nov. 14, <http://www.theglobeandmail.com/globe-debate/looted-treasures-patient-sleuthing/article15419453/>.
96. *Id.*
97. U.S. Dept. of State, Bureau of European and Eurasian Affairs, Washington Conference Principles on Nazi-Confiscated Art (Dec. 3, 1998), <http://www.state.gov/p/eur/rt/hlcst/122038.htm>.
98. *Id.*
99. Bundesamt für zentrale Dienste und offene Vermögensfragen (BADV) [Federal Office for Central Services and Unresolved Property Issues], <http://www.badv.bund.de/EN/UnresolvedPropertyIssues/start.html>.
100. Mary M. Lane, *U.S., Israel Step Up Pressure on Germany Over Looted Art*, Wall Street Journal, Dec. 9, 2013, <http://online.wsj.com/news/articles/SB10001424052702304744304579248491947641318>.
101. Tim Ackermann and Marc Reichwine, “So dreist organisierten die Nazis den Kunstraub” [“So brazenly, the Nazis organized art theft”], *Die Welt*, Nov. 12, 2013, [welt.de/kultur/kunst-und-architektur/article121770948/So-dreist-organisierten-die-Nazis-den-Kunstraub.html](http://www.welt.de/kultur/kunst-und-architektur/article121770948/So-dreist-organisierten-die-Nazis-den-Kunstraub.html).
102. Erik Kirschbaum, *Germany Could Challenge Recluse’s Ownership of Nazi-Looted Art*, Reuters, Nov. 6, 2013, <http://in.reuters.com/article/2013/11/06/germany-art-idINL5N0IR3B220131106>.
103. *Id.*
104. *Claims on German Art Trove Face Legal Hurdles*, New Zealand Herald, Nov. 15, 2013, [http://www.nzherald.co.nz/world/news/article.cfm?c\\_id=2&objectid=11157684](http://www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=11157684).
105. Mary M. Lane, *U.S., Israel Step Up Pressure on Germany Over Looted Art*, Wall Street Journal, Dec. 9, 2013, <http://online.wsj.com/news/articles/SB10001424052702304744304579248491947641318>.
106. Eddy, *supra*, note 21.
107. Shulz, *supra*, note 48.
108. Richard J. Evans, *The Third Reich in Power* 76 (Penguin Group 2005); Freie Universität Berlin, *The Confiscation of “Entartete Kunst” in 1937 and its Consequences*, [http://www.geschkult.fu-berlin.de/en/e/db\\_entart\\_kunst/geschichte/beschlagnahme/index.html](http://www.geschkult.fu-berlin.de/en/e/db_entart_kunst/geschichte/beschlagnahme/index.html).
109. Eddy, *supra*, note 21.
110. *Id.*
111. Shulz, *supra*, note 48.
112. Melissa Eddy & Alison Smale, *Enduring Nazi Law Impedes Recovery of Art*, N.Y. Times, Nov. 19, 2013, <http://nytimes.com/2013/11/20/arts/design/enduring-nazi-law-impedes-recovery-of-art.html>.
113. *Id.*

**Leila Amineddoleh is Of Counsel to Lombard & Geliebter, where she founded the firm’s Art Law Group. Leila focuses on art, cultural heritage, and intellectual property law; she is involved in all aspects of due diligence, and arts transactional work, and has represented major art collectors in disputes related to multi-million dollar contractual matters, art authentication, international cultural heritage law violations, and complex fraud schemes. Leila teaches Art & Cultural Heritage Law at both Fordham University School of Law and St. John’s University School of Law. In addition, she serves as the Executive Director of the Lawyers’ Committee for Cultural Heritage Preservation. In her spare time, Leila is a musician who regularly performs as a pianist.**

# The Other Skate Drops: The NHL Concussion Lawsuit

Carter Anne McGowan

## Introduction

“Getting your bell rung,” “hits to the melon,” and basic bare-knuckles fighting have a long history at all levels of hockey including, most prominently, the National Hockey League (NHL), the premier professional hockey league in North America, comprised of 30 franchises located throughout the United States and Canada. Hockey, like football, is an extreme contact sport: body-checking<sup>1</sup> and body contact<sup>2</sup> are not only legal within the rules of the game, but are two of the primary means for impeding offensive movement and causing turnovers of the puck. Fighting, while a violation of the rules at all levels of hockey, has long been at least tacitly accepted for many years at the NHL level and in major junior hockey in Canada;<sup>3</sup> teams have long employed “enforcers” known more for their pugilism than hockey skills. In recent years, the NHL has shown more motivation to limit fighting<sup>4</sup> and eliminate head contact from the game,<sup>5</sup> but as of the 2013-14 season, both remain represented in the sport; however, often penalties are called.

Due to the violent nature of the sport, concussions and subconcussive impacts (known collectively as mild traumatic brain injury, or MTBI) are common. Occasionally, worse occurs: In 1968, Bill Masterton, a player for the Minnesota North Stars, died due to a brain hemorrhage after being knocked down by a check and hitting his head on the ice.<sup>6</sup> While Masterton remains the only NHL player to have died due to an on-ice incident, many more players over the years have been forced to retire due to the lingering impacts of MTBI.<sup>7</sup>

2011 was a particularly bad year for the NHL when it came to evidence of on-ice incidents causing lasting impact to brain functioning. While its marquee player, Sidney Crosby, was in the midst of a year-long battle with post-concussion syndrome (his initial concussion occurred on January 1, 2011; he did not return to full-time play until March 2012), Bob Probert’s family announced that researchers at Boston University’s Center for the Study of Traumatic Encephalopathy (BUCSTE), to whom the family had donated enforcer Probert’s brain after his heart-failure-related death at the age of 45, found that Probert’s brain displayed evidence of chronic traumatic encephalopathy (CTE), which had previously been diagnosed in over 20 deceased NFL players and two former NHL players.<sup>8</sup> Probert became the first retired NHL player from the mandatory helmet era (which began with the NHL draft class of 1979, over the objections of the NHL Players’ Association (NHLPA)<sup>9</sup>), to be diagnosed with CTE.

Then, in the summer of that same year, three young players, each of whom was an enforcer—Wade Belak (35 years old and recently retired), Derek Boogaard (28 years old), and Rick Rypien (27 years old)—died in unusual circumstances. Belak and Rypien’s deaths were labeled suicides; both had struggled with depression. Boogaard’s death was attributed to an accidental overdose of prescription painkillers. Boogaard’s family donated his brain to BUCSTE and, again, the researchers discovered evidence of CTE.<sup>10</sup> Furthermore, on July 19th of that year, 75 former National Football League (NFL) players brought suit against the NFL and NFL Properties,<sup>11</sup> alleging that the defendants were aware of, and intentionally withheld from NFL players, evidence of a link between MTBI and continuing disability, including early-onset dementia and post-concussion syndromes of indefinite duration.<sup>12</sup>

The filing of this suit and later consolidation of multiple lawsuits brought by former NFL players into one master case set the stage for action against the NHL. On November 25, 2013, after the NFL and its former players settled at \$765 million (via mediation),<sup>13</sup> 10 former NHL players, on behalf of the class of all former NHL players who had retired by February 14, 2013, filed suit, in *Leeman v. NHL*, against the NHL and the NHL Board of Governors. While as of this writing the NHL has not yet delivered its response, the retired players have thrown down the gauntlet, as at last report over 200 former players had joined the class action.<sup>14</sup>

## A Brief Look at the Medical Aspects of MTBI

### Subconcussive Impacts

Although the classic example of a subconcussive impact is that of “heading” the ball in soccer, subconcussive impacts occur in all contact and collision sports. In hockey, subconcussive impacts are most likely to occur through body contact (e.g., a check into the boards, a fight), contact with the ice (e.g., a fall), or stick contact to the head (e.g., high-sticking). Although subconcussive impacts were rarely studied before 2000, mounting evidence questions whether repeated impacts can lead to neurological dysfunction later in life.<sup>15</sup>

In a subconcussive impact, the clinical evidence necessary to diagnose a concussion cannot be found; there are no diagnostic signs of neurological dysfunction.<sup>16</sup> As a result, players continue to play through subconcussive impacts, which are most often caused by cranial impacts but may also be caused by a rapid acceleration or deceleration of the torso, allowing the “sloshing” of the brain



within the cranium.<sup>17</sup> It is hypothesized that the effect of subconcussive impacts is cumulative; that the more subconcussive impacts an athlete suffers, the more likely such experiences contribute to later neurological deficits, including depression, postconcussive syndrome, post-traumatic stress disorder, mild cognitive impairment, CTE and dementia pugilistica.<sup>18</sup>

Subconcussive impacts, like all MTBI, involve at least a primary and secondary injury. The primary injury occurs at the moment of impact, while the secondary injury results from the pathophysiological processes—immediate and delayed cellular events and subsequent attempts by the body to reestablish homeostasis—involved in the injury.<sup>19</sup> Researchers now posit that MTBI may also have a tertiary phase, which may become both chronic and compounded if multiple low-impact insults to the brain occur.<sup>20</sup> The likelihood of an athlete to suffer tertiary effects, especially later in life, cannot be predicted at this time, but is likely caused by a variety of factors, including: “age at exposure, type and magnitude of exposure, recovery periods, differential rates of recovery, genotype, individual vulnerability, and others.”<sup>21</sup>

## Concussion

The definition of, and diagnostic procedures related to, concussion have evolved significantly over the years. In 2012, the fourth International Conference on Concussion in Sport (CIS Group) defined concussion as follows:

Concussion is a brain injury and is defined as a complex pathophysiological process affecting the brain, induced by biomechanical forces. Several common features that incorporate clinical, pathologic, and biomechanical injury constructs that may be utilized in defining the nature of a concussive head injury include:

(1) Concussion may be caused either by a direct blow to the head, face, neck, or elsewhere on the body with an “impulsive” force transmitted to the head.

(2) Concussion typically results in the rapid onset of short-lived impairments of neurologic function that resolves spontaneously. However in some cases, symptoms and signs may evolve over a number of minutes to hours.

(3) Concussion may result in neuropathological changes, but the acute clinical symptoms largely reflect a functional disturbance rather than a structural injury and, as such, no ab-

normality is seen on standard structural neuroimaging studies.

(4) Concussion results in a graded set of clinical symptoms that may or may not involve loss of consciousness. Resolution of the clinical and cognitive symptoms typically follows a sequential course. However, it is important to note that in some cases symptoms may be prolonged.<sup>22</sup>

This was a revision of the definition of concussion the third International Conference of the CIS Group promulgated in 2008, as that definition (1) did not include recognition of symptoms and signs of a concussion developing over hours and (2) stated that only *in a small percentage of cases* could symptoms be prolonged.<sup>23</sup>

Concussion is diagnosed through assessment of “clinical symptoms, physical signs, cognitive impairment, neurobehavioral features, and sleep disturbance.”<sup>24</sup> The most common symptom of concussion is a headache, with dizziness, visual disturbance, temporary loss of consciousness or mental acuity, nausea, and fatigue also being common.<sup>25</sup> A report of any one or more of these symptoms should cause the medical support and training staff to suspect a concussion and commence evaluation.

The CIS Group recently set out a comprehensive set of guidelines, called the Sport Concussion Assessment Tool—3rd Edition (SCAT-3), for the use of athletic trainers and doctors involved in the diagnosis of concussions in athletes. Designed to update the widely-used SCAT-2,<sup>26</sup> the SCAT-3 contains guidelines for both medical assessment and sideline assessment, warning all training and medical staff that: “Any athlete with a suspected concussion should be REMOVED FROM PLAY, medically assessed, monitored for deterioration (i.e., should not be left alone), and should not drive a motor vehicle until cleared to do so by a medical professional. No athlete diagnosed with a concussion should be returned to sports participation on the day of the injury.”<sup>27</sup>

Most concussions resolve within a week to 10 days.<sup>28</sup> However, a medical staff must evaluate each case on its own merits before issuing “return-to-play” (RTP) clearance. Over the past 30 years, several different RTP guidelines have been promulgated, with the CIS Group’s Graduated Return to Play Protocol (GRTPP) now being used as the touchstone. These guidelines provide that athletes should proceed to each subsequent step of the GRTPP if they remain asymptomatic at the previous step. The steps are: (1) No activity; (2) light aerobic exercise; (3) sport-specific exercise; (4) non-contact training drills; (5) full contact practice; (6) return-to-play. If symptoms appear at any step, the athlete is to drop back to the last step at which the athlete was asymptomatic, remain there for

at least 24 hours, and then try to progress to the next step again.<sup>29</sup> In addition to the GRTPP, the NHL utilizes neuropsychological (NP) assessments, meaning that a player who has been diagnosed with a concussion must return to his baseline neuropsychological functioning prior to being permitted to return to play, as “cognitive recovery may precede or more commonly follow clinical symptom resolution.”<sup>30</sup> However, studies question the value of NP baseline testing,<sup>31</sup> and the CIS Group does not recommend its widespread use, due to insufficient evidence of its efficacy.<sup>32</sup>

### Post-Concussion Syndrome

Post-concussion syndrome is defined as “symptoms and signs of the concussion that persist for weeks to months after the incident.”<sup>33</sup> It is not a well-understood syndrome, as:

[S]ymptoms of a postconcussion syndrome can be subjective or objective and are often vague and non-specific making the diagnosis difficult. Although any symptom of concussion can be involved, commonly reported symptoms include: headache; dizziness; insomnia; exercise intolerance; cognitive intolerance; psychological symptoms such as depressed mood, irritability and anxiety; cognitive problems involving memory loss, poor concentration and problem solving; fatigue; or noise and light sensitivity.<sup>34</sup>

Nor has the medical community agreed on a cause of post-concussion syndrome. Currently, researchers have been unable to prove a correlation among the severity of the concussion, post-concussion syndrome, structural brain damage, and psychological deficits.<sup>35</sup> However, there is little question that the syndrome is quite real, and that passage of time is the most important factor in recovery from post-concussion syndrome.

### Chronic Traumatic Encephalopathy

CTE was first diagnosed in boxers in the 1920s.<sup>36</sup> However, in recent years, evidence of CTE has also been found in the brain tissue of deceased NHL and NFL players and, at the time of this writing, had been discovered in the brain of a deceased Major League Baseball player.<sup>37</sup> Diagnosis of CTE has proven difficult, as it can only be diagnosed post-mortem through histopathology.<sup>38</sup> Despite the limited sample available for study, it appears that a statistically significant number of professional athletes in collision and contact sports may develop CTE at a fairly young age. (Derek Boogaard, who died at 28, is the youngest professional athlete whose brain contained evidence of CTE).

CTE results from the aggregation of a certain protein, called tau, in specific regions of the brain.<sup>39</sup> As such, CTE

is a “tauopathy,” like Alzheimer’s Disease. The symptoms of CTE include “executive dysfunction, memory impairment, depression, and poor impulse control”<sup>40</sup> or, more specifically, “memory loss, confusion, impaired judgment, impulse control problems, aggression, depression, suicidality, parkinsonianism, and eventual progressive dementia.”<sup>41</sup>

The current hypothesis is that CTE is caused by repeated MTBI (perhaps including repeated subconcussive impacts) wherein initially undetectable damage is done at the cellular level, thus causing a disease process which results in the manifestation of symptoms many years later.<sup>42</sup> However, thousands of athletes have been subject to MTBI, and most have not proven symptomatic for CTE. Therefore, it is posited that other factors, such as a genetic predisposition, may increase the likelihood of developing CTE.<sup>43</sup>

In 2013, UCLA neuroscientists released the results of a pilot study that may signal potential for diagnosing CTE in premorbid patients.<sup>44</sup> The UCLA researchers performed enhanced PET<sup>45</sup> scans on five retired NFL players, all of whom had a positive history of mood disturbance and cognitive impairment. Results of the study showed that all five players displayed enhanced signals in brain areas producing tau proteins after trauma (subcortical regions and the amygdala) when compared with members of the control group.<sup>46</sup> Although this study was a preliminary investigation, it does provide hope that there will soon be a way to diagnose CTE in living patients and thus determine how widespread it may be among athletes retired from contact and collision sports.

### The Prevalence of MTBI in the NHL

Throughout the history of professional sports, scant records have been kept on injuries which do not cause a player to be removed from a game. In this respect, the NHL is no different from other professional sports. Therefore, evidence of subconcussive impacts (and, in the years before the mid-1980s, concussions) is largely anecdotal, coming from player and trainer recollections. Former player Bob Bourne, who played with the New York Islanders and Los Angeles Kings from 1974 through 1988 (and who has joined the players suing the NHL), described the situation to reporter Daniel Friedman as follows:

...All I can tell you is that I know for a fact that I felt like I was playing with the flu five times a year. It just felt weird, and we were sick a lot. We shouldn’t have been, because we were very well taken care of; we had great doctors and everything like that and there’s just no way that we should’ve been that sick all the time.

Now when I look back, I know there were certain times in my career where I must've been having concussions, because I was throwing up on the bench and throwing up on the ice and in practice. We threw up all the time. Now, a lot of that is because of the work we did, but it just felt weird a lot in those days and there had to have been a reason for it.

...When we went down on the ice, we got right back up; there was no laying on the ice. It was a peer-pressure thing—you came back from anything as soon as possible. Now, there's certain things like knees and shoulders where we couldn't just come out and play if it's not healed yet. But there was an unwritten rule that you played sick. It didn't matter how sick you were, you played. That's just an honor code that we had in those days, and I think the players would today too, if concussions weren't out on the forefront.<sup>47</sup>

There is, however, statistical evidence of concussion numbers and rates in the NHL commencing in the 1980s. As Richard Wennberg and Charles Tator, a neurologist and neurosurgeon at the University of Toronto, carried out two retrospective studies on concussion rates in the NHL from the 1986-87 season through the 2007-08 season, utilizing injury reports made public by *The Hockey News*, *The Sporting News Hockey Register*, and *STATS LLC*.<sup>48</sup> Although their research was subject to the vagaries of team self-reporting of concussions (and NHL teams are loath to describe injuries to players with specificity), their results showed the following:

- Between 1986-87 and 1996-97, while the number of teams increased from 21 to 26, the reported number of concussions was fairly stable between seven and 17 concussions per season;
- Between 1997-98<sup>49</sup> and 2001-02, as the NHL increased from 26 to 30 teams, the number of concussions shot up as follows:
  - 1997-98: 62 concussions
  - 1998-99: 80 concussions
  - 1999-00: 75 concussions
  - 2000-01: 84 concussions
  - 2001-02: 67 concussions
- After 2002-03, in which there were 79 concussions, the number of concussions dropped steadily to 58 in 2006-07 (while the number of teams remained stable);

- Player average height and weight increased by one inch and nearly 10 pounds between 1986-87 and 2001-02 (no evidence is presented on size increases through 2007-08);
- There was a general downward trend in concussions suffered between 1998-99 and 2007-08, but a gradual increase in the number of games missed due to concussion.<sup>50</sup>

Wennberg and Tator hypothesized that the increase in games missed per concussion was either due to increased severity of concussions or increased following of RTP guidelines; without evidence they were unable to conclude which hypothesis was correct. They also determined that changes made to the rules of the game and implemented in 2005-06 in order to “open up” the game (e.g., the elimination of the two-line pass, the stricter calling of obstruction penalties) resulted in the biggest one-season drop in concussions over the course of the last 10 years of the study (perhaps because body contact is reduced when the ice surface is more open, as in power plays or when players may “dangle” on the offensive side of center ice while the puck remains behind their defensive blue line).<sup>51</sup>

In 1997, the NHL and the NHLPA became the first major professional league to institute a formal study of concussion in their sport, in the form of the NHL-NHLPA Concussion Program (Concussion Program). A study approved by this program and carried out by the University of Calgary produced similar results to the Wennberg and Tator study, finding that over the years between 1997 and 2004, “the mean number of concussions per year was 80, with an overall rate of 5.8 concussions per 100 players per season.”<sup>52</sup> Of these concussions: 362 were first concussive events (resulting in a median loss of six days); 116 were second concussive events (resulting in a median loss of eight days); 32 were third concussive events (resulting in a median loss of nine days); 12 were fourth concussive events (resulting in a median loss of seven days); and four were fifth concussive events (resulting in a median loss of 31 days).<sup>53</sup>

Oddly, this study also reported that in 8% (44/529) of concussive instances, players returned to play in the game in which they were concussed, and later 14% of those players (6/529) went on to miss more than 10 days due to those concussions. This study, however, is prior to the CIS Group development of and NHL's adoption of the SCAT-2 criteria and also prior to the general acceptance of “when in doubt, sit them out.” The results of this study were reported to the NHL and NHLPA, with the researchers suggesting that:

...more should be done to educate all involved with the sport about the potential adverse effects associated with



continuing to play while symptomatic, failing to report symptoms to medical staff and failure to recognize or evaluate any suspected concussion. Our findings also suggest that more conservative or precautionary measures should be taken in the immediate postconcussion period, particularly when an athlete reports or experiences a post-concussion headache, low energy or fatigue, recurrent concussion, or many different postconcussion symptoms, or when the athlete has an abnormal neurologic examination.<sup>54</sup>

In 2013, a study on the effects of repeated concussions on retired NHL players was published. This study, while qualitative and not quantitative (as it was based on a social-science study of player interviews), and using very small sample size of five retired players who had suffered multiple concussions, found that all five players' post-hockey lives (both professional and personal) were significantly impacted by the effects of their concussions.<sup>55</sup> Headaches, visual disturbances, and forgetfulness were common among the players.<sup>56</sup> Interestingly, and perhaps harmful to the current lawsuit, the players reported hiding their concussion symptoms from coaches and medical staff, and reported that they were removed from play only when the symptoms were discovered.<sup>57</sup>

### **Leeman v. NHL: The Players' Complaint**

In the *Leeman* complaint, the plaintiffs contend, repeatedly, that the NHL has been aware of—or should have been aware of—medical evidence of links between sports and brain injury for up to 85 years, and that, in the intervening years, a vast wealth of medical evidence has been developed linking sports injuries, and hockey injuries in particular, with the risk of MTBI and long-term neurocognitive damage. As the NHL is the world's premier professional hockey league,<sup>58</sup> because the NHL has promoted “a culture of violence”<sup>59</sup> and because the NHL has voluntarily assumed the duty to become the “arbiter of safety,”<sup>60</sup> the suit contends that the NHL failed in its duty to the plaintiff players.

This allegation that the NHL serves as the safety arbiter for the players, and has failed in that duty, deserves further explication. The complaint contends that:

- The NHL, since its earliest days, has engaged medical consultants to advise on hockey health risks;<sup>61</sup>
- The NHL has and had unilateral, monopolistic power to determine the rules and policies of the game;<sup>62</sup>
- The NHL's voluntary assumption of this duty is exemplified by the helmet requirement; the NHL required all players to wear helmets starting in

1979, but grandfathered in all current players, who did not need to begin wearing a helmet;<sup>63</sup>

- The NHL failed to act regarding concussive and sub-concussive injuries until 1997, although, since fighting was always accepted as an adjunct to the game, the NHL knew or should have known that the dangers inherent in the sport of boxing applied to the NHL;<sup>64</sup>
- The NHL actively concealed concussive and sub-concussive risks from the players;<sup>65</sup>
- In 1997, the NHL funded and engaged in a Concussion Program to study head impacts, which proves that the NHL assumed a duty of care regarding head injuries, but the NHL then fraudulently and negligently failed to make any statement of substance on the issue of concussions, despite the existence of the Concussion Program<sup>66</sup> and that the NHL, while engaging in the Concussion Program, made changes to the sport which increased risks to the players (including changing the glass in all arenas from flexible to rigid and speeding up the game by penalizing obstruction);<sup>67</sup>
- It was not until 2010 that the NHL caught up with other hockey leagues to make head hits a distinct penalty;<sup>68</sup>
- It was not until 2011 that the NHL required a doctor (instead of a trainer) to examine for a concussion, and not until 2011 that the doctor's exam had to take place in a quiet room, as opposed to on the bench. The doctor at present need not be a neurosurgeon;<sup>69</sup> and
- It was not until 2013 that the NHL mandated visors, but “veteran players” were grandfathered such that they need not wear visors.<sup>70</sup>

All of this, according to the complaint, added up to a case of “too little, too late.” The rules are alleged to be ineffective, the Department of Player Safety (established in 2011) to be ineffectual, and the NHL, although it knew or should have known about these risks for decades, complacent at best and engaged in the commission of fraud at worst.

Therefore, states the complaint, the players brought seven causes of action against the NHL. The first Count seeks declaratory relief as to NHL liability, stating that (a) the NHL knew or should have known that repeated head impacts to NHL players would expose them to brain damage and disability; (b) that the NHL, by virtue of its position vis-à-vis the players and its voluntary engagement in the Concussion Program, assumed a duty to warn players of the risks; (c) that the NHL “willfully and intentionally concealed from and misled” players con-

cerning the risk; and (d) that the NHL “recklessly endangered” its players.<sup>71</sup>

The second count demands that, because of the NHL’s tortious conduct in failing to disclose truthful information to the players after it voluntarily assumed a duty to them, the court enjoin the NHL to set up a medical monitoring program and provide a medical monitoring fund for the plaintiffs. The monitoring is to consist of diagnostic exams, not generally given to the public, to diagnose long-term effects from hockey-related MTBI in order to reduce the possibility of long-term harm.<sup>72</sup> Such a medical monitoring fund was recently set up as part of the NFL lawsuit settlement.

The third count alleges fraudulent misrepresentation by concealment on the part of the NHL. The plaintiffs here argue that the NHL had been aware of short-term and long-term brain injury from repetitive head impacts since the 1920s and fraudulently concealed that risk from the players through 2010 (including the years of the Concussion Program). The players, the suit argues, would reasonably rely on the NHL’s statements or silence regarding MTBI, and, since the NHL was silent (although aware of the material facts), the plaintiffs relied on such silence to their detriment. As a direct and proximate result of this fraudulent concealment and willful misconduct, the plaintiffs allege that they have suffered injury and are entitled to damages.<sup>73</sup>

The fourth count alleges fraudulent misrepresentation by non-disclosure. Much like in the third count, the plaintiffs argue that the NHL knew the facts about MTBI throughout the years at issue, that current and former NHL players did NOT know the facts, that the NHL *knew* that current and former players did not know the facts, and that by not disclosing these facts to them, the NHL could induce the players to continue to expose themselves to head injury. This, the complaint alleges, amounts to an intent to deceive and defraud, which fraudulent non-disclosure was the direct and proximate cause of the plaintiffs’ injuries, for which they are entitled to damages.<sup>74</sup>

The fifth count sounds in fraud. Arguing that the NHL knew that MTBI risks would be diminished by the use of flexible glass; active monitoring of MTBI signs and symptoms; sideline neurologists; acceptable RTP rules; requiring doctors (instead of trainers) to evaluate potential MTBI in quiet rooms (instead of on the bench); and banning of fighting and body-checking, the plaintiffs posit that the NHL deliberately delayed the implementation of these changes and even now continues to “allow and market violence” because doing otherwise would be costly and decrease NHL profitability. As the NHL had superior experience and knowledge in these areas (as the “arbiter of player safety”), the players looked to the NHL for guidance. Therefore, as the NHL was withholding information and ignoring risks, all while knowing and fraudulently concealing such risks from the players, the players were

justifiably and reasonably relying on the NHL’s conduct. As a result, they assert, they suffered damages.<sup>75</sup>

The sixth count claims negligent misrepresentation. The plaintiffs allege that a special relationship exists between the NHL and its players, thereby imposing a duty on the NHL to disclose accurate information to the plaintiffs. The NHL, although aware of and understanding the medical literature regarding short-term and long-term consequences of MTBI, continually insisted (and continues to insist) that more data is needed to establish a proven link between repetitive MTBI in hockey and neurocognitive impairment. This representation, per the plaintiffs, amounts to misrepresentation and concealment as it doesn’t comport with current medical knowledge, and, due to the special relationship between the NHL and its players, the NHL had a duty to disclose the consequences of MTBI in the medical literature.<sup>76</sup>

The final count argues that the NHL has been negligent in failing to adequately address health issues caused by MTBI. The NHL, argue the plaintiffs, voluntarily assumed a duty to provide reasonable safety. That duty was breached by the NHL’s (1) failure to publicize to current players, retired players, and the public the evidence of neurocognitive problems arising from hockey-related MTBI and (2) perpetuation of the tough-guy culture, in which one plays through injury. These breached duties were the proximate causes of the plaintiffs’ injuries, thereby entitling the plaintiffs to damages.<sup>77</sup>

## Do the Players Have a Case?

As in the NFL concussion lawsuits, the *Leeman* plaintiffs have several large hurdles to overcome, both prior to and if this case finds its way to court. These hurdles include:

### Pre-emption by Labor Law

The NHLPA was founded in 1967, with Alan Eagleston as Executive Director and Bob Pulford as president. Since that time, the NHL and the NHLPA have negotiated multiple collective bargaining agreements between them (CBAs). Article 34 of the current CBA contains an extremely detailed set of terms agreed to by the parties regarding player health and safety.<sup>78</sup> Article 34.9 tasks a joint advisory committee of the NHL and NHLPA, the Joint Health and Safety Committee, to make advisory opinions to the NHL and the NHLPA regarding player health and safety issues, although final decisions regarding health and safety issues (provided that such decisions do not contravene CBA terms) are reserved to the NHL. Further, pursuant to the CBA, all disputes relating to the application and interpretation of, and compliance with, the CBA are to be resolved through the NHL-NHLPA Grievance Committee, and if a resolution cannot be reached there, through arbitration by an impartial arbitrator.<sup>79</sup>

Pursuant to Section 301 of the Labor-Management Relations Act (LMRA), state law claims are completely pre-empted when the resolution of those claims depends upon the interpretation of a CBA.<sup>80</sup> The claims brought in *Leeman* appear to be just such claims. As the NHL and NHLPA have negotiated medical care, authority for player health and safety, and grievance arbitration procedures relating thereto, it is very possible that LMRA pre-emption will apply, and the *Leeman* case will then face dismissal.

### Causation

Even if the *Leeman* plaintiffs leap the pre-emption hurdle, there is the question of causation: can any player actually prove that the injuries causing damage were sustained at the NHL level and not at another level of hockey (e.g., peewee, minor league, junior league)? Even if it can somehow be proven that a player's neurocognitive injury was caused by a hockey injury (in itself a difficult proof, given the current state of medical science on MTBI), how can that injury be proven to have occurred in the NHL?

Given the relatively small number of games some named members of the putative class in *Leeman* played in the NHL (Brad Aitken played 14;<sup>81</sup> Morris Titanic played 19;<sup>82</sup> Darren Banks played 20;<sup>83</sup> Warren Holmes played 45<sup>84</sup>), the problem of causation becomes even more clear: Warren Holmes played 45 games in the NHL and over 500 in minor league hockey. Brad Aitken played 14 games in the NHL and over 350 in minor league hockey. The question then becomes: Where is it most likely that the damage occurred: the NHL or elsewhere in another league?

Even Morris Titanic, a named member of the putative class, does not profess to know: "...only playing 19 games for Buffalo didn't much matter. You're playing somewhere. Whether things happened while you were in Buffalo, in the American League, junior, who knows? There's really nothing I guess from what I've read about this CTE and things of that nature, there's really not a specific injury that you can put a finger on that, 'Yeah, well, it happened on that date and that's why he's all messed up.'"<sup>85</sup>

When even the class members are legitimately unsure of causation, it seems a good bet that the fact-finders will be as well.

### NHLPA Responsibility

The NHLPA—as exclusive bargaining representative for the players, equal partner in the Joint Health and Safety Committee, and co-founder of the Concussion Program—is mentioned nowhere in the *Leeman* complaint. Why, however, would the NHL not turn around and lay any blame there is to be had at the feet of the NHLPA? Should not the duty to inform the players of health risks they face be an obligation of the very union that represents them? Furthermore, if blame is to be placed, there

is historical evidence of NHLPA foot-dragging on safety-minded modifications the NHL desired to make, such as in adoption of mandatory helmets and visors.

### Lack of Evidence of NHL Fraud and Malfeasance

Unlike the NFL complaint, in which there were allegations that NFL actively meddled with the science, no such allegations are found in the *Leeman* complaint. Instead, some see the *Leeman* case as trying to promote an ethical, but not legal, claim. Michael McCann, Professor of Sports Law at the University of New Hampshire, states the following:

I don't know if I saw in this complaint as much as we saw in the complaint against the NFL, in terms of allegations of misconduct. Much of this complaint focused on how the NHL could've made the game safer at various points in time and how the league knew of information and didn't allegedly share it. In the NFL, there was the allegation that the league went out of its way to cloud the science. I didn't see any of that in this complaint. I saw that NHL could've done more and was interested in making money. Maybe there are ethical issues, but I don't see how that's necessarily a strong legal argument.<sup>86</sup>

Furthermore, there is evidence that the NHL has been the most proactive of all the major leagues when it comes to concussion. For example:

- The NHL was the first league to institute baseline testing;
- The NHL was the first league to create a Concussion Program; and
- The NHL was the first league to create a quiet room for the use of the SCAT-2.

Therefore, the moral argument that the NHL did not do enough is clearly on the table, but the legal argument that the NHL was engaged in fraudulent misrepresentation through concealment and non-disclosure may rapidly fail.

### Issues Regarding Availability and Conclusive Nature of Data

The complaint repeatedly argues that the NHL had the ability to—and did—synthesize and understand data pertaining to MTBI which it thereafter did not make available to the players. Yet this data comes from generally available medical research. Again, Professor McCann argues: "Those studies are publicly available. So it's hard to call that any kind of fraud. It seems as if the players and their own union could've availed themselves of that information."<sup>87</sup> While it may be unrealistic to expect a



20-year-old hockey player to pay attention to this information, it may be equally unrealistic to lay the obligation to serve as clearinghouse for all health-related information upon the NHL.

Furthermore, since this information was publicly available,

[t]he league will also take the position that it didn't conceal any information. Rather, they will argue that there wasn't any conclusive science at the time and they had the same information the players had. Basically, they will say, "we knew what you knew." That being the case, the league will maintain that the players were aware of the risk associated with playing hockey based on the science at that time, and agreed to those risks each time they stepped onto the ice. This legal principle is called informed consent.<sup>88</sup>

In reviewing the studies cited in this article, it became apparent that to a large extent, conclusions regarding MTBI still cannot be drawn with confidence, thus supporting any argument by the NHL that the data necessary to make a final determination regarding the causation and effects of MTBI is not conclusive. For example:

- "At present there is insufficient evidence to recommend the widespread routine use of baseline NP testing."<sup>89</sup>
- "The exact structural and chemical changes that produce these changes are not clear entirely."<sup>90</sup>
- "At this time the number or type of hits to the head needed to trigger degenerative *changes* to the brain is unknown."<sup>91</sup>
- "The exact role and impact on concussion management of baseline testing remains unclear, as no study has shown that the use of these tests provides better short-term or long-term outcomes for athletes with concussions."<sup>92</sup>

Given inconclusive statements such as the above, it will likely be difficult to pin the NHL to an obligation to reach a conclusion regarding the short- and long-term risks of MBTI to its players based on the data provided.

## Conclusion

In recent years, it has become clear that a significant number of professional athletes retired from contact and collision sports like football and hockey are struggling with long-term post-concussion syndrome and neurocognitive impairment. Furthermore, studies have found evidence of CTE in several dozen deceased players. A tragic situation for each player involved, certainly, but the

question remains: how much liability should and do the professional leagues have for these outcomes when causation is uncertain and the science is developing? As yet, we have no judicial answer, and the hurdles that must be overcome by the plaintiffs in the lawsuits currently being brought are high.

One thing is certain: the NHL is not as wealthy as the NFL. While the NFL's 2012 revenues were \$9.5 billion,<sup>93</sup> the NHL's revenues in that same year were \$3.3 billion.<sup>94</sup> The NFL can manage a settlement in the amount of \$765 million or more, while such a settlement in the NHL would gobble up one-quarter of its revenues. It also appears that the NHL has not engaged in any of the nefarious activities of which the NFL was accused, and also made efforts to implement concussion monitoring and protection at an earlier stage in the development of the science of MTBI than did the NFL. A protracted lawsuit seems to serve no one—not players suffering from neurocognitive impairment, and not the leagues. However, a quick, large settlement to avoid the years and expense invested in a lawsuit could be very harmful to the NHL.

Perhaps the NHL should once again play the role of the bellweather in MBTI management and prevention. A medical monitoring program formed, managed, and funded jointly by the NHL, the NHLPA, and the NHL Alumni Association would be just such a step. If these three parties can see the value in collaborating, players who need help will receive it, players at risk of MBTI will be aware, and the three entities which together represent or employ nearly every current or retired player will prove that they consider the issue of MBTI prevention and management to be a serious problem worthy of a medicolegal solution, instead of rapid and expensive settlement to avoid public relations issues or drawn-out litigation to prove liability.

## Endnotes

1. Body-checking is defined as: "an individual defensive tactic designed to legally separate the puck carrier from the puck. This tactic is the result of a defensive player applying physical extension of the body toward the puck carrier moving in an opposite or parallel direction. The action of the defensive player is deliberate and forceful in an opposite direction to which the offensive player is moving and is not solely determined by the movement of the puck carrier." Hockey Canada, *Teaching Checking Skills*, available at <http://www.hockeycanada.ca/en-ca/news/2003-gn-009-en>.
2. Body contact is defined as "an individual defensive tactic designed to legally block or impede the progress of an offensive puck carrier. This tactic is a result of movement of the defensive player to restrict movement of the puck carrier anywhere on the ice through skating, angling and positioning. The defensive player may not hit the offensive player by going in opposite direction to that player or by extending toward the offensive player in an effort to initiate contact. There must be no action where the puck carrier is pushed, hit or shoved into the boards." Hockey Canada, *Teaching Checking Skills*, available at <http://www.hockeycanada.ca/en-ca/news/2003-gn-009-en>.

3. "Major junior hockey" consists of the Quebec Major Junior Hockey League, the Ontario Hockey League ("OHL") and the Western Hockey League.
4. The NHL's fighting rules may be found at <http://www.nhl.com/ice/page.htm?id=26336> (Rule 46).
5. The NHL's rules regarding checks to the head carry with them suspensions for repeat offenders, <http://www.nhl.com/ice/page.htm?id=64063> (Rule 48).
6. Masterton played in the pre-mandatory helmet era. He was not wearing a helmet at the time of his injury.
7. See, e.g., *Thirteen NHL Careers Cut Short by Concussions*, TOTALPROSPORTS.COM (Sept. 1, 2011), <http://www.totalprosports.com/2011/09/01/13-nhl-careers-cut-short-by-concussions/>.
8. Reggie Fleming and Rick Martin, both of whom played prior to the mandatory helmet era, were the two former NHL players whose brains showed evidence of CTE prior to the Probert revelation.
9. Mark Ritter, *NHLPA to Blame for Safety Issues, Not the NHL*, BLEACHERREPORT.COM, <http://bleacherreport.com/articles/285645-nhlpa-to-blame-for-safety-issues-not-the-nhl>.
10. Boogaard's family filed a wrongful death suit against the NHL in May 2013. John Branch, *In Suit Over Death, Boogaard's Family Blames the N.H.L.*, N.Y. TIMES, May 12, 2013.
11. *Maxwell v. National Football League*, No. BC 465 842 (Cal. Super. Ct. July 19, 2011).
12. Carrie Anderer, *The NFL Concussion Settlement: A Win for Both Sides?* 24 ENTERTAINMENT, ARTS, & SPORTS 3 (2013).
13. *Id.*
14. Greg Wyshinski, *NHL Concussion Lawsuit Stumbles into the Spotlight*, SPORTS.YAHOO.COM (Nov. 29, 2013), <http://sports.yahoo.com/blogs/nhl-puck-daddy/nhl-concussion-lawsuit-stumbles-spotlight-175433418--nhl.html>.
15. Julian E. Bailes, MD et al., *Role of Subconcussion in Repetitive Mild Traumatic Brain Injury*, 119 J. NEUROSURG. 1235 (November 2013). It is of relevance to the NHL concussion suit that this study also reveals that, "it is now often stated that the MTBI research produced during the past decade supersedes the volume and content of all previous information."
16. *Id.*
17. *Id.*
18. *Id.*
19. *Id.*
20. *Id.*
21. *Id.* Dr. Bailes, the lead author of the study cited in note 15, also wrote an op-ed for the New York Daily News, arguing that, with regard to football, "The sum of these 'subconcussive' blows may cause serious harm. Organized football, at all levels, needs to go beyond its admirable work in trying to prevent helmet-to-helmet hits and concussions and address the additional issue of repetitive head blows. We must work to reduce and remove head impacts from the game as much as possible." Julian Bailes, MD, *This is your brain on the gridiron: Are subconcussive hits the most dangerous of all?* N. Y. DAILY NEWS, March 9, 2011, [www.nydailynews.com/opinion/brain-gridiron-sub-concussive-hits-dangerous-article-1.120538](http://www.nydailynews.com/opinion/brain-gridiron-sub-concussive-hits-dangerous-article-1.120538).
22. Paul McCrory, MBBS, Ph.D. et al., *Consensus Statement on Concussion in Sport—the 4th International Conference on Concussion in Sport held in Zurich, November 2012* (hereinafter "CIS 4"), 23 CLIN. J. SPORT MED. 2 (March 2013).
23. Paul McCrory, MBBS, Ph.D. et al., *Consensus Statement on Concussion in Sport: The 3rd International Conference on Concussion in Sport Held in Zurich, November 2008*, 44 J. ATHLETIC TRAINING 4 (August 2009).
24. *CIS 4*, *supra* note 22.
25. Mark Lovell, Ph.D. *The Management of Sports-Related Concussion: Current Status and Future Trends*, 28 CLIN. SPORTS MED. 95 (2009).
26. SCAT-2 is used by the NHL. See Jeff Z. Klein, *N.H.L. Urges Uniformity on New Concussion Protocol*, N.Y. TIMES, March 20, 2011.
27. A copy of the SCAT-3 is available at <http://bjsm.bmj.com/content/47/5/259.full.pdf>.
28. *CIS 4*, *supra* note 22.
29. *CIS 4*, *supra* note 22, at Table I.
30. *CIS 4*, *supra* note 22.
31. *Id.* See also Christopher Randolph, *Is Neuropsychological Testing Useful in the Management of Sports-Related Concussion*, 20 J. ATH. TRAIN. 139 (Jul-Sept 2005).
32. *CIS 4*, *supra* note 22.
33. Kimberly G. Harmon et al., *American Medical Society for Sports Medicine Position Statement: Concussion in Sport*, 47 BR. J. SPORTS. MED 15 (2013).
34. *Id.*
35. *Id.*
36. *What is CTE?* Boston University Center for the Study of Traumatic Encephalopathy (hereinafter "BUCSTE"), [www.bu.edu/cste/about/what-is-cte/](http://www.bu.edu/cste/about/what-is-cte/).
37. Elliott Hannon, *Report Finds MLB's First Case of Degenerative Brain Disease in Former Player's Suicide*, SLATE.COM, Dec.16 2013, [http://www.slate.com/blogs/the\\_slatest/2013/12/16/former\\_mlb\\_player\\_ryan\\_freel\\_had\\_cte\\_when\\_he\\_committed\\_suicide\\_a\\_report.html](http://www.slate.com/blogs/the_slatest/2013/12/16/former_mlb_player_ryan_freel_had_cte_when_he_committed_suicide_a_report.html).
38. Histopathology is the study of the microscopic anatomical changes in diseased tissue. THEFREECTIONARY.COM. <http://www.thefreedictionary.com/histopathology>.
39. BUCSTE, *supra* note 36.
40. Harmon, *supra* note 33.
41. FAQ, Boston University Center for the Study of Traumatic Encephalopathy (hereinafter "BUCSTE FAQ"), [www.bu.edu/cste/about/faq/](http://www.bu.edu/cste/about/faq/).
42. In this respect, Derek Boogaard would be an extreme outlier or his injuries must have been caused at an early age.
43. BUCSTE FAQ, *supra* note 41.
44. Gary W. Small, MD et al., *PET Scanning of Brain Tau in Retired National Football League Players; Preliminary Findings*, 21 AM. J. GERIATR. PSYCHIATRY (Feb. 2013).
45. PET stands for Positron Emission Tomography; the enhancing agent that was intravenously injected with a chemical marker called FDDNP.
46. Small, *supra* note 44.
47. Daniel Friedman, *Former Islander Bob Bourne Opens Up on Concussions*, [www.newyork.cbslocal.com/2013/11/27/friedman-former-islander-bob-bourne-opens-up-on-concussions/](http://www.newyork.cbslocal.com/2013/11/27/friedman-former-islander-bob-bourne-opens-up-on-concussions/).
48. Richard A. Wennberg and Charles H. Tator, *Concussion Incidence and Time Lost from Play in the NHL During the Past Ten Years*, 35 CAN. J. of Neurol. Sci. 647 (2008) (hereinafter Wennberg 2008); Richard A. Wennberg and Charles H. Tator, *National Hockey League Reported Concussions, 1986-87 to 2001-02*, 30 CAN. J. NEUROL. SCI. 206 (2003) (hereinafter Wennberg 2003).
49. In this year, the NHL and the NHL Players' Association formed the NHL-NHLPA Concussion Program.
50. Wennberg 2008, *supra* note 48; Wennberg 2003, *supra* note 48.
51. *Id.*

52. Brian W. Benson, MD, PhD, *A Prospective Study of Concussions Among National Hockey League Players during regular season games: the NHL-NHLPA Concussion Program*, 183 CMAJ 905 (May 2011).
53. *Id.*
54. *Id.*
55. Jeffrey G. Caron et al., *Effects of Multiple Concussions on Retired National Hockey League Players*, 35 J. SPORTS & EXERCISE PHYSIOLOGY 168 (2013).
56. *Id.*
57. *Id.*
58. Complaint for Damages and Demand for Jury Trial, *Leeman v. National Hockey League*, Civil Case No. 13-CV-1856 (U.S. Dist. Ct. D.C., Nov. 25, 2013) at ¶¶ 78-84.
59. *Id.* at ¶¶ 85-90.
60. *Id.* at ¶¶ 91-97.
61. *Id.* at ¶ 92.
62. *Id.*
63. *Id.* at ¶ 95. The Complaint fails to discuss the NHLPA's role in the helmet controversy.
64. *Id.* at ¶ 99.
65. *Id.* at ¶ 100.
66. *Id.* at ¶ 102. The Complaint nowhere mentions that this is a joint program of the NHL and NHLPA.
67. *Id.* at ¶ 110.
68. *Id.* at ¶ 112.
69. *Id.* at ¶ 116.
70. *Id.* at ¶ 121. Again, the role of the NHLPA in this issue is not disclosed in the complaint. In March 2013, the NHLPA rejected the NHL's request to make visors mandatory. It was not until the NHLPA polled its members that the NHLPA agreed to the visor rule. See Mike Halford, *NHL Makes Visors Mandatory for New Players*, NBCSPORTS.COM, June 4, 2013, <http://prohockeytalk.nbcsports.com/2013/06/04/nhl-makes-visors-mandatory-for-new-players/>.
71. *Leeman v. National Hockey League*, *supra* note 58, at ¶¶ 148-150.
72. *Id.* at ¶¶ 151-168.
73. *Id.* at ¶¶ 169-182.
74. *Id.* at ¶¶ 183-196.
75. *Id.* at ¶¶ 197-210.
76. *Id.* at ¶¶ 21-225.
77. *Id.* at ¶¶ 226-233.
78. Collective Bargaining Agreement Between National Hockey League and National Hockey League Players' Association, September 16, 2012-September 15, 2022, Article 34, available at [http://cdn.agilitycms.com/nhlpacom/PDF/NHL\\_NHLPA\\_2013\\_CBA.pdf](http://cdn.agilitycms.com/nhlpacom/PDF/NHL_NHLPA_2013_CBA.pdf) (last visited Dec. 24, 2013).
79. *Id.* at Article 17.
80. Labor Management Relations Act (LMRA), 29 U.S.C. § 185.
81. Statistics of Brad Aitken, <http://www.hockeydb.com/ihdb/stats/pdisplay.php?pid=5952>.
82. Statistics of Morris Titanic, <http://www.hockeydb.com/ihdb/stats/pdisplay.php?pid=6759>.
83. Statistics of Darren Banks, <http://www.hockeydb.com/ihdb/stats/pdisplay.php?pid=193>.
84. Statistics of Warren Holmes, <http://www.hockeydb.com/ihdb/stats/pdisplay.php?pid=6541>.
85. John Vogl, *Ex-Sabre Titanic states his case against NHL*, BUF. NEWS, Dec. 15, 2013.
86. *Not All Players Ready to Take League To Task in NHL Concussion Lawsuit*, THE ASSOCIATED PRESS, Nov. 26, 2013, <http://www.usatoday.com/story/sports/nhl/2013/11/26/nfl-nhl-concussion-lawsuit-not-same/3761489/>.
87. *Id.*
88. Eric Macramella, *Legal Look: The Concussion Lawsuit Against the NHL*, TSN.CA, Nov. 26, 2013, <http://www.tsn.ca/nhl/story/?id=437555>.
89. CIS 4, *supra* note 22.
90. Steven P. Broglio, *Cognitive Decline and Aging: The Role of Concussive and Subconcussive Impacts*, 40 EXERC. SPORT SCI. REV. 138 (July 2012).
91. BUCSTE FAQ, *supra* note 41.
92. Harmon, *supra* note 33.
93. Daniel Kaplan, *The Road to \$25 Billion*, SPORTS BUS. J., January 28, 2013, <http://www.sportsbusinessdaily.com/Journal/Issues/2013/01/28/In-Depth/NFL-revenue-streams.aspx>.
94. *Impact of Revenue Growth on NHL and NHLPA Proposals*, SB NATION, Sept. 14, 2012, <http://www.silversevensens.com/2012/9/14/3329508/impact-of-revenue-growth-on-nhl-and-nhlpa-proposals>.

**Carter Anne McGowan is an associate at Sendroff & Baruch, LLP, where her clients include producers, production companies, playwrights, composers, orchestrators, arrangers, directors, filmmakers, artists, general managers, and actors. She began her career as an agent at the Artists Group East before moving on to Richard Frankel Productions where she worked as Director of Business Affairs for nearly a decade, serving on the production legal team for over 100 Broadway, Off Broadway, regional, developmental and touring productions including *The Producers*, *Hairspray*, *Stomp*, *Swing*, *Sweeney Todd* and *Forever Tango*. Her works have been published in the *Cornell Journal of Law and Public Policy*, the *Seton Hall Sports Law Journal*, and the *Fordham Journal of Entertainment, Intellectual Property, and Media Law*, and in the NYSBA Publication *In the Arena: A Sports Law Handbook*. She is also a regular contributor to the NYSBA Entertainment, Arts, and Sports Law blog and a produced playwright and screenwriter. Carter Anne received her undergraduate degree from St. John's University, graduating summa cum laude with a degree in history and a professional certificate in sports management. She received her law degree from Cornell Law School, where she served as the Editor-in-Chief of the *Cornell Journal of Law and Public Policy*. In addition, she received an MFA in Theatre with a concentration in Performing Arts Management from CUNY/Brooklyn College, where she won the Managers for the Arts Award, and another MFA in Dramatic Writing from NYU'S Tisch School of the Arts, where she shared the Waldo Salt/Ian McLellan Hunter Award as Best Screenwriter for the class of 2003.**



# The NHL Concussion Litigation

By Carrie Anderer

## Introduction

In an anticipated event, on November 25, 2013, a putative class action lawsuit was filed on behalf of 10 former players (Plaintiffs) against the National Hockey League (NHL or League) and the NHL Board of Governors in the United States District Court for the District of Columbia.<sup>1</sup> The legal position advanced by the Plaintiffs focuses on the League's allegedly decades-long active and purposeful concealment of medical evidence demonstrating the link between repetitive head trauma and neurological diseases. The lawsuit alleges that the NHL acted negligently and fraudulently in its failure to protect players from head injuries, and instead encouraged and profited from hockey's culture of violence. According to an attorney for the Plaintiffs, within days of the filing of the complaint, 200-plus former NHL players signed up to be included in the lawsuit, with more expected.<sup>2</sup> The Plaintiffs ultimately seek to represent a class of more than 10,000 retired NHL players, with the class defined as those players who retired on or before February 14, 2013. They seek, *inter alia*, compensatory and punitive damages, as well as court-approved NHL-sponsored medical monitoring for the players' brain injuries sustained during the course of their NHL careers.

## Did the NHL "Sit on the Bench" Despite Mounting Medical Evidence?

The Plaintiffs argue that the NHL knew or should have known about the linkage between repeated blows to the head suffered by participants of various sports, including hockey, and neurological diseases as early as the 1920s, when peer-reviewed publications documented research by members of the medical community revealing the causal connection.<sup>3</sup> A significant portion of the complaint then focuses on the alleged deficiencies of the NHL's self-initiated concussion program (the Concussion Program) created in 1997, the purpose of which was "ostensibly to research and study brain injuries affecting NHL players."<sup>4</sup>

During the first year of the Concussion Program, the NHL implemented baseline brain testing for its players and required team doctors to maintain records of players believed to have sustained concussions. This data was then used to study concussions from 1997 through 2004. According to the complaint, during this study period, the NHL "voluntarily inserted itself into the scientific research and discussion" about the link between player safety and short- and long-term brain damage.<sup>5</sup> In taking on this role, the Plaintiffs contend, the League effectively undertook the responsibility to make truthful statements;

to initiate rules, protocols or programs to address the mounting evidence of brain injuries affecting former players; not to "continue complacently with the same conduct that nurtured violent head trauma while advancing the NHL's financial and political interests"; and to inform all players about the risks.<sup>6</sup>

The Concussion Program did not issue its first written report until 2011, seven years after the study had officially concluded, and, as a result, the Plaintiffs argue that they relied to their detriment during those seven years of silence.<sup>7</sup> Furthermore, the Plaintiffs argue that when the written report was finally published, it contained no mention of mild traumatic brain injuries (commonly referred to as MBTI), caused by concussive and sub-concussive impacts.<sup>8</sup> The Plaintiffs contend that the report was designed to "ignore accepted and valid neuroscience regarding the connection between repetitive traumatic concussive events, sub-concussive events and/or brain injuries, and degenerative brain disease such as CTE, and...create a climate of silence by which the NHL implied that truthful and accepted neuroscience on the subject was inconclusive and subject to doubt."<sup>9</sup> To this day, the Plaintiffs assert, the NHL has failed to take a public position on the long-term effects of concussions, and instead maintains that "further research is required."<sup>10</sup>

## Rule Changes: "Too Little, Too Late"?

The Plaintiffs allege that the NHL delayed the implementation of any significant rule changes aimed at reducing head injuries sustained by players on the ice.<sup>11</sup> On the contrary, instead of taking action to reduce head trauma suffered by players, the complaint alleges that the NHL introduced a series of updates to the rule-set which led to an actual *increase* in the number of violent in-game collisions.<sup>12</sup> According to the complaint: "In 2005, despite knowing that it would result in *more* concussions, which it already knew was a problem, the NHL decided to make its game faster and more appealing by penalizing 'clutch and grab' hockey whereby players hook and hold each other to slow down the game.... From 1997 until 2008, an average of 76 players per year suffered a concussion on the ice. For the 2011-2012 season, 90 players suffered a concussion on the ice."<sup>13</sup> Furthermore, in 1996, the NHL changed the glass in all of its arenas from flexible glass to rigid glass. While players complained that the rigid glass was like "hitting a brick wall," the NHL did not fully return to the flexible glass until 2011.<sup>14</sup>

Framed within the theme of "too little, too late," the complaint does cite some noteworthy rule changes intended to reduce the incidence of concussions, the first

being in 2010 in which Rule 48 was amended to make body-checking to the head a penalty.<sup>15</sup> In 2011, Rule 48 was amended to ban all deliberate blows to the head,<sup>16</sup> and Rule 41 was altered to penalize players who “fail to avoid or minimize contact with a defenseless opponent along the boards but gave the referee the discretion not to call a penalty if the contacted player had put himself in a vulnerable position.”<sup>17</sup> Furthermore, with respect to off-the-ice rules, the NHL in 2011 also implemented a rule change which required a doctor, as opposed to a trainer, to examine a player for a concussion after an on-ice head trauma,<sup>18</sup> as well as created a Department of Player Safety.<sup>19</sup> Finally, in 2013, the NHL changed its concussion protocols to prohibit a concussed player to return to the ice in the same game in which the concussion occurred;<sup>20</sup> required players to wear visors on their helmets (although grandfathered its veteran players); mandated the use of “soft” shoulder pads; and adopted a rule penalizing a player for removing his helmet during an on-ice fight.<sup>21</sup>

The Plaintiffs also take issue with “one of the so-called quintessential aspects of hockey: fighting.”<sup>22</sup> The Plaintiffs allege that the “NHL has refused to outlaw fighting and all body checking despite significant medical evidence that to do so would substantially reduce the incidence of concussions in professional hockey.”<sup>23</sup> To the contrary, the Plaintiffs argue that the NHL glorifies “enforcers,” players known for their intention to injure players on the opposing team.<sup>24</sup>

### Some Legal Obstacles Faced by the Plaintiffs

The Plaintiffs’ allegations that the NHL negligently and fraudulently withheld and concealed information from players linking concussions and debilitating brain injuries, coupled with the arguably minimal changes made by the NHL to the rule-set aimed at reducing the incidence of concussions, certainly paint the NHL in a negative light. However, the Plaintiffs face several challenging legal hurdles, and there is no doubt that the NHL is already under way in its preparations to argue for dismissal of all of the Plaintiffs’ claims in a motion to dismiss.

#### A. Preemption

As is the case in all professional sports lawsuits, the Plaintiffs face the threat that their claims are preempted by federal labor law and therefore must be dismissed. The NHL will likely argue that the Plaintiffs’ claims are preempted by Section 301 of the Labor Management Relations Act because the resolution of the Plaintiffs’ tort claims is dependent upon or inextricably intertwined with an interpretation of the collective bargaining agreements (CBAs) to which the Plaintiffs are bound. The NHL will argue that because the Plaintiffs allege that the NHL breached its duties owed to players with respect to player health and safety, the CBAs, which establish those duties, must be interpreted. If the judge determines that the Plaintiffs’ claims are preempted, the claims will need

to be resolved outside the court system by an arbitrator pursuant to the grievance procedures provided for in the CBAs.<sup>25</sup>

In connection with the federal preemption argument, the NHL is likely to argue that it should not bear the blame for the Plaintiffs’ claims, but the National Hockey League Players Association (NHLPA) should. The NHL will maintain that because the health and safety of players are collectively bargained, and because the NHLPA was and is the players’ “exclusive bargaining agent and...legally entrusted with protecting players,”<sup>26</sup> the NHLPA should be legally liable for any failures to protect the Plaintiffs. Moreover, the NHL will point out that the NHLPA helped to create and administer the NHL’s Concussion Program that the Plaintiffs now argue was deficient.

#### B. Causation

Another critical legal obstacle faced by the Plaintiffs is proving causation—establishing that the brain injuries the Plaintiffs sustained playing hockey, specifically in the NHL, is directly responsible for their impairments. The NHL “will no doubt recognize that the plaintiffs will have difficulty establishing that their long-term injuries were a direct result of concussions sustained during play in the NHL and not in junior hockey or the minor leagues. Even in the NHL, concussions may not have been consistently recorded in the past, so drawing a direct connection to current medical conditions may be impossible.”<sup>27</sup> The NHL will likely contend that because the players competed in hundreds of games prior to playing in the NHL at different levels and in other hockey leagues, it is simply impossible to pinpoint an exact source of their brain injuries.<sup>28</sup> Additionally, the NHL may suggest that the neurological problems diagnosed in some players are entirely unrelated to playing hockey.<sup>29</sup>

#### C. Class Certification

An additional obstacle faced by the Plaintiffs is the prospect of fulfilling the requisites for certifying the class. It is expected that the NHL will argue that the Plaintiffs’ individual injuries and unique factual circumstances will predominate over common questions of fact, precluding the Plaintiffs from maintaining a class action.<sup>30</sup> Furthermore, because the NHL is a dual-country league, many of these players will have played in both the United States and Canada.<sup>31</sup> This raises significant and complicated choice of law issues that could also prevent a judge from certifying the class.<sup>32</sup>

#### D. Assumption of Risk

The NHL is likely to argue that Plaintiffs knew the risks of playing hockey in the NHL and assumed those risks.<sup>33</sup> The NHL will argue that hockey is an inherently dangerous sport, a fact of which the Plaintiffs were well aware. Furthermore, the NHL could turn the Plaintiffs’

argument that the link between head injuries and neurological diseases has been well known since the 1920s on its head, and make the case that this information was at all times readily available to the Plaintiffs. Therefore, the Plaintiffs were already apprised of the risks they were taking by playing NHL hockey.

### E. Proactive Measures Taken by the NHL

Finally, in defending itself against the Plaintiffs' claims, the NHL will likely argue that it took a proactive approach to player safety, specifically through the implementation of its Concussion Program. The NHL is likely to emphasize the fact that it "was the first of the major North American pro leagues to establish baseline testing of the brain, in 1997."<sup>34</sup> While the Plaintiffs allege that the NHL failed to make any statements of substance on the studies it conducted, and that the first written report issued by the Concussion Program failed to disclose the true risks of repetitive head trauma, the NHL maintains a different view. After the filing of the lawsuit, NHL Commissioner Gary Bettman publicly stated: "The fact is, we believe that this lawsuit is without merit. We have been extraordinarily proactive on the whole issue of player safety, and I think our record in that regard speaks volumes."<sup>35</sup>

### What Next?

Given that the lawsuit is in its early stages, it is unclear what strategy the NHL will choose to adopt—whether it will vigorously defend the lawsuit in the courtroom, or whether it will follow the path of the NFL and eventually reach some type of settlement with the players. To the likely benefit of the Plaintiffs, the NHL may wish to pursue the latter, more risk-adverse approach, in order to minimize negative public relations, as well as avoid the prospect of damaging information being revealed to the public through the discovery process. Either way, the ultimate end-game should be on getting the players who have suffered these brain injuries the medical help they need, and preventing these types of debilitating brain injuries in the future.

As the legal fallout of concussions in sports continues to make waves, a national conversation has only just begun. These lawsuits force players and fans to come to terms with the trauma players face in the name of the game, including professional, amateur, collegiate, high school and youth athletes.

### Endnotes

1. *Leeman v. NHL*, No. 1:13-cv-01856 (D.D.C. Nov. 25, 2013).
2. Yukio Strachan, *200 Players Join NHL Concussion Class-Action Lawsuit*, DIGITAL JOURNAL (Nov. 28, 2013), <http://digitaljournal.com/article/362994>.
3. *Leeman v. NHL*, ¶ 42.
4. *Id.* ¶ 7.

5. *Id.* ¶ 9.
6. *Id.* ¶ 10.
7. *Id.* ¶ 109.
8. *Id.* ¶ 104.
9. *Id.*
10. *Id.* ¶ 108.
11. *Id.* ¶ 201.
12. *Id.* ¶ 111.
13. *Id.* ¶.
14. *Id.* ¶ 110.
15. *Id.* ¶ 112.
16. *Id.* ¶ 114.
17. *Id.* ¶ 113.
18. *Id.* ¶ 116.
19. *Id.* ¶ 118.
20. *Id.* ¶ 118.
21. *Id.* ¶ 121.
22. Paul D. Anderson, *Concussion Litigation Strikes the NHL*, NFLCONCUSSIONLITIGATION.COM (Nov. 26, 2013), <http://nflconcussionlitigation.com/?p=1542>.
23. *Leeman v. NHL*, ¶ 133.
24. *Id.*
25. "The NHL concussion lawsuit comes six months after the family of Derek Boogaard filed a wrongful-death lawsuit against the league, alleging that the NHL was responsible for the brain damage the 28-year old hockey player sustained in six seasons as one of the league's top enforcers. On May 13, 2011, Boogaard died from an accidental drug overdose. Months later, researchers found that Boogaard's brain showed signs of chronic traumatic encephalopathy (CTE) as a result of multiple blows to the head." Strachan, *supra* note 2. "Derek Boogaard's wrongful death lawsuit, pending in the Northern District of Illinois, is facing this legal hurdle as we speak. A ruling is expected soon to determine whether Boogaard's lawsuit is completely preempted by federal labor law. Or if, as Boogaard argues and the NHL players will soon argue, the CBAs will not need to be interpreted and federal labor law is of no moment. This expected ruling could make or break the NHL concussion class action. If Boogaard successfully convinces the court that the CBA will not need to be addressed to resolve his claims, the NHL players will use this ruling to persuade the court in the District of Columbia that another federal judge looked at a similar issue and determined that the preemption argument is without merit." Anderson, *supra* note 22.
26. See Michael McCann, *Analyzing Leeman v. NHL, the Newest Sports Concussion Lawsuit*, SPORTSILLUSTRATED.COM (Nov. 26, 2013), <http://sportsillustrated.cnn.com/nhl/news/20131125/leeman-v-nhl-concussion-lawsuit-analysis/>.
27. Ken Belson & Jeff Z. Klein, *N.F.L. Concussion Case Offers Clues for Hockey Lawsuit*, N.Y. TIMES, Nov. 26, 2013.
28. Eric Macramalla, a sports legal analyst and partner at the Canadian law firm Gowlings, states: "One of the plaintiffs, Morris Titanic, played just 19 games in the NHL, so how can he make a compelling argument that NHL hockey caused his irreversible brain damage? Another plaintiff, Wayne Holmes, played just 45 games in the NHL, with 737 games outside the NHL. With 95 percent of his games played in other leagues, Holmes may have difficulty proving that his brain damage was the result of playing NHL hockey." Jason Brough, *Ask a Lawyer: Do the Players Suing the NHL Over Concussions Have a Case?*, NBCSPORTS.COM (Dec. 5, 2013), <http://prohockeytalk.nbcsports.com/2013/12/05/ask-a-lawyer-do-the-players-suing-the-nhl-over-concussions-have-a-case/>.



29. See McCann, *supra* note 26.
30. Rule 23 of the Federal Rules of Civil Procedure sets forth the prerequisites for maintaining a class action:
- (a) Prerequisites. One or more members of a class may sue or be sued as representative parties on behalf of all members only if:
- (1) the class is so numerous that joinder of all members is impracticable;
  - (2) there are questions of law or fact common to the class;
  - (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and
  - (4) the representative parties will fairly and adequately protect the interests of the class.
31. Anderson, *supra* note 22.
32. *Id.*
33. This argument is lent credence by comments made by NHL players themselves. In an interview with the Associated Press, Jeremy Roenick, a 20-year veteran of the NHL who played for the Chicago Blackhawks, Phoenix Coyotes, Philadelphia Flyers, Los Angeles

Kings and San Jose Sharks, admitted: "I've always lived in the fact that I played the game of hockey knowing there was a lot of risk to be taken. I went on the ice knowing that my health and my life could be altered in a split second, and I did it because I loved the game." *Not All NHL Players Ready to Take League to Task in Concussion Lawsuit*, USATODAY.COM (Nov. 26, 2013), <http://www.usatoday.com/story/sports/nhl/2013/11/26/nfl-nhl-concussion-lawsuit-not-same/3761489/>.

34. Adrian Dater, *NHL Concussion Lawsuit: Money Grab or Merit Worthy*, BLEACHERREPORT.COM (Nov. 27, 2013), <http://bleacherreport.com/articles/1868522-nhl-concussion-lawsuit-money-grab-or-merit-worthy>.
35. Belson & Klein, *supra* note 27.

**Carrie Anderer is an Associate at Kantor, Davidoff, Mandelker, Twomey & Gallanty, P.C. in Manhattan where her practice focuses on a wide variety of complex commercial litigation matters. She is also a member of several sports law associations. Ms. Anderer received her B.A. from Columbia University in 2006, and her J.D. from Brooklyn Law School in 2011. She can be reached by telephone at (212) 682-8383 or via e-mail at [anderer@kantordavidoff.com](mailto:anderer@kantordavidoff.com).**

# Are you feeling overwhelmed?

The New York State Bar Association's Lawyer Assistance Program can help.

We understand the competition, constant stress, and high expectations you face as a lawyer, judge or law student. Sometimes the most difficult trials happen outside the court. Unmanaged stress can lead to problems such as substance abuse and depression.

NYSBA's LAP offers free, confidential help. All LAP services are confidential and protected under section 499 of the Judiciary Law.

**Call 1.800.255.0569**

NEW YORK STATE BAR ASSOCIATION  
LAWYER ASSISTANCE PROGRAM



# The Twentieth Century and Property Expropriation: Quest for the Return of the Morozov Collection

By Amanda Agnieszka Rottermund

*Phil Cowan Memorial/BMI Scholarship Winner*

## Introduction

The twentieth century witnessed enormous change: the two world wars, the fall of major world powers and shift in global political strength, revolutions, waves of decolonization, the end of empires, technological transformation, the rise of human rights activism, artistic experimentation, and an increasingly globalized world. The effects of these events continue to reverberate today. It is not uncommon to look back and examine these past events to resolve present problems and understand the world in a more complete manner. One such event is the 1917 Russian Revolution—its effects left unexplored for decades because of the Iron Curtain’s impenetrable cloak. Yet, in 2008 a French citizen of Russian ethnicity discovered that he was the sole heir to an enormous collection of artistic masterpieces illegally seized by the Bolsheviks. This discovery began a quest to recover those looted artworks and has since unleashed an historical episode with great legal implications.

The impenetrability of the Iron Curtain caused there to be very little information available about art taken out or brought into the Soviet Union during the first half of the twentieth century. Given this lack of information, it is unsurprising that there is little litigation involving art seized during the Russian Revolution (Revolution). Therefore, the benefits of a discussion of art and Russia are manifold. Not only are issues stemming from the Revolution important, but so too are issues related to art taken from Western Europe to the Soviet Union after World War II as trophies of war. In sum, because this discourse remains undeveloped, this article will attempt to answer questions about this relatively unexplored area as it is litigated in the U.S. The heart of this article seeks to find a legal basis for some form of equitable justice for property unjustly seized without compensation—an act of theft committed by a government.

## The Russian Revolution and Property

Beginning in the nineteenth century, Europe witnessed the rise of “professional revolutionaries,”<sup>1</sup> whose aim was to “set free ‘true’ human nature suppressed by private property.”<sup>2</sup> By 1917, these revolutionaries had “called for the abolition of tsarism and a wholesale transformation of Russia.”<sup>3</sup> The revolutionaries’ role in twentieth century politics forever transformed the Russian people’s relationship with property. Although the Revolution is described singularly, it does in fact represent two separate events: the February revolution, which

included the overthrow of the aristocracy, and the October political coup d’état.

On February 23, 1917 a dispute broke out at the Putilov Plant in the city of Petrograd.<sup>4</sup> In response to the labor dispute, Putilov’s management issued a worker lockout.<sup>5</sup> The Putilov Plant was the largest of its kind in Russia and the lockout forced 30,000 workers into the streets.<sup>6</sup> The Putilov lockout sparked a series of street and factory demonstrations that lasted throughout the following days.<sup>7</sup> On February 27th, Russian soldiers rebelled and joined the revolution.<sup>8</sup> By March, the leaders of the Revolution overthrew Tsar Nicolas II and installed a Provisional Government.<sup>9</sup> By the end of October, the Provisional Government’s radical rivals, the Bolsheviks and Soviets (both were separate political parties in the post-revolutionary government and herein referred to collectively as “Soviets”),<sup>10</sup> took over the Provisional Government in a “classic coup d’état.”<sup>11</sup> The Soviets installed the government of the Russian Socialist Federated Soviet Republic (RSFSR) and its official successor, the Union of Soviet Socialist Republics (U.S.S.R.).<sup>12</sup> Although the U.S. recognized the Provisional Government in early 1917, it did not acknowledge the Soviet government until November 1933.<sup>13</sup>

## The Seizure of the Morozov Collection

Ivan Morozov (Morozov) (b. 1871) was a successful Russian textile merchant, railroad tycoon, and modern art collector who lived in Moscow during the early twentieth century.<sup>14</sup> Morozov initially collected paintings by young Russian artists. However, in 1907 Morozov began collecting French artists’ works for his newly rebuilt villa.<sup>15</sup> On June 23, 1908, Morozov purchased the Vincent Van Gogh painting *The Night Café* in Moscow at the First Golden Fleece exhibit of Modern art, through the Paris art dealers Berheim-Jeune or Paul Durand-Ruel.<sup>16</sup> On April 29, 1911, he purchased the Paul Cézanne painting *Madame Cézanne in the Conservatory* or *Portrait of Madame Cézanne* in Paris.<sup>17</sup> Morozov paid 7,500 francs for *The Night Café*.<sup>18</sup> Currently, these paintings are valued between \$125 million to \$150 million, and \$50 million to \$70 million, respectively.<sup>19</sup>

On December 19, 1918, the Soviets issued a decree against Morozov’s art collection, which included the *Portrait of Madame Cézanne* and *The Night Café*.<sup>20</sup> “Under the December 19 decree, ‘the art collection [] of I.A. Morozov, including the Painting, was [deemed] state property, to be transferred to the jurisdiction of the People’s Commissariat of the Enlightenment [Narkompros].’”<sup>21</sup> The decree was signed by Lenin and also “ordered Narkompros to ‘put

into action a statute about the use of the collections in accord with the contemporary needs and tasks involved in democratizing the artistic and educational-cultural institutions of the RSFSR."<sup>22</sup> To enforce the decree, Bolshevik secret police and Narkompros members occupied Morozov's home, looted furniture, stole various items, and seized his art collection.<sup>23</sup> Morozov's heir, Pierre Konowaloff, alleges that the December decree was religiously motivated, as the order "singled out" the art collections of two families, the Morozovs and the Ostroukhovs because they were Old Believers.<sup>24</sup> Old Believers were religious schismatics who split from the official Orthodox Church in the seventeenth century and were persecuted by the Bolsheviks.<sup>25</sup>

The seizure of the Morozov collection was nothing more than Soviet theft of personal property. Morozov did not voluntarily relinquish his art collection, nor did he receive any compensation for his rights and interests in the collection.<sup>26</sup> Then in December 1918, the Soviets took Morozov's textile factory and its safes.<sup>27</sup> On April 11, 1919, Morozov's home was named the "Second Museum of Western Art."<sup>28</sup> Initially, the Second Museum of Western Art "served as a storage facility for confiscated art and salesroom for these buyers (mainly foreigners) interested in purchasing its contents."<sup>29</sup> Konowaloff asserts that the Soviets "systematically destroyed evidence of title and origin" of confiscated artworks to be sold abroad.<sup>30</sup> Consequently, Morozov and his wife, Eudoxie Losine Morozova, emigrated to London and then to Paris, France where the family lived in permanent exile.<sup>31</sup> On April 18, 1921, Morozov wrote his last will and testament, in which he left his entire estate to his wife.<sup>32</sup> Morozov died on July 21, 1921.<sup>33</sup> Morozov's widow died in 1959 and her daughter Eudoxie, who married Serge Konowaloff, died in 1982.<sup>34</sup>

Soviet law banned the shipment of culturally significant objects from the country. On September 19, 1918, Sovnarkom, the Council of People's Commissars, issued the first decree entitled "Concerning the Ban on the Export and Sale Abroad of Items of Particular Significance."<sup>35</sup> This decree, a cultural patrimony law,<sup>36</sup> "prohibited the export of objects of particular and historical importance without permission of Narkompros and ordered the preservation and registration of artworks and antiquities."<sup>37</sup> The second decree was issued on October 5, 1918 and stated that the prohibition on the export of artworks applied to private persons, societies and institutions.<sup>38</sup> Despite the two decrees prohibiting the export of significant art and cultural property, from the late 1920s to 1933 the Soviets sold many of the artistic masterpieces that they had taken during the Revolution to raise hard currency.<sup>39</sup>

The Soviet state distinguished between the Communist Party and the state, regarding its institutions and laws as separate from the Communist Party.<sup>40</sup> The Communist Party's executive arm was the Politburo, which consisted of five members and functioned as the definitive decision-

making body of the party.<sup>41</sup> "Although private trade was a crime under Soviet law, 'power was concentrated in the hands of Politburo members and their discussions and actions were secret,' so they were able to act with impunity."<sup>42</sup> The Politburo often acted against the interests and the ideals of the Soviet state. In the case of the *Portrait of Madame Cézanne*, on May 19, 1933, "the Politburo secretly approved the sale [of the Painting] over the written protests of Andrei Bubnov (head of Narkompros) and other Soviet museum officials, who specifically requested that the Painting not be sold."<sup>43</sup>

Given the existence of the patrimony decrees and the Politburo's secret approval of the Cézanne sale, it is highly likely that Politburo members who ordered the sale of the Painting acted independent of the Soviet state and engaged in illegal private trade with western buyers.<sup>44</sup> Furthermore, these facts paint a picture of an illegal conspiracy to sell artwork abroad.<sup>45</sup> Konowaloff argues that the Soviets "systematically destroyed evidence of title and origin" of confiscated artworks to be sold abroad.<sup>46</sup> There is strong credence to this argument, as shown by French art dealer Germain Seligman, who had been approached by "representatives" and asked to visit the Soviet Union to buy art:

From 1930 to 1932 a series of auctions took place in Berlin, in Leipzig, and at the Dorotheum in Vienna, sometimes under the name of a single former Russian collector-owner, sometimes with objects from several collections together. The first of these, in the spring of 1930, immediately set loose the rumor that not only were nationalized works of art being auctioned, but paintings from the Hermitage Museum in Leningrad were leaving Russia by private sale.<sup>47</sup>

Given the existence of the decrees, the ban on private trade, the secretive decision-making by the Politburo, the secretive nature of the representatives scouting French dealers as buyers, and later denials by the Soviet embassy regarding sales to American collectors, the evidence suggests the establishment of a Soviet conspiracy.<sup>48</sup>

The mechanics of the Soviet sales to the U.S. involved an international trade network that began with a German-based gallery. The Soviets established the Soviet Trade Delegation in Berlin to serve as the transit point for confiscated art being sold abroad.<sup>49</sup> In 1928, the Matthiesen Gallery in Berlin was the main transit point for Soviet shipments of art for sale to the West, and also was involved in laundering illegally acquired art from the Soviets and later the Nazis.<sup>50</sup> Upon receiving stolen art from the Soviet government, the Matthiesen Gallery transferred money into Soviet bank accounts in Berlin and Zurich.<sup>51</sup> After transferring the funds, the Matthiesen Gallery would frequently send recently acquired artworks to



the P. & D. Colnaghi Gallery in London, and from London, to the Knoedler & Company gallery in New York City.<sup>52</sup> Each participating gallery earned a commission of between 7.5 and 10% for handling the artwork.<sup>53</sup>

Numerous wealthy collectors, either knowingly or obliviously, purchased art from galleries dealing in art confiscated by the Soviets.<sup>54</sup> One such collector, Stephen C. Clark (Clark), was a New York resident and an heir to the Singer Manufacturing Company sewing machines, pistols, and artillery fortune.<sup>55</sup> Clark was a “sophisticated art collector” and bought his first Renoir in 1916.<sup>56</sup> In 1929, Clark contributed to the opening of the new Museum of Modern Art (MOMA) in New York City and became its president and chairman of the board.<sup>57</sup> In 1932, Clark became a trustee of the Metropolitan Museum of Art (Met).<sup>58</sup> Throughout this period, Clark acquired numerous paintings from the Colnaghi and from Knoedler galleries.<sup>59</sup> Clark surreptitiously directed Knoedler to buy for him, in secret, a Cézanne, a Van Gogh, a Degas, and a Renoir.<sup>60</sup> The implication of Clark’s secret purchases is that he knew of the seizures and sales’ illegality. The secrecy may also illustrate that Clark was fearful of legitimate Russian owners, as most were alive, claiming the paintings as rightfully their own. Irrespective of Clark’s probable fears, the secret was kept safe, and he acquired the four paintings for approximately \$260,000, “a bargain price even by 1933 standards.”<sup>61</sup> Courts have viewed bargain prices as evidence of buyers’ bad faith in purchasing stolen art and cultural heritage.<sup>62</sup>

In his will, Clark bequeathed 40 paintings to Yale University, his alma mater.<sup>63</sup> On June 21, 1961, Yale received the pieces from the Clark estate.<sup>64</sup> One of the 40 works was *The Night Café*.<sup>65</sup> Additionally, Clark bequeathed two other paintings to the Met, and this gift included the Cézanne *Portrait of Madame Cézanne*.<sup>66</sup> At the time of the bequest to Yale, Andrew Ritchie (Ritchie) was the director of the Yale Art Gallery.<sup>67</sup> Ritchie had served in the Monuments and Fine Arts Section of the United States Army during World War II and assisted in the repatriation of Nazi-looted art.<sup>68</sup> In his Amended Counterclaim in *Yale v. Konowaloff*, Konowaloff asserts, on information and belief, that Ritchie knew the provenance of *The Night Café*.<sup>69</sup> According to Konowaloff, “[D]espite Ritchie’s background and ability to research provenance, Yale did not disclose the Morozov provenance in its own publications and displays or seek out Morozov’s heirs.”<sup>70</sup>

### Plight to Recover the Morozov Collection

Pierre Konowaloff (“Konowaloff”) is the sole heir to the estate of his great-grandfather, Ivan Morozov.<sup>71</sup> Konowaloff became the official heir to Ivan Morozov’s estate and art collection in 2002.<sup>72</sup> In 2008, after discovering that Yale had possession of *The Night Café* by Vincent Van Gogh, Konowaloff notified Yale of his claim to the painting.<sup>73</sup> Yale refused and continues to refuse to return *The*

*Night Café*.<sup>74</sup> In 2008, Konowaloff also learned that Morozov had owned the *Portrait of Madame Cézanne* and demanded that the Met return it to him.<sup>75</sup> The Met refused to return the painting and Konowaloff commenced an action in the U.S. District Court for the Southern District of New York.<sup>76</sup>

#### A. *Konowaloff v. Metropolitan Museum of Art*

Konowaloff commenced an action in the Southern District of New York, seeking injunctive, monetary and declaratory relief against the Met.<sup>77</sup> Konowaloff argued that Stephen C. Clark’s 1933 purchase of the Cézanne painting constituted a transaction that violated Russian patrimony laws because the Communist party sold artworks in violation of the decrees banning the sale of significant art and objects of particular and historical importance, and was against the Soviet government’s instructions.<sup>78</sup> Konowaloff further alleged that the Politburo (*i.e.*, Communist Party) and the Soviet state were separate entities and therefore that the sale of the Cézanne painting was an “act of party” rather than an “act of state.”<sup>79</sup> Konowaloff argued that the acts of the Politburo, in the sale of art abroad, were acts made independent of the Soviet government as part of an “illegal private trade with western capitalists.”<sup>80</sup>

The Met moved to dismiss Konowaloff’s claims on the grounds that they were barred by (1) the Act of State Doctrine; (2) the political question doctrine; (3) the doctrine of international comity; and (4) the statute of limitations or laches; (5) the fact that the complaint failed to state a claim on which relief could be granted.<sup>81</sup> The district court held that the Met satisfied its burden of showing that the Act of State Doctrine applied to bar Konowaloff’s claims.<sup>82</sup> Under the Act of State Doctrine, “the courts of the United States will not question the legality of an official act taken by another nation within its own territory.”<sup>83</sup> The district court concluded that there was established precedent in the Second Circuit recognizing the “Soviet government” as the state and its activities as legitimate, official acts.<sup>84</sup> The district court further declined to question the act of state in expropriating the painting, because it accepted that the Soviet government took ownership of the painting in 1918 through an official decree.<sup>85</sup> The district court concluded that the painting’s sale in 1933, whether legal or illegal, was irrelevant to Konowaloff, because he lacked any ownership stake in the painting.

Konowaloff appealed the district court’s holding. The U.S. Court of Appeals for the Second Circuit affirmed the district court’s decision on December 18, 2012.<sup>86</sup> The Second Circuit rejected Konowaloff’s argument that the Act of State Doctrine was inapplicable to the 1933 sale of the Painting.<sup>87</sup> The court found that the relevant act of state was the 1918 appropriation of the Cézanne painting.<sup>88</sup> The Second Circuit rejected Konowaloff’s argument that the Act of State Doctrine did not bar his claim, because

the Communist Party, not the Soviet state, seized the Cézanne painting.<sup>89</sup>

## B. *Yale University v. Konowaloff*

Unlike the procedural posture in *Konowaloff v. Metropolitan Museum of Art*, in *Yale v. Konowaloff*, the painting's possessor went on the offensive and commenced the action before Konowaloff could lay claim to the work. On March 23, 2009, Yale University (Yale) filed a complaint in the U.S. District Court for the District of Connecticut seeking to quiet title to *The Night Café*.<sup>90</sup> By seeking to quiet title to the painting, Yale asked the court for declaratory relief to find that Yale had good title to *The Night Café*.<sup>91</sup> Under Connecticut law, Yale bears the burden of proving the allegations in its complaint that it has good title.<sup>92</sup> On May 21, 2009, Konowaloff objected to Yale's complaint and filed counter claims to Quiet Title, for Declaratory Relief, Replevin, and for Injunctive Relief.<sup>93</sup> Since the initial filing of the complaint and the counter claims, this case has pended in the U.S. District Court for the District of Connecticut for over four years.

In court filings, Konowaloff distinguished *Yale University v. Konowaloff* from *Konowaloff v. Metropolitan Museum of Art* because the Southern District Court and the Second Circuit focused on the collection's "confiscation," whereas the Connecticut District Court in *Yale* has "focused on the circumstances of the sale of the painting."<sup>94</sup> Based on this distinction, Konowaloff emphasized that "no act of a foreign state is being challenged; to the contrary, the act of a foreign state prohibiting the sale of the painting is being sought to be upheld."<sup>95</sup> Konowaloff argued that because the Politburo sold the paintings in contravention of the Soviet patrimony laws, this case was actually *respecting* the act of a foreign sovereign. Konowaloff is hence attempting to uphold the laws that identified his family's art collection as property of the Soviet state, which is ironic given the fact that this might potentially provide Russia with a stake in the title claim.

## Expropriated Property versus Nazi-Loot: A Comparison of Courts' Approaches

It is helpful to compare the situation at hand with the legal remedies related to Nazi-appropriated objects, because American courts have carved out special exceptions to traditional legal doctrine when adjudicating cases involving Nazi-looted art. These are exceptions to "principles of international law, including the rights of foreign sovereigns" that courts generally apply in expropriation cases.<sup>96</sup> The main bar facing claimants whose property has been expropriated abroad is the Act of State Doctrine, which is a legal doctrine that involves foreign relations concerns for the United States.<sup>97</sup> Therefore, this is the main hurdle facing Konowaloff in *Yale*.

In the 1966 landmark case, *Menzel v. List*, the New York Supreme Court first outlined the "analytical steps

to be followed in determining the rightful ownership of" artworks expropriated during World War II.<sup>98</sup> *Menzel* involved an action in replevin to recover a Marc Chagall painting that had been looted in Belgium. One of the issues addressed by the court was whether the Act of State Doctrine precluded "any inquiry by the court into the validity of the acts of the" Nazi government.<sup>99</sup> To address this issue the court referred to the Supreme Court's definition of the Act of State Doctrine. Citing *Banco Nacional de Cuba v. Sabbatino*,<sup>100</sup> the court stated the "doctrine rests upon the confluence of four factors." Those four factors are: "(A) the taking must be by a foreign sovereign government; (B) the taking must be within the territorial limitations of that government; (C) the foreign government must be extant and recognized by this country at the time of suit; (D) the taking must not be violative of a treaty obligation."<sup>101</sup> The New York Supreme Court applied the four factors from *Sabbatino* and held that "[a]nalysis of the facts in the case at bar and the court's own research into controlling principles lead inexorably to the conclusion that of these four factors, not one has been met."<sup>102</sup> The court found that the taking was not by a foreign sovereign government because the Chagall painting "was seized not by a foreign government, but rather by 'The Center for Nationalist Socialist Ideological and Educational Research,' an organ of the Nazi party."<sup>103</sup>

Since *Menzel v. List*, "there has been no decision as yet that validates a Nazi expropriation under the act of state doctrine."<sup>104</sup> As described by Professor Patty Gerstenblith, there has only been one exception in the Second Circuit, however, it preceded *Menzel* and was subsequently reversed. In *Bernstein v. Van Heyghen Freres Societe Anonyme*, "the Second Circuit held that the act of state doctrine applies to the expropriation of assets from a German Jew by the German government."<sup>105</sup> However, in *Bernstein v. N.V. Nederlandsche-Amerikaansche*,<sup>106</sup> Bernstein relied on a statement from the Department of State that stated "that the policy justifications" for the Act of State Doctrine did not apply to Bernstein's case.<sup>107</sup> In a later letter written by Jack B. Tate, the Acting Legal Advisor to the State Department, he stated, "[I]t is this Government's policy to undo the forced transfers and restitute identifiable property to the victims of Nazi persecution wrongfully deprived of such property; and...to relieve American courts from any restraint upon the exercise of their jurisdiction to pass upon the validity of the acts of Nazi officials."<sup>108</sup> This letter "gave rise to what is called the "*Bernstein* Exception."<sup>109</sup> The "*Bernstein* Exception" stands for the rule that "the foreign policy of the United States does not require the courts of the United States to defer to acts of the Nazi regime even if the other requirements of the act of state doctrine are satisfied."<sup>110</sup>

The Second Circuit dismissed Konowaloff's claim entirely on the basis of the Act of State Doctrine. Therefore, it can be assumed based on Yale's motions that the Act of State Doctrine will weigh heavily in the U.S. District

Court for the District of Connecticut's analysis in *Yale*. However, unlike the U.S. District Court for the Southern District of New York, the district court in Connecticut has focused its attention on the sale of the painting, rather than its seizure. Thus, the court could create a *Bernstein*-like exception for the Morozov takings by following the specific analysis articulated in *Menzel v. List*, because the painting was sold by the Politburo, not the Soviet state. In *Menzel*, the court concluded that the Center for Nationalist Socialist Ideological and Educational Research (Center), rather than the Einsatzstab Reichsleiter Rosenberg (ERR), was the actor responsible for the property appropriation and that the Center was not a part of the German government. Therefore, the Center's acts were not acts of state. The court rested its conclusion on its statement that the Center was an organ of the Nazi party, and therefore separate from the German Government. Konowaloff could argue the same. In fact, it is curious that the court in *Menzel* asserted that the Center, and not the ERR, "acted," because scholarship does not make that distinction. For example, throughout *The Spoil of Wars*,<sup>111</sup> scholars and lawyers from the countries affected by Nazi looting refer to the ERR as the actor—including the representative of Belgium.

The *Menzel* distinction between "party organization" and "government" appears very weak, especially given the facts of Konowaloff's case, because the same "fine" distinction could apply to the Soviet actors. As Konowaloff argued in his case against the Met, the Politburo (*i.e.*, the Communist Party) and the Soviet state were separate entities, and therefore the sale of the paintings was an "act of party" rather than an "act of state." Furthermore, during World War II, the Third Reich was highly organized under the Gleichschaltung.<sup>112</sup> Under Gleichschaltung, it is arguably more likely that Hitler's government considered the Center as part of the state. Yet, during the Russian Revolution there was nothing like Gleichschaltung; rather, there was great confusion, fractionalization, and a political coup. The Politburo was clearly not a state party, and not organized under the Soviet state.

Cases involving revolutionary property seizures should not be excluded from the same "fine" distinction between government acts and party acts as applied in the *Menzel* case. It appears that the court in *Menzel* asserted that the seizure of art was by the Center and not the ERR just to create a legal fiction that a party and not a state actor stole the art, so that it could avoid discussion of the Act of State Doctrine. However, this legal fiction is now causing problems, because it is being applied differently to the Communists. If in fact the distinction between acts of party and acts of state was a mere legal fiction and "maneuver" around the Act of State Doctrine in *Menzel*, then courts should be wary of continuing to rely on it in their application of the Act of State Doctrine. Going forward, courts should identify and define the true reasoning for carving out an exception to Nazi-looting

acts, so that plaintiffs whose property has been unjustly seized have a fair and reliable basis for comparison. It appears that the holding in *Menzel* relied on the Third Reich's nonexistence, which made it easier for the court to find there to be no foreign affairs obstacle in disregarding the validity of the acts of Nazi officials. In this way, U.S. courts could ignore Nazi acts to right historic wrongs. However, during the Cold War, the U.S. was extremely cautious with its Soviet relationship. This caution most likely dominated its reluctance to carve out any special exceptions to Soviet or Communist Party acts that violated international law; however, with the end of the Cold War, such reluctance is questionable today.

This article has presented the history and legacy of the sale of artworks seized during the Russian Revolution through the story of a French plaintiff seeking to recover his great-grandfather's art collection from major American art institutions. The main thesis considered the possibilities for courts to establish an exception to the Act of State Doctrine for property seized during and sold shortly after the Russian Revolution, based on the *Bernstein* Exception for Nazi-looted art. The primary fault with current legal doctrine on Soviet versus Nazi-looting is that the distinction between "acts of party" and "acts of state" is being applied inconsistently and leading to illogical and unaligned results in the application of the Act of State Doctrine. Righting historic wrongs is no easy task and it is undeniable that much time has passed since 1917, during which new parties have enjoyed possession of these paintings. Still, the passage of time cannot erase these historic injustices and the U.S. legal system must uphold the rights instilled in property ownership when such property is located in the U.S.

## Endnotes

1. Richard Pipes, *A Concise History of the Russian Revolution* xiv (1995).
2. *Id.*
3. *Id.*
4. *Id.*
5. *Id.* at 76.
6. Rex A. Wade, *The Russian Revolution 1917* 29 (2005).
7. Pipes, *supra* note 1, at 79.
8. "The rebellious soldiers commandeered armored cars and cruised the snow-covered streets, waving their weapons and shouting." *Id.* "Arsenals were broken into and thousands of rifles stolen. There was widespread looting of shops, restaurants, and private residences." *Id.*
9. The Provisional Government was initially the "Provisional Committee of the Duma" and was comprised of "twelve Duma members" headed by the Duma chairman. *Id.* at 80. The Committee initially "consisted of ten members of the Progressive Bloc and two socialists." *Id.* at 80.
10. "The Bolshevik Party was Lenin's party." *Id.* at 80. During the February events, the Bolsheviks "had a small following among the workers and virtually none among the soldiers." *Id.* at 82. The Soviet (Soviets) was a separate political party that had clamored



- for a “full-scale ‘bourgeois’ revolution.” *Id.* at 82. In October, the Bolsheviks joined forces with the Soviets to secure their coup because “the country would not have tolerated a one-party dictatorship.” *Id.* at 151.
11. *Id.* at 113. “The events that led to the overthrow of the Provisional Government were not spontaneous but carefully plotted and staged by a tightly organized conspiracy.” *Id.*
  12. Konowaloff v. Metropolitan Museum of Art, 702 F.3d 140, 142 (2d Cir. 2012).
  13. *Id.* at 141–42.
  14. *Id.*; see also *Russia! The Collections of Sergei Shchukin and Ivan Morozov*, GuggenheimMuseum.com, <http://www.guggenheim.org/new-york/education/school-educator-programs/teacher-resources/arts-curriculum-online?view=item&catid=722&id=46> (last visited Nov. 18, 2013).
  15. Konowaloff v. Metropolitan Museum of Art, 702 F.3d at 141–42.
  16. Defendant’s First Amended Answer and Amended Counterclaim as a Matter of Course under Fed. R. Civ. P. 15(a)(1)(a), Yale University v. Konowaloff, No. 3:09-CV-00466 (D. Conn. Sept. 18, 2009).
  17. *Id.*
  18. *Id.*
  19. See John Christoffersen, *Van Gogh Painting is Worth up to \$150M, Claimant Says: Dispute with Yale Challenges Soviet Taking*, Boston.com, [http://www.boston.com/ae/theater\\_arts/articles/2010/01/23/claimant\\_says\\_van\\_gogh\\_painting\\_worth\\_up\\_to\\_150m/](http://www.boston.com/ae/theater_arts/articles/2010/01/23/claimant_says_van_gogh_painting_worth_up_to_150m/) (last visited Nov. 18, 2013); see also Chris Herring & Erica Orden, *That Cézanne is Mine, Suit Claims*, The Wall Street J., available at <http://online.wsj.com/article/SB10001424052748703493504576007363625409634.html> (last visited Nov. 18, 2013) (Konowaloff’s lawyer cites independent appraisals).
  20. Konowaloff v. Metropolitan Museum of Art, 702 F.3d at 142.
  21. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*1 (S.D.N.Y. Sept. 22, 2011) (quoting paragraph 11 of Konowaloff’s Complaint).
  22. Defendant’s First Amended Answer and Amended Counterclaim as a Matter of Course under Fed. R. Civ. P. 15(a)(1)(a), Yale University v. Konowaloff, No. 3:09-CV-00466 (D. Conn. Sept. 18, 2009) (discussion in paragraph 17).
  23. *Id.*
  24. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*1 (S.D.N.Y. Sept. 22, 2011) (quoting paragraph 10 of Konowaloff’s Complaint).
  25. *Id.*
  26. Konowaloff v. Metropolitan Museum of Art, 702 F.3d at 142.
  27. Defendant’s First Amended Answer and Amended Counterclaim as a Matter of Course under Fed. R. Civ. P. 15(a)(1)(a), Yale University v. Konowaloff, No. 3:09-CV-00466 (D. Conn. Sept. 18, 2009) (discussion in paragraph 18).
  28. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*1 (S.D.N.Y. Sept. 22, 2011) (quoting paragraph 12 of Konowaloff’s Complaint).
  29. *Id.*
  30. *Id.* (quoting paragraph 15 of Konowaloff’s Complaint).
  31. Defendant’s First Amended Answer and Amended Answer and Amended Counterclaim as a Matter of Course under Fed. R. Civ. P. 15(a)(1)(a), Yale University v. Konowaloff, No. 3:09-CV-00466 (D. Conn. Sept. 18, 2009) (discussion in paragraph 18).
  32. *Id.*
  33. *Id.*
  34. *Id.*
  35. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*2 (S.D.N.Y. Sept. 22, 2011) (quoting paragraph 29 of Konowaloff’s Complaint).
  36. Countries enact cultural patrimony laws “to vest in the sovereign state title of objects like antiquities, historic, religious and artistic objects—the so-called cultural patrimony of the country. The properties may be movables or immovables, privately owned or undiscovered, described generally or with specificity. In this manner, governments assert ownership although they may lack possession.” Jessica L. Darraby, *Art, Artifact, and Architecture Law* § 6:120 (2012).
  37. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*2 (S.D.N.Y. Sept. 22, 2011) (quoting paragraph 30 of Konowaloff’s Complaint).
  38. *Id.*
  39. Germain Seligman, *Merchants of Art: 1880-1960; Eighty Years of Professional Collecting 169–174* (1960), available at <https://archive.org/stream/merchantsofart1800seli#page/168/mode/2up/search/russia>. Germain Seligman was an art dealer in France. In 1928, he was approached by a group of Russians “representing what they termed a commercial venture controlled by the Soviet Government” to sell art to obtain “hard money.”
  40. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*2 (S.D.N.Y. Sept. 22, 2011) (quoting paragraph 30 of Konowaloff’s Complaint).
  41. *Id.*
  42. *Id.*
  43. *Id.*
  44. *Id.*
  45. *Id.* (quoting paragraph 19 of Konowaloff’s Complaint).
  46. *Id.* (quoting paragraph 15 of Konowaloff’s Complaint).
  47. Seligman, *supra* note 39, at 174.
  48. On September 25, 1930, *The New York Times* ran an article denying Andrew Mellon’s involvement in purchasing Soviet-seized art. According to Seligman, the Soviet Embassy emphatically denied that such sales existed. *Id.*; see also Special Cable to the N.Y. Times, *New Rumor on Soviet Sale*, N.Y. Times 3 (Nov. 1, 1930) (“This sale to Mr. Mellon has been reported previously and denied by the Soviet Government and art dealers. Soviet officials insisted that Moscow is not selling but adding to the Hermitage collection at Leningrad.”).
  49. *Id.* (quoting paragraph 16 of Konowaloff’s Complaint).
  50. *Id.*
  51. *Id.* (quoting paragraph 18 of Konowaloff’s Complaint).
  52. *Id.*
  53. *Id.* (quoting paragraph 18 of Konowaloff’s Complaint).
  54. Seligman, *supra* note 39, at 175.
  55. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*2 (S.D.N.Y. Sept. 22, 2011). Clark was familiar with events in the Soviet Union, because the Singer Company was one of the companies “nationalized” during the Revolution.
  56. *Id.* (quoting paragraph 23 of Konowaloff’s Complaint).
  57. *Id.*
  58. *Id.*
  59. *Id.*
  60. *Id.*
  61. *Id.* (quoting paragraph 28 of Konowaloff’s Complaint).
  62. Patty Gerstenblith, *Art, Cultural Heritage, and the Law*, 434, 487 (3d ed. 2012) (discussion of good faith purchasers and

- Autocephalous Greek-Orthodox Church of Cyprus v. Goldberg, 717 F. Supp. 1374 (S.D. Ind. 1989)).
63. Defendant's First Amended Answer and Amended Counterclaim as a Matter of Course under Fed. R. Civ. P. 15(a)(1)(a), Yale University v. Konowaloff, No. 3:09-CV-00466 (D. Conn. Sept. 18, 2009).
  64. *Id.*
  65. *Id.*
  66. *Id.*
  67. *Id.*
  68. *Id.*
  69. *Id.*
  70. *Id.*
  71. Pierre Konowaloff is the sole heir of Jean Konowaloff, who was the sole heir of Eudoxie Morozov, who was the sole heir of Ivan Morozov. *Id.*
  72. *Id.*
  73. *Id.*
  74. *Id.*
  75. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ. 9126 (SAS), 2011 WL 4430856, at \*2 (S.D.N.Y. Sept. 22, 2011).
  76. *Id.*
  77. *Id.*
  78. Decrees issued in September and October 1918 prohibited "the export of objects of particular and historical importance," which included paintings. *Id.* at 142.
  79. *Id.*
  80. *Id.*
  81. *Id.* at 143.
  82. *Id.*
  83. Banco Nacional de Cuba v. Sabbatino, 376 U.S. 398 (1964).
  84. Konowaloff v. Metropolitan Museum of Art, No. 10 Civ.9126(SAS), 2011 WL 4430856, at \*5 (S.D.N.Y. Sept. 22, 2011).
  85. *Id.* at \*8.
  86. Konowaloff v. Metropolitan Museum of Art, 702 F.3d 140 (2d Cir. 2012).
  87. *Id.* at 147.
  88. *Id.*
  89. *Id.*
  90. Sur-Reply, Yale University v. Konowaloff, D. Conn. 2013 (filed October 17, 2013).
  91. Defendant's First Amended Answer and Amended Counterclaim as a Matter of Course under Fed. R. Civ. P. 15(a)(1)(a), Yale University v. Konowaloff, No. 3:09-CV-00466 (D. Conn. Sept. 18, 2009).
  92. *Id.*
  93. 2009 WL 5167512 (D.Conn.) (Trial Filing) United States District Court, D. Conn. Rule 26(f) Joint Planning Report of the Parties No. 309CV00466.
  94. *Id.*
  95. *Id.*
  96. Gerstenblith, *supra* note 62, at 565.
  97. *Id.*
  98. *Id.*; see also Menzel v. List, 267 N.Y.S.2d 804 (1966).
  99. Gerstenblith, *supra* note 62, at 570.
  100. Banco Nacional de Cuba v. Sabbatino, 376 U.S. 398 (1964).
  101. Menzel v. List, 267 N.Y.S.2d at 813. The fact that the U.S. did not recognize the Soviet government in 1917 was an argument in Konowaloff's suit against the Met. The Second Circuit rejected that argument stating that there are Supreme Court cases showing retroactive recognition after 1933. See *United States v. Pink*, 315 U.S. 203 (1942). The University of North Dakota Center for Human Rights and Genocide Studies has argued that the Second Circuit misapplied *United States v. Pink* because that case involved the Roosevelt-Litvinov Agreements, which are examples of "classic executive claims settlement as to limited assets" and that they contain "no discussion of the effect that diplomatic recognition was to have in the future as to the downstream effects of Soviet nationalization of other assets that might find their way into the U.S." Motion to File Brief Amicus Curiae in Yale University v. Konowaloff, 09-466, of the University of North Dakota Center for Human Rights and Genocide Studies, et al.
  102. Menzel v. List, 267 N.Y.S.2d at 813.
  103. *Id.* at 815. The court relied on the receipt from the painting's expropriation, which was dated March 31, 1941. The receipt was written on the stationery of the "Militarbefehlshaber in Belgien und Nordfrankreich, Militärverwaltungschef, Einsatzstab der Dienststellen des Reichsleiters Rosenberg." Initially the court was not sure whether the Einsatzstab and the Reichsleiters Rosenberg were a part of the German government. See *id.* However, upon further research the court determined the relationship based on documents from the Nuremberg Trials discussing the Einsatzstab and the Reichsleiters Rosenberg, and concluded that Rosenberg had been directed by Hitler to be the Head of the Center for National Socialist Ideological and Educational Research.
  104. Gerstenblith, *supra* note 62, at 575.
  105. *Id.*
  106. Bernstein v. N.V. Nederlandsche-Amerikaansche, 210 F.2d 375 (2d Cir. 1954).
  107. Gerstenblith, *supra* note 62, at 575.
  108. *Id.*; see also Department of State Bulletin, Vol. XX, 592-93 (May 8, 1949).
  109. Gerstenblith, *supra* note 62, at 575.
  110. *Id.* (Gerstenblith notes that "litigants can request a "Bernstein letter" from the Department of State to permit the court to examine the acts of a foreign state, despite the Act of State Doctrine.)
  111. Jacques Lust, *The Spoils of War Removed From Belgium During World War II*, in *The Spoils of War* 58, 59 (Elizabeth Simpson ed., 1997). Mikhail Shvidkoi, the representative from Russia, stated that Nazi looting was "an operation conducted by the state" and that looting was the "goal of the creation in 1940 of the Einsatzstab Reichsleiter Rosenberg." Mikhail Shvidkoi, *Russian Cultural Losses During World War II*, in *The Spoils of War* 68 (Elizabeth Simpson ed., 1997).
  112. *Gleichschaltung*, Princeton.edu, <http://www.princeton.edu/~achaney/tmve/wiki100k/docs/Gleichschaltung.html> (last visited Dec. 2, 2013).

**Amanda A. Rottermund graduated with honors and a B.A. in History from Eugene Lang College, The New School University, in 2010. She was a one-year visiting student at Wadham College, Oxford University, in 2008-2009. At Oxford, she specialized in Central and Eastern European History and Politics. She is currently a third-year student at St. John's University School of Law where she is the Editor-in-Chief of St. John's *Journal of International and Comparative Law* and the student Editor-in-Chief of the *New York International Law Review*, published by the NYSBA International Section. Amanda is passionate about art law and hopes to pursue a career in the field both in the U.S. and abroad.**

# Chronic Traumatic Encephalopathy: The Developing Legal Case Against High School Football

By G. Ivan Hannel, Andrew Gartman and Jason Karpel

Football is America's most popular sport<sup>1</sup> and uniquely an American game. At the professional level, the National Football League's (NFL) 32 teams claim over \$9 billion in revenues and plan enormous growth in the future.<sup>2</sup> College football claims that it had just shy of 49 million attendees to its games in 2012.<sup>3</sup> There are over one million high school football players.<sup>4</sup> Two hundred and fifty thousand children from as young as five years of age play competitive tackle football in Pop Warner, which is touted as even being safer for children than soccer.<sup>5</sup> Nearly four million young players play tackle football altogether.<sup>6</sup> Yet a condition called chronic traumatic encephalopathy (CTE) may force significant changes to the game of football from the professional level to youth leagues, and issues of liability have some even foretelling of football's demise.<sup>7</sup>

It is the purpose of this article to lay out the legal case against high schools and their state regulatory bodies for breaching their common law duties to protect student-athletes from injury, when they are aware of the dangers that cause CTE in football, in particular sub-concussive impacts, and have the ability, through proper instruction and techniques, to reduce the likelihood of such occurrences.

## Chronic Traumatic Encephalopathy

CTE is a new appellation for an old condition. It used to be more often referred to as dementia pugilistica, "boxer's disease," or simply being punch-drunk, and was first noticed in boxers in the early twentieth century.<sup>8</sup> It is a neurodegenerative disease caused by repeated, concussive and sub-concussive blows to the skull. Its symptoms were initially thought to manifest themselves over many years. The symptoms of CTE may include one or several of the following: slurred speech, tremors; problems with memory; cognitive problems; depression; anger; and potentially even suicide. CTE has been analogized to Parkinson's in its progressive ability to debilitate those diagnosed with it and is recognized as a form of mild traumatic brain injury.

The public has begun to recognize CTE in part because of widespread media attention to the August 2013 NFL settlement with approximately 18,000 of the NFL's former players to whom it had denied any CTE liability for decades. There has also been confirmation of CTE in athletes from ostensibly non-contact sports, such as baseball.<sup>9</sup> In the case of the NFL, the allegations giving rise to its recent settlement (which, as of this writing, was rejected by Judge Anita B. Brody in a preliminary denial

of the motion to approve the settlement), were that the NFL knowingly exposed players to conditions likely to cause CTE; for instance, by encouraging players to put themselves back into games shortly after being concussed in a gladiatorial esprit de corps, as well as attempting to undermine the medical science connecting CTE to football. The National Collegiate Athletic Association (NCAA), which is the regulator for college football, is also being sued under similar claims.<sup>10</sup> It is no great leap to imagine that high school football will be the next front for CTE-related litigation.

## Concussions v. Sub-concussive Impacts

It is believed that both concussions and sub-concussive events can lead to CTE. However, a concussion can be immediately dangerous even in the absence of any longer term connection to CTE. There is no uniform definition of concussion, but it is generally agreed that a "concussion" is a term representing low-velocity impacts that cause brain 'shaking,' and which result in functional and/or structural injury to brain function. Concussions are graded along a scale and may include one or several symptoms like headache, feeling in a fog, amnesia, loss of consciousness, irritability, difficulty in sleeping, and cognitive impairment such as slowed reaction time.<sup>11</sup> Rest and avoidance of further impact are the primary remedies. The short-term danger of a concussion in the athletic context comes when a recently concussed player sustains a second impact within too short a period, leading to swelling of the brain and in some cases, death. It is believed that "second impact syndrome" resulting in death has been generally underreported.<sup>12</sup>

As concussions manifest themselves more demonstratively than lesser blows to the brain, they have received more media attention and thus regulation. As of June 2013, 49 of 50 states passed laws to deal with concussions and student-athletes.<sup>13</sup> The strength of these "concussion-laws" varies. For instance, in some states, only a medical doctor can clear a player to return to the field, while in others, there is no such requirement.

Changes to the rules of play in football have also been focused primarily on concussion-mitigation. The NFL, as the regulator of the professional football game, has used its ability to institute rules to reduce some of the most obvious circumstances that are likely to lead to concussions, with particular emphasis on the tackle. In 2010, the NFL changed its rules to proscribe helmet-to-helmet collisions.<sup>14</sup> For those of us young enough to remember,



game highlights used to include the memorable images of players launching themselves like missiles into the air and using their helmets as battering rams against opposing players. These highlight reels are literally being erased from memory.<sup>15</sup>

The rules that attend to helmet-to-helmet collisions and concussion-mitigation do little for the majority of the players on the football field for whom sub-concussive impacts are the most likely threat. Just as its name implies, a sub-concussive impact is a blow that does not manifest itself in the immediate, observable symptoms of concussion, but which jars the brain nonetheless. Players on the line, who are less involved in catching or running with the ball, and whose name recognition rarely surpasses the number on their jerseys, have had little priority paid to them and their repeated sub-concussive impacts. These are the unheralded players inside the “tackle box” and represent two-thirds of the players on the field.<sup>16</sup>

### “Tackle Box” Players and CTE

Tackle box players are in constant battle for position with opposing players. As they are often within a yard or two of an opposing player, who is usually not a ball-carrier, they appear to avoid the conditions likely to lead to concussion, pushing and shoving more so than launching into a tackle. Still, tackle-box players sustain a tremendous number of sub-concussive blows. Thus, their injuries are less apparent as compared to a ball carrier, such as a quarterback, who is tackled hard and put down on the field for all to see.

The tackle box is a maelstrom of violence, with extensive head contact that eludes the camera lens; it is the storm with high winds that causes extensive damage but never shows up as the captivating and fearsome tornado. The current narrow focus on concussion diagnosis and mitigation from the NFL on down may do little for the majority of football players for whom the tackle box is their arena and sub-concussive impacts their omnipresent danger.

Focus on sub-concussive impacts is increasing. A prominent 2009 study of sub-concussive impacts in varsity football from the *American Journal of Sports Medicine*, with data from 42 schools, showed that the typical high school football player received 774 sub-concussive impacts per season including both practices (contact and non-contact) and games.<sup>17</sup> Strikingly, tackle-box players experienced roughly three times (approximately 1,000 v. 330) the number of impacts when comparing centers and guards to quarterbacks and wide receivers.<sup>18</sup> The study concluded that limiting contact practices to once a week could reduce the number of sub-concussive blows for all players by 18%, and eliminating all contact practices would reduce impacts by 39% over an entire season. Such changes would obviously benefit tackle box players most of all.

The causal connection between sub-concussive impacts and CTE, denied for decades by NFL, grows stronger and stronger. Post-mortem examination of the brains of athletes who had symptoms of CTE show a distinct neuropathology characterized by unusual protein deposits in the brain.<sup>19</sup> Though the mechanism is unknown, these “tau” protein deposits somehow disrupt the tracks over which information is carried in nerve cells.<sup>20</sup> To the untrained eye looking upon a very thin cross-section of the CTE-diagnosed brain, these deposits appear as dirty spots and upon magnification seem to be erratic and tangled lines.

Dr. Robert Cantu of the Boston University Center for the Study of Traumatic Encephalopathy, a leading researcher in the relationship between CTE and sub-concussive impacts, reflects that: “To date, all pathologically diagnosed cases of CTE have come from individuals with a history or repetitive brain trauma (McKee et al. 2009).”<sup>21</sup> Brain scans of athletes as young as 18 years of age with symptoms of CTE visually show the deposition of tau immunoreactive neuritis around broken blood vessels.<sup>22</sup>

### High School Liability

For the one million high school athletes who play football, schools and state regulatory agencies must begin to weigh the risks of liability for failing to address the sub-concussive impacts that appear to give rise to CTE. As with any issue of tort liability, the elements of duty, breach, causation and damages must be satisfied.

The duties of schools as to sub-concussive impacts are not so easily the corollary of their duties as to concussions, though both phenomena may independently or collectively cause CTE. In fact, the duties of schools as to CTE may be more stringent than their duties as to concussions. This is because of the enhanced medical skill and technology needed to test for CTE and the lack of specific training given to athletes to mitigate sub-concussive impacts.

Still, comparing the known duties of schools as to concussions with their potential duties as to sub-concussive impacts may be a helpful frame of initial analysis. Schools presently have three duties, mostly imposed by statute, as to concussions and student-athletes: (1) inform students about the risks of concussion; (2) diagnose concussions at practices and games; and (3) remove players diagnosed with concussions and not return players into practices or games until cleared by authorities.

### Duty to Inform

Nearly all schools know about the dangers of concussions and are required by state law to tell their student-athletes about the symptoms and risks associated with contact sports and concussion. No such duty exists as to informing students about the potential risk as to sub-concussive impacts and CTE.

For the sake of argument, schools may counter that they remain unaware of, or at least unsure of the causal relationship between sub-concussive impacts and CTE, which may act to limit their duties to inform students about CTE. Moreover, schools might altogether deny knowledge of CTE while still acknowledging the known risks of concussion. Consider that the listing of workshops at the 2012 National Athletic Directors annual meeting lists two sessions for “concussion management,” though oddly the 2013 conference lists no such workshops at all. Notably, in neither year was there specific mention of sub-concussive impacts or CTE in the titles of the lists of workshops.<sup>23</sup>

Yet each passing week seems to present a new national story of an athlete diagnosed with CTE, including in high school athletes.<sup>24</sup> The broader public is becoming better informed about CTE and would be suspect of a claim of abject ignorance. For example, the PBS program “Frontline” presented to a wide audience the alarming documentary “A League of Denial,” which was about former NFL players found to have CTE after years of denial by the NFL.

In other contact sports, such as hockey, rules are being formulated to prevent head contact at all amateur levels (i.e., a ban on fighting).<sup>25</sup> In December 2013, the National Institutes of Health’s Neurological Disorders and Stroke unit funded eight studies that focus on CTE and concussions.<sup>26</sup> Furthermore, national and international medical journals are publishing articles that focus on CTE and sub-concussive impacts.<sup>27</sup> Ignorance of CTE is unlikely to excuse a duty to inform students and parents of the potential risks of sub-concussive impacts when the association between CTE and contact sports appears nearer to affirmation.

### **Duty to Diagnose**

Diagnosis of CTE is much less available to schools as compared to diagnosis of concussion. Even as of late 2012, the ability to diagnose CTE was only post-mortem by sophisticated medical laboratories and required the analysis of the donated brain.<sup>28</sup> Schools could conceivably argue that since causation of CTE was still uncertain, and diagnosis available only post-mortem, they could incur no duty to provide CTE testing as they do with concussions.

Yet a pilot study out of UCLA’s Semel Institute for Neuroscience and Human Behavior by Dr. Gary Small claims to be able to diagnose CTE in living persons.<sup>29</sup> In the study, five living former NFL players were diagnosed with CTE after examination under a positron emission tomography (PET) scan. The players were injected with a biomarker named FDDNP, which binds to the tangles of tau protein symptomatic of CTE.<sup>30</sup> Should this testing become more widely available, schools will be under a duty to offer such diagnostics to student-athletes in contact sports, including football. Though the exact probability of CTE for any specific athlete is presently unknown, the

consequences of a diagnosis are too severe to excuse placing or returning children into what may be considered an inherently dangerous activity like football, in which sub-concussive impacts in the hundreds per season are likely to occur.

### **Duty to Remove Until Cleared**

Schools currently have a duty to remove players diagnosed with a concussion from further contact until cleared by an authority. Surprisingly, the clearance to return to play after a concussion does not always have to be given by a medical doctor. It can be provided by a school employee or other person with relatively limited training in concussion symptoms and possibly equally little diagnostic experience. According to the Robert Wood Johnson Foundation’s Youth Sports TBI Map, an online tool that reviews the legislation of all states for youth concussions, many states do not require that the person clearing a student to return to play be a medical doctor.<sup>31</sup>

Some medical professionals have related on an anecdotal level that some schools have not been particularly eager to engage in the accurate diagnosis of concussion requisite to the removal of a player. Dr. Mark Herceg, Director of Neuropsychology for the Burke Rehabilitation Hospital in White Plains, New York, related that when he offered free “baseline” testing to a local school to help diagnose future concussions in football players, his generous offer was treated with disinterest and declined. A baseline test is a pre-season exam used to test an athlete’s brain function, such as memory or problem-solving or balance, which may be compared to an exam given post-incident to ascertain injury.<sup>32</sup> This all brings into question what schools’ commitment may be as to the more difficult diagnostic regimen required for sub-concussive impacts and CTE.

At a minimum, the greater subtlety of sub-concussive impacts in which players may not appear symptomatic until after years of play suggests that the duty to remove until cleared could only be done by trained medical doctors with access to sophisticated equipment. It is simply not, pun intended, a sideline job. Furthermore, such testing would likely have to be done on a regular basis because of the cumulative, progressive nature of CTE. It seems inevitable that a requirement to test athletes as to CTE will become a common law duty once testing for CTE is more widely available. The existing statutory duties in most states to assess and remove until cleared for concussions eventually may be seen as significantly less demanding than a forthcoming, potential common law duty to test and remove for CTE.

### **Breach**

In addition to the breaches of the three duties listed above, schools may potentially breach their duties to their football players in two additional ways. They may breach

by continuing drills, practices and procedures that are unreasonably likely to lead to sub-concussive impacts. They may also breach by failing to train football players in reasonable ways of reducing head contact or what might be termed safety skill development.

## Dangerous Drills

Some of the longstanding drills and practices used to teach students how to “play” the game of football, instituted well before the dangers of concussion and CTE were recognized, continue to the present day and are unreasonably dangerous. These techniques are part of the cultural legacy of football, where giving and taking punishment are to be invited in and meted out as a part of the sport. These norms recede from the field less quickly than the implementation of countervailing rules would hope to inure.

Drills like the “Oklahoma drill”<sup>33</sup> (also known as the “circle drill,” “bull in a ring,” and “tunnel of truth”), in which players are made to square off in a narrow corridor and charge at each other like squared-off bulls until one player is moved from the area or put down on the ground, increase the chances of helmet-to-helmet contact. Videos showing the Oklahoma drill at the collegiate football level receive hundreds of thousands of views on the Internet and are promoted as signs of the aggressiveness and proficiency of their teams.<sup>34</sup>

Coaches previously advised players to use their “hat then hands,” meaning to initiate contact with the helmet first, then the hands. Given the new rules against helmet-to-helmet contact, this particular advice is less likely to be offered in the future, but exemplifies a pre-existing cultural norm in football. Players are now encouraged to keep their “heads up” when taking a three-point stance before accelerating into the opposing player, rather than using the top of the helmet as the aiming point. The heads-up technique was initially encouraged to help avoid compressive neck injuries or “stingers,” more so than reducing helmet-to-helmet collisions, and providentially may help to avoid head impacts as well. However, accelerating into an opposing player while one’s head is up rather than bullying the player with one’s helmet is not always what is seen as effective on the practice or playing fields. The written rules do not always or quickly overcome the unwritten rules of play.

## Safety Skill Development

Schools’ duties will not be wholly fulfilled merely by encouraging players to forget the bad old ways. The entire culture of football has encouraged the probability of sub-concussive events. Consider that today’s high school football players are regularly encouraged to exceed 300 pounds in size to be competitive.<sup>35</sup> A study of the body-mass index of North Carolina high school offensive linemen shows a change from an average of 191 pounds to 226

pounds from 1987 to 2012.<sup>36</sup> With such size and greater athleticism comes a higher level of force. The more senior readers of this article may even remember a time in their own football or other sport practices in which they were purposefully denied water during a “no water practice” to build character or teach toughness. The very subtext of football is laden with an aggression that is not so easily put back into its cage.

Schools may be seen in breach by failing to offer alternative techniques to mitigate the incidence of sub-concussive impacts. If students are not to lead with their helmets, then how are they taught to play? Even if they are taught to recognize their own symptoms of concussion, how does this benefit the lineman in the tackle-box for whom sub-concussive impacts are the primary concern? Hands-on development focused on safe but effective play may be the answer to the question of how to mitigate sub-concussive impacts.

The SafeFootball™<sup>37</sup> program developed by NFL veteran Scott Peters may be one way of closing the cultural-gap between the old ways of football and the developing recognition of brain injury from sub-concussive impacts. Peters developed the SafeFootball™ program based on the premise that advocates of the game must “Save the brain, to save the game™.” In simplest explanation, the SafeFootball™ program teaches players how to initiate contact with their hands and then use leverage to move opposing players, while reducing the mutual probability of head impact. The techniques, both offensive and defensive, are taught in a progressive curriculum.

While the SafeFootball™ techniques can be learned quickly, Peters reminds people that players must be taught how to drill for safe but effective play. They must practice how to play differently, safely. Peters believes that football faces “an information problem more so than a concussion problem,” because most football players and coaches do not know what to use in lieu of the old effective-but-dangerous methods and techniques. Programs like SafeFootball™, whose focus is less on the tackle and more on sub-concussive impacts, may complement other programs like the NFL’s own “Heads Up” football program for youth, and become as integral to the survival of the game itself.

## Causation

Establishing causation as to high school football and CTE depends mostly on how quickly the tools for diagnosis come along. At some near point, it is a likely that sub-concussive impacts will be causally associated with the development of CTE, independent of concussion, though so far that inference has not been generally accepted in the international medical community.

The 4th International Conference on Concussion, held in December 2012, said as to CTE, “the cause and effect



relationship has not yet been demonstrated between CTE and concussions or exposure to contact sports” and that “interpretation of causation in the modern CTE case studies should proceed cautiously.”<sup>38</sup> As in other contexts in which a casual mechanism remains uncertain but the costs of inaction are potentially very high, schools may need to act before the medical understanding is fully realized. An American jury may not give a local school the benefit of the doubt based upon a bureaucratic statement made in Europe as to why it decided not to offer hands-on training in how to mitigate or lessen head impacts.

## Damages

As with any other mild traumatic brain injury, the monetary damages from CTE are significant and long-lasting. The denotation “mild” hardly does justice to the deterioration in quality of life for those suffering from CTE. If Parkinson’s or Alzheimer’s are good metaphors, the costs of future care for sufferers of CTE are frightening.

Compensatory damages are only part of the equation. Schools may be adjudged as willfully ignorant or grossly negligent as to CTE, a peril they should not take lightly. The generally low bar that has been set for schools via legislation as to concussions may lead them into a false confidence that such cursory efforts will suffice for CTE as well. To the extent schools believe they are covered by giving minimal training to an assistant football coach as to concussions, this will not suffice as reasonable care when addressing CTE and sub-concussive impacts. In the case of CTE, for instance, it does take a proverbial rocket scientist to do the diagnosis, and cannot be done by the sideline coach via a quick inventory of symptoms.

Thinking more to punitive damages, the danger to schools is potentially even greater than it was to the NFL. The average member of the public may quietly weigh the great esteem and pay NFL players are all thought to receive against the seemingly obvious risks of often getting hit in the head by other equally giant, but well-paid, men. Oppositely, they may contrast the innocence and hope of the young athletes who play high school football with the opportunism and extravagance of the mostly public entities (and staff) that have become vested in the spectacle of the Friday night lights.<sup>39</sup>

## Assumption of Risk

Beyond liability, the traditional defense of assumption of risk, even express assumption of risk by means of an extensive waiver, is unlikely to be applicable to non-adults playing contact football. The risks of sub-concussive impacts, which are subtle, cumulative, probabilistic, and may remain latent for decades, cannot possibly be apprehended by a high school student or younger athletes. Indeed, waivers may be seen as against public policy.<sup>40</sup> Much depends on what the forthcoming research reveals on the probability of CTE and degree of impairment from

contact football. If the risks are low, then with some adaptation in techniques and rules, perhaps contact football in high schools may continue. If, however, as seems likely, the risks between football and CTE are too high, perhaps no-contact football is the only option. Though it is beyond the scope of this article, one might ponder whether contact football will come to be seen as an inherently dangerous activity subject to strict liability.

## School Defendants

While the legal case as against schools for sub-concussions, concussions, and CTE sets up, the reality is that many schools are likely to remain on the proverbial sidelines until the first CTE lawsuit is filed against a school or sports-authority in its state. Schools are conservative organizations, not from the political framework of right versus left, but in the sense of being un-motivated to change.

In schools, football and sports in general have been the bedrock of certainty, a Pleistocene when compared to the rumbling fault-lines of academic change (e.g., in curriculum, state tests, textbooks, standards). While new coaches would come and go, the game itself was never in doubt, tackle football would still always be there. Yet now will it?

The authority in the schools to make decisions, such as in training of athletic personnel like coaches or of football players, is convoluted. The person with the title of athletic director (colloquially known as the AD) may or may not be an actual football coach or any coach at all. Indeed, the AD may be competing for his or her job with that same football coach and may have some or no influence on training for the team. In some places, the high school football coach is also a lead academic administrator and is a singular authority. In other places, the School Board will let it be known that it will be picking the coach for the high school football team and making important decisions as to sports. Some school boards could give not a whit about a slight decline in academics, but would quickly fire a superintendent for bringing shame to their football programs for losing a particular game or season. The politics of local school control means that the responsibility and authority to address CTE in schools requires casting a wide net over an institution, and not a just particular title.

Beyond the schools or districts themselves, liability may attach at the state level to the organizations which govern intrastate high school sports. Each of the 50 states has a high school interscholastic association responsible for governing high schools.<sup>41</sup> They are members of the National Federation of State High School Associations (NFHS).<sup>42</sup> These state organizations regulate the play of their member schools and voluntarily may be said to have assumed a duty of care to student-athletes, such as football players. Indeed, that is the argument made by a lawsuit just filed in late December 2013 against the NFHS and NCAA.<sup>43</sup>

CTE litigation against schools also presents some other unique issues. Most, if not all, states require very particular notice of claim requirements prerequisite to filing a lawsuit in civil court against a school district as a public entity. The timeliness and content of these notice of claim requirements is not uniform across the states. Some potential plaintiffs may have as little as six months to file notice of claim or be forever barred from filing a subsequent civil suit.

Another issue CTE litigation attends to is when an injury may be said to have occurred. As CTE is a progressive disease caused by cumulative sub-concussive impacts, the statute of limitations likely begins upon diagnosis of the disease and notice to the parent(s) and player. However, for purposes of determining damages, how far one may reach back to assert damage due to CTE is uncertain. For instance, what about a college football player who is diagnosed with CTE but suffered from sub-concussive impacts throughout high school or earlier? How far back can such a plaintiff look for compensatory damages? An application of continuing violations theory may be needed to surmise the available damages to the CTE litigant.<sup>44</sup>

### The Future Plaintiff

Right now, there is a potential litigant somewhere in this country who has yet to be diagnosed with CTE. This young athlete plays or played high school football and may play or have played college football. To his or her knowledge, he or she has never been concussed, and the athlete's medical records show no such admissions. He or she was never in a serious car accident, and the athlete is not a competitive mountain bike racer or downhill skier or mixed martial artist. He or she has simply been in love with football forever, and it has always been a favorite sport. The athlete was taught about concussions while in high school, but does not remember having had one. He or she is probably a lineman and remembers feeling groggy after some practices; but everyone else did, too. He or she used to have good grades, but after the athlete started becoming more serious and got on the varsity team, his or her grades began to suffer. Friends say that his or her personality began to change, becoming more moody, and the athlete began to suffer headaches when after starting college. He or she feels noticeably different now, but cannot say how exactly. The athlete's parents heard that some professional football players have come down with something bad due to playing football all those years.

This young athlete is sure to present him or herself at some near point. Schools would be wise to inform themselves about CTE and parents and athletes, too, but likely will not without coercion. It is simply not in their culture to do so. Thus, lawyers will play a role in motivating schools to recognize and adapt themselves to CTE so that the players inside the tackle-box come out in one piece.

### Endnotes

1. Regina A. Corso, *Football Continues to Be America's Favorite Sport: the Gap with Baseball Narrows Slightly This Year*, HARRIS INTERACTIVE (Jan. 17, 2013) <http://www.harrisinteractive.com/NewsRoom/HarrisPolls/tabid/447/ctl/ReadCustom%20Default/mid/1508/ArticleId/1136/Default.aspx>.
2. Monte Burke, *How the National Football League Can Reach \$25 Billion in Annual Revenues*, FORBES (Aug. 17, 2013), <http://www.forbes.com/sites/monteburke/2013/08/17/how-the-national-football-league-can-reach-25-billion-in-annual-revenues/>.
3. *2012 National College Football Attendance*, NCAA, [http://fs.ncaa.org/Docs/stats/football\\_records/Attendance/2012.pdf](http://fs.ncaa.org/Docs/stats/football_records/Attendance/2012.pdf).
4. Dave Galehouse, *Odds for an Athletic Scholarship Don't Depend on Participation Numbers*, <http://www.varsityedge.com/nei/varsity.nsf/main/football+participation+numbers>. According to the National Federation of High Schools, the greatest participation by high school athletes is in high school football, with 1,023,142 boys participating at the high school level.
5. *Football*, POP WARNER, <http://www.popwarner.com/football.htm>.
6. *USA Football Overview*, USA FOOTBALL (Dec. 2010). [http://usafootball.com/sites/default/files/USA\\_Football\\_one\\_pager\\_Dec\\_2010.pdf](http://usafootball.com/sites/default/files/USA_Football_one_pager_Dec_2010.pdf).
7. See Jim Axelrod, *Head Injury Fears a Threat to Football's Future?*, CBS THIS MORNING (Nov. 16, 2012), <http://www.cbsnews.com/news/head-injury-fears-a-threat-to-footballs-future/>.
8. See Harrison Martland, *Martland HS: Punch Drunk*, J. OF THE AM. MED. ASS'N 91:1103-1102 (1928).
9. Justin Barney, *Family: Ryan Freel Was Suffering from Brain Disease CTE*, THE FLA. TIMES UNION (Dec. 15, 2013), <http://members.jacksonville.com/sports/high-schools/2013-12-15/story/family-ryan-freel-was-suffering-brain-disease-cte>.
10. Paul D. Anderson Consulting, LLC, *New Lineup to the NCAA Concussion Litigation*, NFL CONCUSSION LITIG. (Feb. 14, 2013), <http://nflconcuSSIONlitigation.com/?p=1364>.
11. See Dr. Paul McCrory, *Consensus Statement on Concussion in Sport: The 4th International Conference on Concussion in Sport Held in Zurich, November 2012*, 47 BRITISH J. OF SPORTS MED. (2013), <http://bjsm.bmj.com/content/47/5/250.full>.
12. See *Second Impact Syndrome: Concussion and Second Injury Brain Complications*, 211 J. OF THE AM. COLL. OF SURGEONS, at 553-557 (Oct. 2010).
13. According to NFL's USA Football website, as of June 18, 2013, 49 of 50 states have concussion laws applicable to student-athletes. See *Where Your State Stands on Concussion Law*, USA FOOTBALL (April 21, 2013), <http://usafootball.com/news/featured-articles/see-where-your-state-stands-concussion-law>.
14. See NFL Player Handbook, Rule 12 Player Conduct, Article 8(J), Unnecessary Roughness (2013).
15. The NFL stopped selling these images on its website in 2006.
16. Tackle box players positions include offensive and defensive linemen, running backs, linebackers and tight ends.
17. See Steven P. Broglio, *Estimation of Head Impact Exposure in High School Football: Implications for Regulating Contact Practices*, 41 AM. J. OF SPORTS MED. (Sept. 3, 2013), at 2877-84.
18. *Id.* ("The typical athlete sustained a mean of 774 ± 502 impacts during the season, with linemen (center, guard, and offensive or defensive tackle positions) sustaining the highest number of impacts per athlete (1076 ± 541), followed by tight ends, running backs, and linebackers (779 ± 286); wide receivers, cornerbacks, and safeties (417 ± 266); and quarterbacks (356 ± 433).").
19. The protein deposits are of hyperphosphorylated tau and TDP-43.
20. See Catherine M. Cowan et al., *Soluble Hyper-Phosphorylated Tau Causes Microtubule Breakdown and Functionally Compromises Normal*

- Tau in Vivo*, UNIV. OF SOUTHAMPTON, UK, ACTA NEUROPATHOLOGICA (Nov. 2010).
21. See Dr. Robert Cantu et al., *Chronic Traumatic Encephalopathy: Neurodegeneration Following Repetitive Concussive and Subconcussive Brain Trauma*, BRAIN IMAGING AND BEHAVIOR (May 3, 2012) [http://www.bu.edu/cste/files/2012/05/Baugh\\_Chronic-Traumatic-Encephalopathy\\_2012.pdf](http://www.bu.edu/cste/files/2012/05/Baugh_Chronic-Traumatic-Encephalopathy_2012.pdf).
  22. See *18 Year Old High School Football Player*, BOSTON UNIV. <http://www.bu.edu/cste/case-studies/18-year-old/>.
  23. See *National Federation of State High School Associations: National Athletic Directors' Conference – Past Presentations*, <http://www.nfhs.org/content.aspx?id=4749>.
  24. Consider the story of Nathan Stiles, age 17, who died of second impact syndrome and whose brain was examined by Boston University's Center for Traumatic Encephalopathy and subsequently diagnosed with CTE. See Nadia Kounang, *Brain Bank Examines Athletes' Hard Hits*, CNN HEALTH (Jan. 27, 2012), <http://www.cnn.com/2012/01/27/health/big-hits-broken-dreams-brain-bank/>.
  25. See Jeff Z. Klein, *Plan Would Ban Fighting in Top U.S. Amateur Hockey Leagues*, THE NEW YORK TIMES (Dec. 18, 2013), [http://www.nytimes.com/2013/12/19/sports/hockey/plan-would-ban-fighting-in-top-us-amateur-hockey-leagues.html?src=recg&\\_r=2&](http://www.nytimes.com/2013/12/19/sports/hockey/plan-would-ban-fighting-in-top-us-amateur-hockey-leagues.html?src=recg&_r=2&).
  26. See Barbara McMakin & Marian Emr, *NIH and NFL Tackle Concussion Research: NIH Announces Research Projects Funded Largely By Donation from NFL*, NAT'L INSTS. OF HEALTH, U.S. DEP'T OF HEALTH & HUMAN SERVS. (Dec. 16, 2013), <http://www.nih.gov/news/health/dec2013/ninds-16.htm>.
  27. See *The Effect of Multiple Sub-concussive Blows on Brain Structural and Functional Integrity: Combined Virtual Reality and Neuroimaging Study*, 47 BRIT. J. ON SPORTS MED. (2013).
  28. "Currently a definitive diagnosis of CTE is only possible after death and the brains studied to date come from a highly selected population of mostly professional athletes. As a result, no data indicating the frequency of CTE are available." See *Report on the Neuropathology of Chronic Traumatic Encephalopathy Workshop*, NAT'L INSTS. OF HEALTH, SPORTS AND HEALTH RESEARCH PROGRAM (Dec. 5-6, 2012), [http://www.ninds.nih.gov/news\\_and\\_events/proceedings/201212\\_CTE\\_workshop\\_report.htm](http://www.ninds.nih.gov/news_and_events/proceedings/201212_CTE_workshop_report.htm); see also Rachel Champeau, *UCLA Study First to Image Concussion-related Abnormal Brain Proteins in Retired NFL Players: Technique May Lead to Earlier Diagnosis, Tracking of Brain Disorders in Athletes*, UCLA NEWSROOM (Jan. 22, 2013), <http://newsroom.ucla.edu/portal/ucla/ucla-researchers-first-to-image-242445.aspx>.
  29. See Gary W. Small, Vladimir Kepe & Prabha Siddarth, *PET Scanning of Brain Tau in Retired National Football League Players: Preliminary Findings*, 21:2 AM. J. OF GERIATRIC PSYCHIATRY (Feb. 2013), [http://www.espn.go.com/pdf/2013/0122/espn\\_otl\\_CTELiving.pdf](http://www.espn.go.com/pdf/2013/0122/espn_otl_CTELiving.pdf).
  30. See Rachel Champeau, *UCLA Study First to Image Concussion-related Abnormal Brain Proteins in Retired NFL Players: Technique May Lead to Earlier Diagnosis, Tracking of Brain Disorders in Athletes*, UCLA NEWSROOM (Jan. 22, 2013), <http://newsroom.ucla.edu/portal/ucla/ucla-researchers-first-to-image-242445.aspx>.
  31. For instance, New York and Texas require the return to play to be given by a medical doctor while California, Arizona and Illinois do not. See *Youth Sports TBI Laws Map*, <http://publichealthlawresearch.org/product/youth-sports-tbi-laws-map>. View link at bottom of page to the map.
  32. *FAQ About Baseline Testing Among Young Athletes*, DEP'T OF HEALTH & HUMAN SERVS., CTR. FOR DISEASE CONTROL, [http://www.cdc.gov/concussion/pdf/baseline\\_testing\\_FAQs-a.pdf](http://www.cdc.gov/concussion/pdf/baseline_testing_FAQs-a.pdf).
  33. See *Oklahoma Drill*, WIKIPEDIA, [http://en.wikipedia.org/wiki/Oklahoma\\_drill](http://en.wikipedia.org/wiki/Oklahoma_drill).
  34. See *OU Oklahoma Drill 2011*, YOUTUBE, <http://www.youtube.com/watch?v=i1-Kn5-c1qw>; see also *Ohio State Football Circle Drill Before 2012 Spring Game*, YOUTUBE, <http://www.youtube.com/watch?v=R7GGqIQwj4>.
  35. See Tim Stevens, *How 300 Pounds Became Magic Number for High School Football*, THE NEWS & OBSERVER (Oct. 12, 2013), <http://www.newsobserver.com/2013/10/12/3272451/how-300-pounds-became-high-school.html>.
  36. *Id.*
  37. <http://safefootball.com/>. Disclaimer: Elissa D. Hecker is a member of the Legal Advisory Committee of SafeFootball™.
  38. See again Dr. Paul McCrory, *Consensus Statement on Concussion in Sport: The 4th International Conference on Concussion in Sport Held in Zurich, November 2012*, 47 BRITISH J. OF SPORTS MED. (2013), <http://bjsm.bmj.com/content/47/5/250.full>.
  39. See *Does Texas Need a \$69.5M High School Football Stadium? Voters to Decide*, CBS THIS MORNING (Nov. 5, 2013), <http://www.cbsnews.com/news/does-texas-need-a-695m-high-school-football-stadium-voters-to-decide/>.
  40. Lura Hess, *Sports and the Assumption of Risk Doctrine in New York*, 76 ST. JOHN'S L. REV. 457, 472 (2002).
  41. See THE ARIZ. INTERSCHOLASTIC ASSOC., <http://www.aiaonline.org/>; see also THE CAL. INTERSCHOLASTIC FED'N, <http://www.cifstate.org/>; see also THE NEW YORK STATE HIGH SCH. ATHLETIC ASSOC., <http://www.nysphsaa.org/>.
  42. For each State's Association, see *The State Association Listing*, THE NAT'L FED'N OF STATE HIGH SCH. ASSOC., <http://www.nfhs.org/stateoff.aspx>.
  43. Jon Solomon, *Football concussion lawsuits reach high school: Mississippi suit goes after NCAA and NFHS*, AL.COM (Dec. 23, 2013), [http://www.al.com/sports/index.ssf/2013/12/football\\_concussion\\_lawsuits\\_r.html/](http://www.al.com/sports/index.ssf/2013/12/football_concussion_lawsuits_r.html/).
  44. See Kyle Graham, *The Continuing Violations Doctrine*, 43 GONZAGA L. REV. 271 (2007-2008).

**G. Ivan Hannel is a plaintiff's personal injury and civil rights attorney in Arizona. He can be reached at [www.pigeonlaw.com](http://www.pigeonlaw.com) or [ivan@pigeonlaw.com](mailto:ivan@pigeonlaw.com). He attended Yale University ('93) and Northwestern Law School ('96). Ivan is a consultant to school districts throughout the United States on teaching strategies and questioning.**

**Andrew L. Gartman, JD, graduated from Phoenix School of Law in May 2013 and currently awaits admission to the Arizona Bar. He performs legal research and drafting in serious civil litigation and criminal defense. Andrew is available at [andrew@pigeonlaw.com](mailto:andrew@pigeonlaw.com).**

**Jason Karpel was born in Illinois and attended Arizona State University in Tempe, Arizona and subsequently attended law school at Phoenix School of Law in Phoenix, Arizona. Mr. Karpel has been involved with sports his entire life, including football, wrestling, judo, and mixed martial arts. Mr. Karpel is a licensed attorney in Arizona, a certified NFLPA agent and the CEO of Elite Management Group, a sports and entertainment management firm based out of Arizona.**



# Boys Will Be Boys, but the Law Is the Law—The Potential Liability for Professional and College Sports Teams When Handling Allegations of Bullying Among Teammates

By Eric D. Bentley

In early November 2013, Miami Dolphins tackle Jonathan Martin sent shockwaves across the sports world when he broke what some National Football League (NFL) players considered to be an unwritten code of locker room conduct.<sup>1</sup> That is, Martin left the Miami Dolphins team and alleged he was subjected to bullying by teammate Richie Incognito. Is it possible that a grown man who is a mammoth 6-foot-5-inch, 312-pound NFL football player could feel bullied enough that he would consider walking away from his \$1.2 million per year salary and prestigious NFL job?<sup>2</sup> Incognito is alleged to have targeted Martin with inappropriate comments, voicemails, and text messages, including constantly using racial slurs, threatening to “slap [Martin’s] real mother across the face,” threatening to kill Martin, and using derogatory terms about female anatomy and sexual orientation.<sup>3</sup> Some NFL players seem to subscribe to the notion of “what happens in the locker room, stays in the locker room” and believe that Martin should not have sold out his teammate when locker room type banter is just part of the game.<sup>4</sup> In response to the accusations, Incognito claimed that his comments were not as serious as they seem considering the friendship between Incognito and Martin.<sup>5</sup> The Miami Dolphins and the NFL had a much different view of the situation; the Dolphins quickly suspended Incognito and the NFL launched an official investigation led by New York attorney Ted Wells that is ongoing to date.<sup>6</sup>

Now that the sports world is looking at the locker room conduct of NFL players through a magnifying glass, the NFL appears to be backed into a corner of needing to take severe action following its investigation. Time will tell how the NFL will respond to the accusations by Martin. However, from a legal standpoint, the Miami Dolphins saga should be an immediate wake-up call for professional and college sports teams to analyze the potential legal liability of bullying among teammates, provide appropriate training to coaches and athletes, and develop policies and a game plan for addressing suspected incidents of bullying.

## Potential Liability for Professional Teams Under Title VII

Title VII of the Civil Rights Act of 1964 (Title VII) prohibits discrimination (including allegations of harassment that creates a hostile work environment) in the workplace on the basis of race, color, national origin,

sex, and religion.<sup>7</sup> Although Title VII does not prohibit discrimination on the basis of sexual orientation alone,<sup>8</sup> it would be considered sex discrimination for a player to be subjected to severe bullying because the player does not fit stereotypical gender roles.<sup>9</sup> For example, an NFL player who is bullied because he talks softly, is not “manly” or tough enough, enjoys classical music, and dresses in a manner that does not fit stereotypical gender roles for men could potentially have a Title VII claim against the NFL team if the bullying meets the severe and pervasive standard discussed below. Additionally, because Title VII prohibits same-sex sexual harassment in addition to opposite sex sexual harassment, bullying among teammates that constitutes sexual harassment would be actionable under Title VII.<sup>10</sup>

Unless the bullying is based on race, color, national origin, sex, or religion, it is not actionable under Title VII. Consider hazing of rookies in the NFL, which “... can range from having rookies carry shoulder pads to the practice field to having them sing college fight songs in the lunchroom to taping them to the goal posts after practice.”<sup>11</sup> Unless this type of hazing is, for example, directed only at the rookies of the same race and no others, the hazing would not be a violation of Title VII because it would not be based on a protected category under Title VII.

As for harassment on the basis of a protected category, there is no exception or affirmative defense under Title VII for workplace harassment that occurs in a locker room or among teammates. In other words, professional sports teams are treated the same as other businesses and entities under Title VII. As a result, a team facing a player’s hostile work environment claim on the basis of one of Title VII’s protected categories cannot avoid liability by simply stating that inappropriate behavior is commonplace among teammates and that “boys will be boys.” Although a locker room is certainly less a formal setting than a board room, a locker room at a professional sports facility is still considered a workplace and is subject to a court’s scrutiny under Title VII.

A court will look to the frequency, severity, and nature of the conduct among teammates to determine whether a player has been subjected to a hostile work environment and will not find that harassment occurred when the conduct is isolated and not severe.<sup>12</sup> For example, an instance of towel slapping, a few inappropriate jokes, and

a mild prank would likely not be considered to be actionable under Title VII. As a court does not want to step in and be the workplace civility police, its focus would be on whether the alleged bullying is “sufficiently severe or pervasive to alter the conditions of the victim’s employment and create an abusive working environment [on the basis of race, color, national origin, sex, or religion].”<sup>13</sup>

If a coach or other employee with supervisory responsibilities has knowledge of alleged bullying among teammates that may fit this standard under Title VII and does nothing about it, the professional sports team could face liability under Title VII.<sup>14</sup> For example, a coach that regularly witnesses racial slurs directed towards another player, racial jokes told in the presence of the player, constant racial innuendos, degrading behavior directed towards the player, and threatening behavior directed toward the player based on the player’s race may have already created liability for the team by failing to address the matter. A coach who has knowledge of such behavior simply cannot shrug his or her shoulders, claiming these are grown adults who must work out these problems on their own. If the player files a discrimination claim against the team, the team would have lost its prompt remedial action defense, a defense available to employers arguing that as soon as management had knowledge of the alleged harassment, it took prompt remedial action to address the conduct.<sup>15</sup> The need for prompt remedial action is highlighted by the decision in *Walsh v. Nat’l Westminster Bancorp., Inc.*,<sup>16</sup> where the court held that for an employer to be held liable for a hostile work environment claim under Title VII, “...the plaintiff must establish that the employer ‘either provided no reasonable avenue for complaint or knew of the harassment but did nothing about it.’”<sup>17</sup> In order to reduce the likelihood for liability under Title VII as a result of bullying among teammates, the best practice for professional teams is to follow the game plan below.

### **Game Plan for Professional Teams Under Title VII:**

- Provide an avenue for players to file complaints of alleged bullying and clearly inform players of the procedures available to them;
- Train coaches and other employees with supervisory authority to take prompt remedial action as soon as they have any knowledge of suspected bullying or harassment on the basis of a legally protected category.<sup>18</sup> The prompt remedial action should include:
  1. Investigating the matter promptly and fully;
  2. Taking interim corrective measures if necessary to reduce the potential for any additional bullying (this could include, consistent with league rules, interim suspension of a player pending the result of the investigation or moving the player’s locker to a different side of the locker room);

3. Taking appropriate disciplinary action against the player(s) who engaged in the bullying within the parameters of league rules including mandating discrimination and harassment training;
  4. Taking appropriate disciplinary action against any coach who had knowledge of the bullying but did nothing about it;
  5. Ensuring there is no retaliation<sup>19</sup> against the player who complained of bullying.
- Provide regular training to employees, including coaches and players that harassment on the basis of a legally protected category will not be tolerated.

### **Potential Liability for Universities Under Title IX and Title VI**

As college athletes are considered students and are not considered employees, college athletes would not have a claim under Title VII for bullying like professional athletes would. However, a college athlete may have a claim against the university under Title IX of the Educational Amendments of 1972<sup>20</sup> (Title IX) for bullying on the basis of sex, and may have a claim under Title VI of the 1964 Civil Rights Act<sup>21</sup> (Title VI) for bullying on the basis of race, color, or national origin.<sup>22</sup> Title IX does not prohibit discrimination that is solely based on sexual orientation; however, “...Title IX does protect all students, including lesbian, gay, bisexual, and transgender (LGBT) students, from sex discrimination.”<sup>23</sup> Thus, as described above for professional athletes, bullying among college teammates where a teammate is continually harassed about not conforming to stereotypical gender roles could be actionable under Title IX.<sup>24</sup> Additionally, a claim for same-sex sexual harassment among teammates may be brought against a university under Title IX.<sup>25</sup>

Similar to a Title VII claim for a professional athlete, a college athlete who is a victim of alleged bullying by a teammate on the basis of sex, race, color, or national origin, must prove that the university had knowledge of the bullying and was deliberately indifferent to it.<sup>26</sup> As with Title VII, there is no defense under Title IX or Title VI that would allow the university to claim the bullying should be allowed by contending it is commonplace in college locker rooms. Similar to the analysis discussed above for professional sports teams under Title VII, the U.S. Department of Education’s Office for Civil Rights (OCR) or a court reviewing a player’s Title IX or Title VI bullying claim would look to the frequency and severity of the conduct, as well as the university’s response, to determine whether the actions are in violation of Title IX or Title VI. The OCR’s actions through its recent “Dear Colleague Letters” issued as guidance to universities, as well as recent investigations under Title IX, seem to reveal that the university would be subject to a much more strict review by the OCR under Title IX for bullying as compared to

the review of a professional sports team by a court under Title VII.<sup>27</sup> As a result, it is crucial for universities to follow the game plan below to address potential bullying among teammates.

### Game Plan for Universities Under Title IX and Title VI:

- Enact policies clearly addressing how students may file an internal complaint of harassment, including bullying on the basis of a protected category. The policies should clearly indicate which department on campus will investigate the complaint, require sufficient notice to be provided to the student-athlete alleged to have engaged in bullying and an adequate opportunity to respond to the accusations,<sup>28</sup> detail how the hearing process will be conducted, including specifying that the burden of proof will be based on the preponderance of the evidence, how the outcome of the proceedings will be communicated to the student-athletes, and the process for appealing the decision following the hearing;<sup>29</sup>
- Train athletic department employees that there is a zero tolerance policy for bullying on the basis of a protected category;
- Train athletic department employees that if they have any knowledge of bullying on the basis of a protected category under Title IX or Title VI, they must take prompt remedial action.<sup>30</sup> This prompt remedial action should include:
  1. Investigating the matter promptly and fully;
  2. Taking interim corrective measures to separate the alleged victim of bullying from the person who allegedly engaged in bullying (this could include, consistent with university policy, placing the student-athlete on interim suspension, moving the student-athlete's locker to a different side of the locker room, moving the student-athlete to a different dorm room, making adjustments to course schedules, etc);<sup>31</sup>
  3. Taking appropriate disciplinary action against the athlete(s) who is/are found to have engaged in inappropriate behavior;
  4. Taking appropriate disciplinary action against any coach who had knowledge of the bullying but did nothing about it;
  5. Ensuring that the individual who complained of bullying is not subject to retaliation.
- Provide regular training to its employees, including coaches and players, that harassment on the basis of a legally protected category will not be tolerated.

### Conclusion

College and professional coaches can no longer observe bullying among teammates and sit back thinking "boys will be boys" and that the players must work it out among themselves. Additionally, professional sports teams and universities cannot wait for bullying complaints to come forward without proactively providing training and adopting policies and procedures for handling bullying complaints or knowledge of suspected bullying. Failing to proactively provide training and adopt policies and procedures to take prompt remedial action in response to bullying among teammates creates liability for professional sports teams under Title VII, and creates liability for universities under Title IX and Title VI. Additionally, there is a potential for tort liability where a coach has knowledge of threatening behavior among teammates and does nothing to address it.<sup>32</sup> The best practice for professional teams and universities is to follow the game plans listed above of proactively creating policies to address bullying, training employees on how to handle knowledge of bullying among teammates, taking prompt remedial action when bullying is suspected including interim corrective measures, and following through with appropriate disciplinary action against any player(s) who are found to have engaged in bullying, as well as any coach who had knowledge of the bullying but did nothing about it.

**\*Update:** On February 14, 2014, Ted Wells issued a 144 page report to the NFL concluding that Jonathan Martin was subjected to harassment by not only Richie Incognito, but also by two other teammates (Offensive Linemen John Jerry and Mike Pouncey). The Ted Wells report concluded, "1. Martin was subjected to persistent harassing language...2. The harassment humiliated Martin and contributed to his mental health issues...3. The mistreatment of Martin is consistent with a case of workplace bullying...4. Incognito, Jerry and Pouncey harassed other Dolphins' personnel...5. Repeated acts of harassment contributed to Martin's departure...6. Martin did not fabricate his allegations of harassment...7. The extent to which the abuse resulted from racial animus is unclear...8. The culture of the Dolphins' offensive line does not excuse the mistreatment of Martin...9. Martin's friendship with Incognito does not excuse the abuse...10. Martin never reported the abuse to the Dolphins' organization...11. The fine book shows that Incognito knew that the harassment affected Martin...12. No malicious physical attack of Martin occurred at a 2012 Christmas party...13. Coach Philbin and the front office did not know about the harassment...14. The verbal abuse was contrary to team policies...15. The Dolphins' plan to improve the team's workplace conduct policies are commendable."<sup>33</sup>



## Endnotes

1. Erik Brady, Jim Corbett and Lindsay H. Jones, Blaming the Victim? Some Players Criticize Jonathan Martin, <http://www.usatoday.com/story/sports/nfl/2013/11/05/bullying-jonathan-martin-richie-incognito/3449621/>.
2. Jarrett Bell, Martin Situation in Miami Brings Bullying to Forefront, <http://www.usatoday.com/story/sports/nfl/2013/11/02/jonathan-martin-miami-dolphins-bullying-jarrett-bell-column/3393497/>.
3. Espn.com News Services, Slurs in Incognito's messages, [http://espn.go.com/nfl/story/\\_/id/9926139/richie-incognito-miami-dolphins-used-slurs-messages-jonathan-martin](http://espn.go.com/nfl/story/_/id/9926139/richie-incognito-miami-dolphins-used-slurs-messages-jonathan-martin).
4. See *supra* note 2.
5. Lindsay H. Jones, Dolphins' Richie Incognito Got Threatening Text From Jonathan Martin, <http://www.usatoday.com/story/sports/nfl/2013/11/10/richie-incognito-interview-jonathan-martin/3489073/>.
6. USA Today Sports, Timeline of Dolphins' Alleged Bullying Saga Between Richie Incognito and Jonathan Martin, <http://www.usatoday.com/story/sports/nfl/2013/11/07/richie-incognito-jonathan-martin-bullying-miami-dolphins/3466755/>.
7. 42 U.S.C. § 2000e-2(a)(1).
8. See *Simonton v. Runyon*, 232 F.3d 33, 35 (2d Cir. 2000).
9. *Smith v. City of Salem, Ohio*, 378 F.3d 566, 575 (6th Cir. 2004). ("[S]ex stereotyping [by an employer] based on a person's gender non-conforming behavior is impermissible discrimination).
10. See *Oncale v. Sundowner Offshore Services, Inc.*, 523 U.S. 75, 77 (1998).
11. See *supra* note 2.
12. See *Nat'l R.R. Passenger Corp. v. Morgan*, 536 U.S. 101, 115, 122 S. Ct. 2061, 2073, 153 L. Ed. 2d 106 (2002) ("As we pointed out in *Meritor [Savings Bank, FSB v. Vinson]*, 477 U.S. 57, 67, 106 S.Ct. 2399, 91 L. Ed.2d 49 (1986), 'mere utterance of an...epithet which engenders offensive feelings in a[n] employee,' *id.* (internal quotation marks omitted), does not sufficiently affect the conditions of employment to implicate Title VII").
13. See *Harris v. Forklift Sys., Inc.*, 510 U.S. 17, 21 (1993).
14. See *Walsh v. Nat'l Westminster Bancorp., Inc.*, 921 F. Supp. 168, 173 (S.D.N.Y. 1995).
15. *Id.*
16. *Walsh v. Nat'l Westminster Bancorp., Inc.*, 921 F. Supp. 168, 173 (S.D.N.Y. 1995).
17. See *Walsh* at 173, citing *Kotcher v. Rosa and Sullivan Appliance Center*, 957 F.2d 59, 63 (2d Cir. 1992); *Snell v. Suffolk County*, 782 F.2d 1094, 1104 (2d Cir. 1986).
18. In addition to the protected categories under Title VII, there are also legal protections against harassment on the basis of disability under the Americans with Disabilities Act, harassment on the basis of age under the Age Discrimination and Employment Act, and depending on the state in which the professional sports team is located, harassment on the basis of sexual orientation under applicable state law. The same analysis above would apply to such claims. See *supra* 15; *Walsh* at 173, citing *Kotcher v. Rosa and Sullivan Appliance Center*, 957 F.2d 59, 63 (2d Cir. 1992); *Snell v. Suffolk County*, 782 F.2d 1094, 1104 (2d Cir. 1986).
19. See *Thomas v. iStar Fin., Inc.*, 438 F. Supp 2d 348, 365 (S.D.N.Y. 2006), *aff'd*, 629 F.3d 276 (2d Cir. 2010) ("A retaliatory hostile work environment has been considered actionable [under Title VII] when incidents of harassment following complaints were sufficiently continuous and concerted to have altered conditions of an employee's employment.").
20. 20 U.S.C. §§ 1681-1688.
21. 42 U.S.C. §§ 2000d-2000d-7.
22. Bullying on the basis of disability may also be brought under Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990. 29 U.S.C. § 794; 42 U.S.C. 12131 *et seq.*
23. See the U.S. Department of Education's Office for Civil Rights' October 26, 2010 Dear Colleague Letter at page 8, <http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201010.pdf>.
24. *Id.*
25. *Id.* at page 7.
26. See *Hayut v. State Univ. of New York*, 352 F.3d 733, 751 (2d Cir. 2003); *Davis Next Friend LaShonda D. v. Monroe County Bd. of Educ.*, 526 U.S. 629, 650, 119 S. Ct. 1661, 1675, 143 L. Ed. ("We thus conclude that funding recipients are properly held liable in damages only where they are deliberately indifferent to sexual harassment, of which they have actual knowledge, that is so severe, pervasive, and objectively offensive that it can be said to deprive the victims of access to the educational opportunities or benefits provided by the school.").
27. See, e.g., the U.S. Department of Education's Office for Civil Rights' April 4, 2011 Dear Colleague Letter, <http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201104.pdf>; <http://www.justice.gov/opa/documents/um-ltr-findings.pdf>.
28. This is particularly important for public universities that are required to provide their students due process under the U.S. Constitution. See, e.g., the U.S. Department of Education's Office for Civil Rights' April 4, 2011 Dear Colleague Letter at <http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201104.pdf>; <http://www.justice.gov/opa/documents/um-ltr-findings.pdf>.
29. See the U.S. Department of Education's Office for Civil Rights' April 4, 2011 Dear Colleague Letter at <http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201104.pdf>. Although the April 4, 2011 Dear Colleague Letter is focused on the appropriate response and policies for sexual assaults, the best practice would be for universities to take a similar approach for bullying.
30. See *supra* note 27. Although the April 4, 2011 Dear Colleague Letter is focused on the appropriate response and policies for sexual assaults, the best practice would be for universities to take a similar approach for bullying.
31. *Id.*
32. For example, imagine that a coach had knowledge about a player who continually bullied one of the player's teammates, and on more than one occasion, texted or verbalized threats of violence against the teammate. Now imagine that the coach did nothing, and the player followed through with the threat and seriously injured or even killed the teammate. In a lawsuit against a professional sports team, the team may be liable for the actions of the player who injured or killed his or her teammate under the theory of negligent supervision or negligent retention. Under a theory of negligent supervision or negligent retention, the plaintiff must prove the standard elements of negligence (i.e., duty, breach, causation), and must also show that there was an employer-employee relationship between the player who injured or killed the teammate and the team, that the team had knowledge or should have had knowledge about the player's propensity for such violence, and that the tort was committed on the team's premises. See *Ehrens v. Lutheran Church*, 385 F.3d 232, 235 (2d Cir. 2004).
33. Theodore V. Wells, Jr., Brad S. Karp, Bruce Birenboim, David W. Brown, Report to the National Football League Concerning Issues of Workplace Conduct at the Miami Dolphins (visited February 17, 2014), <http://63bba9dfdf9675bf3f10-68be460ce43dd2a60dd64ca5eca4ae1d.r37.cf1.rackcdn.com/PaulWeissReport.pdf>.

**Eric D. Bentley is the Associate General Counsel for the University of Houston System and teaches sports law as an adjunct faculty member for the University of Houston Department of Health and Human Performance. Bentley would like to give special thanks to Dr. Demetrius Pearson, Associate Professor of Health and Human Performance, for his guidance and direction for this topic.**

# Who Is a Journalist? New Jersey Extends Shield Law Protection to Partisan Blogger Tina Renna

By Raymond Baldino

## Introduction

A recent New Jersey trial court decision has for the first time extended protection under that State's Shield Law statute to an independent blogger. The decision is among the latest in the annals of an ongoing and murky national debate: in the digital age, who is a journalist? Set against the backdrop of plans for a federal Shield Law, the status of bloggers as journalists is a burning question.<sup>1</sup> Blogger Tina Renna's successful invocation of the New Jersey's Shield Statute in April 2013, which was not appealed, is a significant milestone in that debate. Previously, in the seminal New Jersey Supreme Court decision *Too Much Media v. Hale*, the court stated that protection could be extended to a blogger, but left much ambiguity as to when, specifically, a blogger would qualify.<sup>2</sup> The *Renna* decision has helped clarify this issue. The decision suggests that New Jersey's statute will in the future offer broad protection to the new media, though not necessarily "anyone with a Facebook account."<sup>3</sup> The case has also made an important contribution to the national understanding of the "who is a journalist" debate, by rebuking a notion ever-present in the popular conception of a reporter—that a journalist must be unbiased and objective.

## Background

Today, 49 states and the District of Columbia recognize some form of shield protection for journalists, and most federal courts acknowledge a Constitutional privilege protecting some form of a journalist's right to not be compelled to reveal sources in court.<sup>4</sup> It is typical for a state's shield privilege to require someone claiming protection to demonstrate a connection to the news media, and to demonstrate that he or she is practicing journalism.<sup>5</sup> New Jersey's Shield Law statute, cited as "one of the broadest in the nation," requires a journalist seeking protection to have a connection with the "news media," as enumerated under the statute.<sup>6</sup> However, New Jersey's statute is broad, extending protection to outlets that are "similar" to traditional media.<sup>7</sup>

In its last case to consider the issue, the New Jersey Supreme Court addressed whether would-be investigative journalist Shelley Hale, who planned to use a website called *Pornafia* to publish exposes about the porn industry, could be protected under the Shield Statute. Hale invoked the privilege in a libel action brought for accusatory comments she had posted to an online message board concerning the pornography-affiliated business Too Much Media, LLC.<sup>8</sup> In a decision that left the contours for new media journalists' protection under the Shield Law

substantially undefined, the *Too Much Media* court held that Hale did not have sufficient connection to the "news media" to qualify.<sup>9</sup> The court reasoned that comments on a message board, which Hale cited as her connection to the news media, were more akin to "letters to the editor" than journalism, and therefore not sufficiently "similar" to traditional journalism to qualify under the statute.<sup>10</sup> Significantly, the *Too Much Media* court specifically declined an invitation by a number of media and civil liberties amici to adopt a broad "intent" test to determine the status of a journalist, a test already followed by the Second Circuit; the test holds that an individual's status as a journalist turns on whether he or she is engaged in investigative reporting, gathering news, and intending to distribute that news.<sup>11</sup>

In addition, in language that could be interpreted as dismissive of many new media entities, the court declared that when seeking protection under the statute, "self-appointed journalists or entities with little track record... require more scrutiny."<sup>12</sup> Thus, following the decision in *Too Much Media*, the answer to an endangered blogger's question to his or her attorney, asking whether he or she would be protected under the statute would have been: "maybe...we are just going to have to prove that it applies to you."<sup>13</sup>

## The Renna Case

Tina Renna is anything but a conventional journalist. A self-described "watchdog" and "citizen activist," she uses her blog, *The County Watchers*, which is a website devoted to politics in Union County, New Jersey, to fight what she perceives as corruption.<sup>14</sup> Starting in December 2012, she posted accusations, based on anonymous sources, that as many as 16 Union County officials had been misusing county-owned electric generators in the wake of Hurricane Sandy power outages, taking the generators home for personal use.<sup>15</sup> She dubbed this her "Generatorgate" story.<sup>16</sup> The story led to an investigation by Union County prosecutor Theodore Romankow, who subpoenaed Renna for her sources—Renna claimed, to silence her.<sup>17</sup>

Renna was also not a paragon of journalistic responsibility. In the past, her posts have involved describing Union County officials as "psychopaths" and "Nazis," she has been known to curse at officials at public meetings, and also does seek comment from those officials who appear in her blog.<sup>18</sup> Romankow seized upon these unprofessional characteristics, in essence arguing that Renna

was akin to a “self-appointed journalist” referred to in *Too Much Media v. Hale*, and therefore not covered under the statute.<sup>19</sup> The prosecutor pointed to the low quality of Renna’s writings and her failure to adhere to journalistic conventions and professional norms (despite clear language in *Too Much Media v. Hale* stating that adhering to professional standards would not be required for protection under the New Jersey Shield Law).<sup>20</sup> Perhaps most saliently, Romankow emphasized one important characteristic: that Renna was not an unbiased reporter.<sup>21</sup> Under the Shield Law in New Jersey, public relations entities cannot claim coverage under the statute. Thus, Romankow also argued that Renna, whose husband was a former official in Union County, was so biased that her activities more closely resembled public relations than journalism.<sup>22</sup>

These arguments highlight the difficulty of the question “who is a journalist?” that is invited by Shield Laws, which create troubling distinctions between media and non-media.<sup>23</sup> Professional standards vary greatly within the journalism industry, and their application as criteria in a Shield Law statute would likely be harmful to journalism.<sup>24</sup> For similar reasons, the use of journalistic objectivity as a criterion under the statute is one to which the journalism world could not adhere.<sup>25</sup> Fortunately, the *Renna* court rejected the use of these criteria in its opinion. Instead, the trial court interpreted the holding in *Too Much Media* to focus the inquiry “on the final product, i.e., the medium itself, when evaluating whether the Shield Law applies.”<sup>26</sup> The court examined Renna’s blog, and noted that while her work was of lower quality than professional blogs such as the *Drudge Report* or *The Huffington Post*, it was sufficiently similar to traditional media to qualify.<sup>27</sup> In examining Renna’s reporting, including the “Generatorgate” stories, the court found that they were “newsworthy,” thereby providing Renna with the requisite connection to the “news media” to qualify her for protection under the statute.<sup>28</sup> In fact, the *Renna* decision essentially acknowledged that Renna was among the few entities in her area providing “in-depth coverage of local news.”<sup>29</sup> Thus, the answer to the vexing question “Who is a journalist?” was settled, at least in one case in New Jersey: “Tina Renna is a journalist.”

## Analysis and Conclusion

Following the *Renna* decision in New Jersey, bloggers can proceed with greater confidence that they will likely be covered under the state’s Shield Law. The decision reaffirmed that those seeking protection under the law will not be judged by their adherence to professional journalistic standards or by the objectivity of their writing. This represents a significant victory for the digital media. Further, in its discussion of the issue of “newsworthiness,” the *Renna* court pointed to New Jersey Shield Law precedent in which the taping of emergency room footage

for a reality television learning program was considered “news,” thereby suggesting that the threshold for bloggers’ material to qualify as “newsworthy” would not be terribly high.<sup>30</sup> However, the role adopted by New Jersey courts in *Renna* and *Too Much Media* in evaluating the “worthiness” of the media of expression may trouble media advocates; in the age of the Internet, many have contended that anyone can indeed be a journalist, regardless of the medium of expression.<sup>31</sup> Thus, in seeking to discriminate amongst digital media of expression, and as in the *Renna* case, evaluating the “newsworthiness” of the content, New Jersey has arguably adopted a troubling standard. It is unclear whether New Jersey’s approach will prove workable over the long term. After all, as the new media evolves, distinctions rooted in the conventions of the traditional media will become less relevant.

Still, the court’s refusal to use objectivity as a criterion for judging the legal status of a blogger stands out as one of the decision’s outstanding results. This will make an important contribution to the public debate over the question of “Who is a journalist?” *Renna*’s holding will help to remove a popular misconception about the nature of the press, and one that could harm the digital media, which is frequently partisan. From an historical and Constitutional perspective, the notion that journalists must be objective does not hold up, and is probably dangerous. Consider, for example, the seminal U.S. Supreme Court decision *Near v. Minnesota*, in which Anti-Semitic and rag-tag muckraker Jay Near was held to be protected by the First Amendment for his journalistic activities, despite his obviously partisan and unprofessional nature.<sup>32</sup> Within the journalism industry, “objectivity” has been criticized as a professional requirement for journalists, and the Society of Professional Journalists dropped the requirement from its code in 1996.<sup>33</sup> Prominent communications scholar Robert W. McChesney has pointed out that the creed of objectivity, with its tendency to privilege information from official sources, has created its own kind of bias in professional journalism.<sup>34</sup> Moreover, countless print journalists, from Tom Paine, to George Orwell, to ‘60s New Journalists Norman Mailer and Hunter S. Thompson, and now current *Rolling Stone* correspondent Matt Taibbi, have openly embraced communicating with their audiences in a partisan manner. Now, in her own way, Tina Renna joins their ranks.

## Endnotes

1. See Samantha Scheller, *As State Shield Laws Play Tug-of-War, the Dream of a Federal Shield Law Resurfaces*, Digital Media Law Project, Jul. 12, 2013, <http://www.dmlp.org/blog/2013/state-shield-laws-play-tug-war-dream-federal-shield-law-resurfaces>.
2. *Too Much Media v. Hale*, 206 N.J. 209, 228, 237 (2011).
3. *Id.* at 242.
4. Geoffrey R. Stone, *Top Secret: When Our Government Keeps Us in the Dark*, 48, 50 n24 (2007).



5. Laurence B. Alexander, *Looking Out for the Watchdogs: A Legislative Proposal Limiting the Newsgathering Privilege to Journalists in the Greatest Need of Protection for Sources and Information*, 20 Yale L. & Pol'y Rev. 97, 115 (2002).
6. N.J.S.A. 2A:84A-21; *Too Much Media v. Hale*, 206 N.J., at 228-230.
7. *Id.* at 216.
8. *Too Much Media v. Hale*, 206 N.J. at 216-220.
9. *Id.* at 235-236.
10. *Id.* at 235.
11. *Id.* at 237-238.
12. *Id.* at 242.
13. See Bruce Rosen & Kathleen A. Hirce, *Are Bloggers, Citizen Journalists and Other New Media Covered by Shield Laws?*, Communications Lawyer, Volume 28, Number 3, November 2011.
14. *In re Subpoena*, 2013 WL 4779696 (Crim. Div. 2013), \*8-9.
15. *Id.* at \*1.
16. *Id.*
17. *Id.*; *New Jersey blogger considered a journalist under state Shield Law*, Apr. 16, 2013, <http://www.rcfp.org/browse-media-law-resources/news/new-jersey-blogger-considered-journalist-under-state-shield-law> ("If they would have forced me to reveal my sources they would have shut me up...I believe that was their goal: to shut down our blog.").
18. *In re subpoena*, 2013 WL 4779696, at \*9-10.
19. *Id.* at \*8-10.
20. *Id.*; see *Too Much Media v. Hale*, 209 N.J., at 240.
21. *In re Subpoena*, 2013 WL 4779696, at \*8.
22. *Id.* at \*6, 8-9.
23. See Anthony Lewis, *A Preferred Position for Journalism?*, 7 Hofstra L. Rev. 595 (1978-1979) and at 609 ("To the degree that the press is alone in the enjoyment of freedom, to that degree is its freedom imperiled.") (quoting Robert Bork).
24. See *Too Much Media v. Hale*, 209 N.J., at 240 (Amicus media company North Jersey Media Group argued against the use of credentials or professional standards as Shield Law criteria, for this same reason).
25. See *In re Subpoena*, 2013 WL 4779696, at \*11 (noting established print publications that do not maintain objectivity).
26. *Id.* at \*4.
27. *Id.* at \*10.
28. *Id.*
29. *Id.*
30. *In re Subpoena*, 2013 WL 4779696, at \*10.
31. See Mike Masnick, *NJ Supreme Court Can't Comprehend That Everyone Can Be a Journalist*, TECHDIRT (Dec. 20, 2013, 4:11 PM), <http://www.techdirt.com/articles/20110607/19192414597/nj-supreme-court-cant-comprehend-that-everyone-can-be-journalist.shtml>.
32. See *Near v. Minnesota*, 283 U.S. 697, 713 (1931); see also Fred Friendly, *Minnesota Rag: The Dramatic Story of the Landmark Supreme Court Case that Gave New Meaning to Freedom of the Press* (1982).
33. Linda L. Berger, *Shielding the Unmedia: Using the Process of Journalism to Protect the Journalist's Privilege in an Infinite Universe of Publication*, 39 Hous. L. Rev. 1371, 1402 (2003).
34. Robert W. McChesney, *The crisis of journalism and the Internet*, News Online, 53, 57 (Graham Meikle & Guy Redden, Eds., 2011) ("The reliance upon official sources has always made professional journalism especially susceptible to well funded corporate public relations...").

**Raymond Baldino is a recent graduate of Rutgers School of Law—Newark, a new attorney in New Jersey, with bar admission pending in New York. In law school he specialized in First Amendment and Media Law, interning at the Media Law Resource Center, Reporters Committee for Freedom of the Press, and the ACLU-NJ, among others. Since law school he has been working in open government litigation in the State of New Jersey under a senior attorney. An experienced writer and former journalist, he has for more than four years instructed college writing courses to undergraduates at Rutgers University—New Brunswick. Next semester he will be teaching a course on writing research papers, focusing on the subject of Government Surveillance and Privacy issues.**

**Looking for Past Issues  
of the *Entertainment, Arts and  
Sports Law Journal*?**

**<http://www.nysba.org/EASLJournal>**



# Notoriety, Exclusivity, and the First Amendment: What's the Value of a High-Profile Crime?

By Ethan Bordman

There are always high-profile criminal cases in the news. O.J. Simpson, Casey Anthony, George Zimmerman, and Jodi Arias have all captured the attention of the national media and the public. As these cases develop, we often learn that the accused has received offers from publishers, television networks, and movie studios to tell his or her story for a large sum of money. Can these individuals keep the money, potentially profiting from the alleged crime? "Son of Sam" laws may lead one to believe the answer is "No." In fact, however, the answer is: "It depends."

## Can Criminal Activity Result in a Financial Windfall?

Individuals have attempted to benefit from their crimes for more than a century. One of the first such documented cases is *Riggs v. Palmer*.<sup>1</sup> In 1889 Elmer E. Palmer poisoned his grandfather, Francis Palmer, upon learning that Francis was planning to change his will and disinherit Elmer. In addition to Elmer, Francis Palmer's two daughters were each to receive an inheritance. Upon Francis' death his daughters filed to have Elmer eliminated from the will as a result of his actions and criminal conviction. The trial court disallowed Elmer's inheritance, ruling that it would be offensive to public policy for him to receive it.<sup>2</sup> However, in a dissent, Judge John Clinton Gray stated that the demands of public policy were satisfied by Elmer's criminal punishment and that the law was silent on whether or not he could benefit from his crime.<sup>3</sup>

Between July 1976 and August 1977, David Berkowitz terrorized New York City, killing six people and injuring numerous others.<sup>4</sup> Berkowitz called himself the "Son of Sam," explaining that the black Labrador retriever owned by his neighbor, Sam Carr, told him to commit the killings. Once captured, Berkowitz received numerous offers to have his story published. In an effort to thwart criminals' attempts to profit from their crimes, New York State passed the first "Son of Sam" law, N.Y. Exec. Law § 632-a, authorizing the state Crime Victims Board to seize any money earned from entertainment deals to compensate the victims. The issue of profiting from a crime was not an issue here as Berkowitz, for whom the law was named, was deemed incompetent to stand trial and voluntarily paid his own book royalties to the Crime Board.

The issue of free speech and "Son of Sam" laws appeared in 1987 when Simon & Schuster published a book written by Nicholas Pileggi, titled *Wiseguy: Life in a Mafia Family*.<sup>5</sup> The book was about ex-mobster Henry Hill,

whose 26-year career involved a variety of crimes, including the 1978 \$6 million Lufthansa Airlines heist. Hill's story was subsequently turned into the 1990 Martin Scorsese film *Goodfellas*, starring Ray Liotta as Henry Hill, Robert De Niro, and Joe Pesci. The New York Crime Victims Board determined that the book violated the state's "Son of Sam" law, and that the publisher was required to turn over all monies to the crime board for victims' compensation. Simon & Schuster filed suit under 42 U.S.C. § 1983,<sup>6</sup> arguing that the law violated the First Amendment. At the time, the law had only been invoked a few times for individuals; among them Jean Harris, who was convicted of killing "Scarsdale Diet" Dr. Herman Tarnower; Mark David Chapman, John Lennon's assassin; and R. Foster Winans, a *Wall Street Journal* columnist convicted of insider trading.<sup>7</sup> The U.S. Supreme Court unanimously ruled in 1991 in Simon & Schuster's favor, stating: "[t]he Government's power to impose content-based financial disincentives on speech, surely does not vary with the identity of the speaker."<sup>8</sup> The Court further stated the law was "significantly overinclusive" and the statute's broad definition of a "person convicted of a crime" would allow the Crime Victims Board to take monies from any author who admitted to committing a crime, regardless of whether that author was ever accused or convicted.<sup>9</sup> The Court noted that these provisions would have affected hundreds of authors, including Dr. Martin Luther King, Jr. (arrested during a sit-in at a restaurant),<sup>10</sup> Sir Walter Raleigh (convicted of treason), and Henry David Thoreau (jailed for refusal to pay taxes).<sup>11</sup> The Court noted that should a prominent figure, in writing his or her autobiography, include a brief recollection of having stolen a worthless item as a youthful prank the Crime Victims Board could take the income from the book and make the income available to his or her creditors despite the fact that the statute of limitations on the crime had long since run.<sup>12</sup> The Court stated that "the Son of Sam law clearly reaches a wide range of literature that does not enable a criminal to profit from his crime."<sup>13</sup> In 1992 the New York state legislature amended the law in an attempt to bring it into conformity with the Supreme Court ruling.

In 2002, California addressed the constitutionality of the state's "Son of Sam" law in the case of *Keenan v. Superior Court of Los Angeles County*,<sup>14</sup> which involved the sale of a story on the kidnapping of Frank Sinatra, Jr. In 1963 Barry Keenan, Joseph Adler, and John Irwin kidnapped Frank Sinatra, Jr., then 19, from Harrah's casino in Lake Tahoe. The three kidnapers were later caught and, in 1998, after serving time in prison, they met with a reporter from the Los Angeles *New Times* newspaper for an interview. The

article entitled “Snatching Sinatra” generated interest and Columbia Pictures bought the motion picture rights for \$1.5 million. In 1983, two decades after the crime, but prior to the sale of the movie rights, California passed its “Son of Sam” law, California Civil Code § 2225,<sup>15</sup> modeled after the original New York statute. Frank Sinatra, Jr. asked Columbia Pictures to withhold payment; the studio refused barring a court order. Sinatra, Jr. then stated the payment violated § 2225 and the money received should be placed in trust for his benefit as the victim of the crime. In tendering its 2002 decision, the Supreme Court of California stated that the *Simon & Schuster* decision governed the case because of similarities between the New York and California statutes. The court was persuaded by Keenan’s argument that, like the New York statute, California’s § 2225 was overinclusive as it confiscated all of a convicted felon’s income from expressive activity, which included more than a passing mention of the crimes. The court said this financial disincentive “discourages the creation and dissemination of a wide range of ideas and expressive works which have little or no relationship to the exploitation of one’s criminal misdeeds.”<sup>16</sup> The opinion further stated:

[a] statute that confiscates all profits from works which make more than a passing, nondescriptive reference to the creator’s past crimes still sweeps within its ambit a wide range of protected speech, discourages the discussion of crime in non-exploitative contexts, and does so by means not narrowly focused on recouping profits from the *fruits of crime*.<sup>17</sup>

The state Supreme Court ruled that § 2225 was invalid, thus reversing the lower court’s decision. The following year, the film *Stealing Sinatra* was released, starring David Arquette as Barry Keenan and William H. Macy as his co-conspirator John Irwin.

New York Executive Law § 632-a defines “crime” as “any felony defined in laws of the state” or “an offense in any jurisdiction which includes all of the essential elements of any felony defined in the laws of the state.”<sup>18</sup> “Profits from a crime” include 1) “any property obtained through or income generated from the commission of a crime of which the defendant was convicted,” 2) income generated from the sale of proceeds from the commission of a crime or 3) assets obtained through the unique knowledge gained during the commission or preparation of a crime.<sup>19</sup> “Funds of a convicted person” includes “all funds and property received from any source by a person convicted of a crime or by the representative of such a person as defined.”<sup>20</sup> A “representative” includes an inmate serving a sentence with the department of correctional services, serving a sentence of probation or conditional discharge, or was within the last three years an inmate or on probation.<sup>21</sup> The difficulty in applying the

law regards the traceability of what is considered “commission of a crime.”

## Profiting from Notoriety

When an individual is not compensated to recount his or her criminal act but rather uses the notoriety or popularity resulting from the accusation or conviction, he or she may be entitled to keep any money received. This is where the “commission of a crime” is not associated with the act or event for which the individual is being compensated. In 2010, former Illinois governor Rod Blagojevich was removed from office and later convicted of lying to federal authorities amid corruption charges alleging that he plotted to sell the U.S. Senate seat vacated by Barack Obama.<sup>22</sup> While awaiting trial, Blagojevich served as a paid spokesperson for Wonderful Pistachios in the “Get Crackin’” advertising campaign, a move designed to capitalize on his notoriety.<sup>23</sup> Despite Illinois’ “Elected Officials Misconduct Forfeiture Act”<sup>24</sup>—a “Son of Sam” bill for politicians designed to “recover all proceeds traceable to the elected official’s offense”—Blagojevich was allowed to keep the money because the ads were not “traceable” and made no mention of the criminal charges against him. Moreover, federal law 18 U.S.C.S. § 3681, “Special Forfeiture of Collateral Profits of Crime,” establishes that proceeds “relating to a depiction of such crime” can be forfeited upon a motion by the United States attorney after conviction. Although he was later convicted, Blagojevich kept the money from these ads as enjoying pistachios was not considered a “depiction” of lying to federal authorities.

Another example of profiting from notoriety; 17-year-old Amy Fisher was accused in 1992 of the attempted murder of Mary Joe Buttafuoco, the wife of Fisher’s 36-year-old alleged boyfriend.<sup>25</sup> Fisher received \$80,000 for a bail payment from a television production company in exchange for the rights to her story.<sup>26</sup> This was permitted since she had not yet been convicted of a crime.

## There Is No Monopoly on Anyone’s Life Story

Purchasing the rights to someone’s life story **does not** prevent other individuals from writing about that person, a fact that is often misunderstood. The First Amendment permits anyone to write about newsworthy events or another person’s life story—with or without that person’s permission—provided the information is truthful. This was recognized in *Rosemont Enterprises vs. Random House*<sup>27</sup> in which Howard Hughes, upon learning that Random House was going to write his unauthorized biography, wrote the biography himself and registered the copyright in his book to prevent Random House from releasing its book. Hughes then sued for copyright infringement and violation of his right of privacy under New York’s Civil Rights Laws. The court ruled in favor of Random House



stating: “[a] public figure, whether he be such by choice or involuntarily, is subject to the often-searching beam of publicity and, in balance with the legitimate public interest, the law affords his privacy little protection.”<sup>28</sup> The court concluded: “a public figure (has) no right to suppress truthful accounts of his life”<sup>29</sup> and “a public figure can have no exclusive rights to his own life story, and others need no consent or permission of the subject to write the biography of a celebrity.”<sup>30</sup>

Additionally, the First Amendment’s freedom of speech regarding “newsworthy” events does not obligate the individual being profiled from receiving any compensation unless contracted to tell his or her story. In 1993, television networks ABC, NBC, and CBS each broadcast its own version of Amy Fisher’s story, marking the first time any topic was made into a movie by all three networks.<sup>31</sup> NBC produced Fisher’s version and CBS produced the Buttafuocos’ side of the story. Interestingly, ABC’s “unofficial” version, which incorporated multiple viewpoints, received the highest ratings of the three versions—a 19.4 representing over 18 million households. A network show has an average rating of 12. As no contract existed between ABC and Fisher or the Buttafuocos, the network was not required to share its profits with either party.

In 2000, the Court of Appeals in the state of Washington ruled that Mary Kay Letourneau, a schoolteacher convicted of two counts of second-degree child rape, could keep monies from movies and book deals.<sup>32</sup> In 1997, Letourneau, then 34, had a sexual relationship with her 12-year-old student Vili Fualaau.<sup>33</sup> After being sentenced to six months in jail, she received offers to have her story published. The Court of Appeals ruled that Letourneau could profit from her story in spite of Washington’s “Son of Sam” law. In defending Letourneau’s right to profit from book and movie deals, her attorney asked the court, “[i]s there any possible way we can argue with a straight face that our law is meaningfully different than the Son of Sam law in New York that was struck down?”<sup>34</sup>

A French publisher contacted Letourneau’s attorney, who brokered the agreement, and paid her a \$200,000 advance for the rights to the story.<sup>35</sup> The book, *Un Seul Crime, L’Amour* (Only One Crime, Love), was co-authored by Letourneau and Fualaau, and included a prologue by Vili’s mother, Soona Fualaau. There was no issue with allowing Vili Fualaau and his mother to accept proceeds from the sale of the book because they were never convicted of any crime.

Many versions of Mary Kay Letourneau’s story were produced, each by a different creator. Gregg Olsen’s book, *If Loving You Is Wrong: The Shocking True Story of Mary Kay Letourneau*, has been translated into 11 languages. *The Mary Kay Letourneau Affair* by James Robinson was also

published. USA Network later produced the made-for-TV movie, *All-American Girl: The Mary Kay Letourneau Story*, starring Penelope Ann Miller as Letourneau and Mercedes Ruehl as Letourneau’s psychologist. A&E Television Networks’ cable program *Biography* produced an episode titled *Mary Kay Letourneau: Out of Bounds*. Letourneau would have no valid claim to any of the revenue derived from these titles unless a contract existed between her and the author, publisher, or network.

In March 2013, a New York Supreme Court Judge issued an injunction that prevented the airing as well as the promotion of a television movie in response to allegations by the film’s subject that the story is “fictionalized.”<sup>36</sup> Lifetime Network’s telefilm *Romeo Killer: The Christopher Porco Story*, based on the true story of Christopher Porco—convicted of the 2004 murder of his father, Peter, and the attempted murder of his mother, Joan—was enjoined by Judge Robert J. Muller. Christopher Porco sued Lifetime Network, claiming the film violated New York Civil Rights § 51, the state’s publicity rights, which allows redress if an individual’s “name, portrait, picture or voice is used...for advertising purposes or for the purposes of trade without the written consent first obtained.”<sup>37</sup> Porco had not viewed the film before its scheduled broadcast but alleged the movie was a “substantially fictionalized account...about plaintiff and the events that led to his incarceration.”<sup>38</sup> In response, Lifetime argued “the essential elements of the movie are true and accurate and based on court and police records, interviews with persons involved, and historical and other documents.”<sup>39</sup> The network further pointed out that other versions of the story had appeared on CBS’ *48 Hours Mystery* and the TruTV series *Forensic Files*. The injunction issued by Judge Muller stated: “defendant appears to concede that the movie is fictionalized.”<sup>40</sup> Moreover, the judge stated he was not concerned that the injunction represented a “prior restraint” on free speech rights.<sup>41</sup> Lifetime immediately filed an emergency appeal to vacate or stay the injunction, claiming “the (New York) Supreme Court’s order is unprecedented and would cause grave and irreparable damage not just to Lifetime but to the constitutional protections for speech.”<sup>42</sup> Lifetime further stated that this “prior restraint” of free speech is not a case where national security is in jeopardy, nor does it involve irreparable injury from disclosure of trade secrets or confidential information; it is a movie based on the public facts of a murder prosecution.<sup>43</sup> The network emphasized that the film fits into the “newsworthy” exception to New York’s publicity rights law and that claims of a story being “fictionalized” do not overcome that.<sup>44</sup> Lifetime specified: “while plaintiff may not want the story of his crime repeated in a television movie, the constitutional protection of speech and press on matters of public concern flatly prevent the issuance of an order enjoining the broadcast of the movie.”<sup>45</sup> The network further stated the injunction would

adversely affect its reputation and finances as it “will lead to a reluctance among cable affiliates and advertisers to spend money on Lifetime.”<sup>46</sup> It also expressed a fear that TV viewers will view the network as “unreliable and not trustworthy” if a program does not air as scheduled.<sup>47</sup>

The injunction issued by Judge Muller did not last long. A day later, New York’s Appellate Division granted Lifetime’s emergency appeal and issued a stay on the injunction, ordering Porco to show cause why the injunction should not be lifted.<sup>48</sup> Before the ruling, each side presented its case. Attorneys for the Lifetime network claimed the movie was a “docudrama”; while some scenes were fictionalized, the overall story was based on trial transcripts, interviews, and other information from this heavily publicized case. They emphasized: “the United States Supreme Court has never affirmed an injunction against newsworthy speech and that’s what Judge Muller has done here.”<sup>49</sup> Porco, who argued his case by phone from prison, alleged that the network “made up characters...made up situations...made no effort to interview anyone that I know...didn’t contact me...and made no effort to make sure [the film] is historically accurate.”<sup>50</sup> Porco claimed that the film’s producers fictionalized some events, such as involving him in a sexual relationship with the daughter of the movie’s fictional lead detective. Lifetime responded that the material facts of the case and the trial—including the charges against Porco as well as details of both the investigation and trial—were all taken from trial transcripts; although some dialogue was invented, First Amendment protection still applies.<sup>51</sup> Lifetime used the publicity to its advantage, promoting the film as “the Lifetime Original movie Chris Porco doesn’t want you to see.”<sup>52</sup>

### **Paying for the Rights Pays Off**

Though it is not necessary to write the story, purchasing the rights to tell someone’s life story has several advantages. The contract between the author and the individual being profiled will state that the individual agrees to speak exclusively with the author, which establishes the work as the “official” or “authorized” story. The profiled individual also agrees to contact friends, family, former classmates, and co-workers to encourage them to speak with the author. The First Amendment gives people the right to speak or not to speak; no one is obligated to cooperate with an author even if the story is deemed “newsworthy.” Though an author and his or her subject may have an exclusive agreement, it does not prohibit other individuals from researching and writing about the same subject. However, an author who does not have exclusive rights will have to conduct his or her research without the cooperation of the subject. Most importantly, the exclusivity encourages “full and open disclosure,” for which the profiled individual agrees to share information that may not yet be known to the public.

### **Following the Law Can Yield Profits**

Following the letter of the law can also result in avoiding “Son of Sam” laws. In July 2010, Colton Harris-Moore—named “America’s Most Wanted Teenage Bandit” by *Time*<sup>53</sup>—was captured and accused of committing more than 70 crimes including theft of airplanes, luxury vehicles, and pleasure boats totaling more than \$3 million.<sup>54</sup> At the time Harris-Moore had 75,000 Facebook followers,<sup>55</sup> learned how to fly a plane by reading an aviation manual, and avoided capture for two years. In Washington, the state from which Colton Harris-Moore escaped a halfway house, where he was serving a sentence for burglary, the “Payment for reenactments of crimes” statute<sup>56</sup> applies. The statute prohibits the receipt of money to the individual who committed a crime for the portrayal of the “accused or convicted person’s thoughts, feelings, opinion or emotions regarding such crime,” stipulating that any such revenue should be “for the benefit of and payable to any victim or the legal representative of any victim of crimes committed.”<sup>57</sup> The statute defines a “victim”<sup>58</sup> as “a person who suffers bodily injury or death as a proximate result of a criminal act of another person.” There were, however, no allegations that Harris-Moore hurt anyone physically;<sup>59</sup> therefore the state’s “Son of Sam” law should not apply to him.

In cases where the law allows a convicted person to keep the money, prosecutors typically offer a plea bargain to a lesser charge or recommend less jail time in exchange for turning over the money to compensate victims and their families. As part of a plea deal, Colton Harris-Moore gave up the rights to the proceeds from entertainment deals on his story.<sup>60</sup>

One New York case, which followed the “Son of Sam” law to the letter, had an unexpected twist. In January 2011, 24-year-old Brandon Palladino was charged with the 2008 killing of his mother-in-law Dianne Edwards.<sup>61</sup> A year after the killing, Palladino’s wife, Deanna, the victim’s only child—and the sole beneficiary of her mother’s entire estate—died of an alleged drug overdose. As Palladino and Deanna had no children, he stands to inherit the entirety of Edwards’s estate through his wife after he is released from prison. The “Son of Sam” law does not apply here, because Palladino’s inheritance will not come directly from his victim or the “commission of the crime,” but rather from his wife—who had inherited it from the victim. Moreover, there were no allegations that Deanna had anything to do with her mother’s death. According to a news source, the Suffolk County District Attorney’s office asked Palladino, who pled guilty to manslaughter, to give up the inheritance as part of a plea bargain, but he refused.<sup>62</sup> The value of the estate was estimated at \$241,000. Furthermore, the victim’s daughter had used an additional \$190,000, which was inherited from her mother’s savings account, to pay for her husband’s de-

fense. Therefore, the victim, in effect, paid for her accused killer's defense and left him a substantial inheritance.

The "Son of Sam" law does not apply to Palladino; however, in 2012, Suffolk County Circuit Court Surrogate John M. Czygier, Jr. held that under the "Slayer Rule" Palladino—as an intentional killer—forfeited his right to inherit from the estate of his victim and the estate of the victim's post-deceased legatee.<sup>63</sup> The "Slayer Rule" establishes that a person who commits an intentional killing cannot benefit by inheriting under the deceased individual's estate.<sup>64</sup> This trusts and estates law stands in contrast to the "Son of Sam" law, as under the "Slayer Rule" the individual does not need to be convicted of a crime. The court explained: "but for Brandon Palladino's actions, there would be no inheritance through his wife, Deanna."<sup>65</sup> Regarding the "but for" analysis, the court stated: "the direct result therefrom (decedent's death) should prohibit him from obtaining the fruits of such act even though they may be obtained through an intervening estate."<sup>66</sup>

In 2008, Long Island mother Leatrice Brewer slashed her six-year-old daughter Jewel's throat and drowned her two sons, Michael, age five, and Innocent, age one, believing she was saving them from the deadly effects of voodoo.<sup>67</sup> Several hours after the killings, but before authorities were alerted to the events, Brewer made two attempts at suicide—the first by swallowing home cleaning fluids and the second by jumping from a second-story window—both of which she survived. She was subsequently found not guilty by reason of mental disease or defect, and committed to a state psychiatric hospital. It was stated that caseworkers visited the household two days before the killings; they found no one at home, but neglected to schedule an immediate follow-up. Innocent Demesyeux, the father of the two boys, settled a wrongful death lawsuit against Nassau County for \$250,000.<sup>68</sup> A separate wrongful death lawsuit for the death of Brewer's daughter was settled for \$100,000.<sup>69</sup>

In 2013, Brewer sought to obtain a portion of the \$350,000 collected in the lawsuit from the children's estates.<sup>70</sup> New York's "Son of Sam" law does not apply, because Brewer was never convicted of a crime; she pleaded not responsible to killing her children by reason of mental disease or defect. Nassau County Judge Edward McCarty III's decision, dubbed the "Brewer Rule," stated that although Brewer was not criminally responsible for the act, she was morally responsible and could not financially benefit from her actions. The decision stated: "but for her killing Jewel, Innocent and Michael there would be no funds to allocate."<sup>71</sup> Even if Brewer had won, any money would have gone to the state to defray the more than \$1 million in costs for her treatment and confinement.<sup>72</sup>

In May 2012, after Brewer had committed the killings, the New York State Senate passed legislation Bill

S4393A-2011 titled "an act to amend the executive law, in relation to defendant profiting from his or her crime" that would include *any* plea or conviction to be included in the state's "Son of Sam" law.<sup>73</sup>

### Can Media or Literary Rights Serve as Payment for Legal Services?

Discussions of the "Son of Sam" laws often give rise to questions about whether attorneys may receive the client's media or literary rights as payment for legal services. This issue arose in *State of Florida vs. Casey Marie Anthony*, the 2011 case of the Florida mother who was ultimately found not guilty of killing her two-year-old daughter, Caylee. The prosecution was concerned that Anthony's attorney, Jose Baez, was being compensated with book or movie deals, which could influence his actions and direction in the representation of Anthony.<sup>74</sup> Baez and Anthony filed affidavits and swore in court that there was no agreement for the sale of her story by Baez. During an "in camera" meeting, Judge Stan Strickland of Florida's Ninth Circuit Court ruled there was no conflict of interest because nothing in the retainer agreement allowed Baez to financial gain based on selling the rights to the story, nor did it give the defense or any third party the rights to Anthony's story.<sup>75</sup>

The American Bar Association (ABA) Model Rules of Professional Conduct on Conflicts of Interest with Current Clients, Rule 1.8(d) states: "Prior to the conclusion of representation of a client, a lawyer shall not make or negotiate an agreement giving the lawyer literary or media rights to a portrayal or account based in substantial part on information relating to the representation."<sup>76</sup> The ABA *Comments* to the rule state:

[a]n agreement by which a lawyer acquires literary or media rights concerning the conduct of the representation creates a conflict between the interests of the client and the person interests of the lawyer. Measures suitable in the representation of the client may detract from the publication value of an account of the representation.<sup>77</sup>

One such detraction is that a lawyer may be tempted to subordinate the client's best interests by pursuing a course of conduct that will enhance the value of the story to the client's detriment. One illustration, not provided in the *Comments*, is that the value of a client's story is most likely worth more if a verdict occurs—as opposed to reaching a quiet or confidential settlement—even though the latter might be in the client's best interests. The *Comments* also distinguishes that it is permissible for an attorney's fee to consist of a share in ownership when representation of a client in a transaction concerns a literary property—so long as the fee conforms to Rule 1.5.<sup>78</sup>



New York's Rule of Professional Conduct 1.8(d) is similar to the ABA Rule stating:

[p]rior to conclusion of all aspects of the matter giving rise to the representation or proposed representation of the client or prospective client, a lawyer shall not negotiate or enter into any arrangement or understanding with (1) a client or prospective client by which the lawyer acquires an interest in literary or media rights with respect to the subject matter of the representation or proposed representation; or (2) any person by which the lawyer transfers or assigns any interest in literary or media rights with respect to the subject matter of the representation of a client or prospective client.<sup>79</sup>

Under the *Comments* section, the New York rule explains that “[t]he lawyer may be tempted to subordinate the interests of the client to the lawyer’s own anticipated pecuniary gain.”<sup>80</sup> In one example, a lawyer who obtains the television, radio, motion picture, newspaper, magazine, book, or other literary rights regarding a case “may be influenced, consciously or unconsciously, to a course of conduct that will enhance the value of the literary or media rights to the prejudice of the client.”<sup>81</sup> The *Comments* conclude that attorneys *themselves* should not enter into arrangements with third parties to sell *their* stories about the representation until all aspects of representation have concluded.<sup>82</sup>

## From Local Case to National Sensation... Overnight

A local criminal case can become a national story overnight—when it does, offers to tell an individual’s story appear immediately. The answer to the question of whether individuals may keep the money—and potentially profit from alleged crimes—is “it depends.” Considerations include the particular circumstances of the act, the laws of the jurisdiction in which the act occurred, whether the prosecutor chooses to enforce the state’s “Son of Sam” law, and—if litigated—the court’s decision. The First Amendment is fundamental in allowing the story to be told—regardless of whether anyone is being compensated—granting the accused individual, as well as the entertainment industry, the right to tell the story.

## Endnotes

1. 115 NY 506, (1889).
2. *Id.* at 511-12.
3. *Id.* at 519.
4. Marilyn Bardsley, *David Berkowitz: The Son of Sam*, trutv.com, located at: [http://www.trutv.com/library/crime/serial\\_killers/notorious/berkowitz/17.htm](http://www.trutv.com/library/crime/serial_killers/notorious/berkowitz/17.htm).
5. *Simon & Schuster v. Members of the New York State Crime Victims Board*, 502 U.S. 105 (1991).
6. 42 U.S.C. § 1983 (1996).
7. *Simon & Schuster*, 502 U.S. 105, 111.
8. *Id.* at 117.
9. *Id.* at 121.
10. *Id.* at 121-22. The Supreme Court did not state the reason why Dr. King’s autobiography would be excluded under the existing “Son of Sam” law. Dr. King was arrested 30 times in his championing of civil rights including a sit-in at a restaurant in Atlanta, Georgia in 1960. See “About Martin Luther King, Jr. Day of Service,” The Corporation for National & Community Service, located at: <http://mlkday.gov/about/serveonkingday.php>.
11. *Simon and Schuster*, 502 U.S. 105, 121-22.
12. *Id.* at 123.
13. *Id.* at 122.
14. 27 Cal. 4th 413 (Feb. 21, 2002).
15. Cal. Civ. Code § 2225.
16. *Keenan v. Superior Court*, 27 Cal. 4th 413, 432.
17. *Id.* at 435.
18. New York Executive Law §632-a 1(a)(i) & (ii).
19. N.Y. Exec. Law §632-a 1(b)(i), (ii) & (iii).
20. N.Y. Exec. Law §632-a 1(c).
21. N.Y. Exec. Law §632-a 1(c)(i), (ii) & (iii).
22. Associated Press, *Blagojevich gets 14 years in prison*, CBS News, December 7, 2011, located at: <http://www.cbsnews.com/news/blagojevich-gets-14-years-in-prison/>.
23. Natasha Korecki, “Rod Blagojevich goes nuts,” *Chicago Sun-Times*, November 1, 2010.
24. Illinois HB 4078, located at: [http://blogs.suntimes.com/blago/2010/11/rod\\_blagojevich\\_goes\\_nuts.html](http://blogs.suntimes.com/blago/2010/11/rod_blagojevich_goes_nuts.html). Text of the Bill is located at: <http://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=76&GA=96&DocTypeId=HB&DocNum=4078&GAIID=10&LegID=&SpecSess=&Session>.
25. Joe Treen, *Sex, Lies & Videotapes*, People, October 12, 1992, located at: <http://www.people.com/people/archive/article/0,,20108804,00.html>.
26. *Id.*
27. 58 Misc.2d 1 (N.Y. Sup. Ct. 1968).
28. *Id.*
29. *Id.*
30. *Id.*
31. Bill Carter, *Amy Fisher Story a Surprise Smash in 3 TV Movies*, *The New York Times*, January 5, 1993, located at: <http://www.nytimes.com/1993/01/05/movies/amy-fisher-story-a-surprise-smash-in-3-tv-movies.html>.
32. *Literary loopholes*, CNN, June 14, 2005, located at: <http://www.cnn.com/2005/LAW/06/14/grace.excerpt.01/>.
33. *Id.*
34. *Id.*
35. *Id.*
36. Eriq Gardner, *Judge Bans Airing of Lifetime TV’s Chris Porco Movie*, *The Hollywood Reporter*, March, 20, 2013, located at: <http://www.hollywoodreporter.com/thr-esq/lifetimes-chris-porco-movie-banned-429988>.
37. *Id.*
38. *Id.*

39. *Id.*
40. *Id.*
41. *Id.*
42. *Id.*
43. *Id.*
44. *Id.*
45. *Id.*
46. *Id.*
47. *Id.*
48. Brendan J Lyons, *Porco: "Life is full of errors,"* Times Union, March 22, 2013, located at: <http://www.timesunion.com/local/article/Porco-Life-is-full-of-errors-4373942.php>.
49. *Id.*
50. *Id.*
51. *Id.*
52. *Id.*
53. Tim McGirk, *America's Most Wanted Teenage Bandit*, Time, December 21, 2009, located at: <http://content.time.com/time/magazine/article/0,9171,1946950,00.html>.
54. Jackson Holtz, *After two years, one chapter of Colton Harris-Moore's escape comes to a close*, The Herald, July 12, 2010, located at: <http://www.heraldnet.com/article/20100712/NEWS01/707129947>.
55. Ryan Owens and Sarah Netter, *"Barefoot Bandit' Busted: Arrest Draws Cheers, Sympathy,"* ABC News, July 12, 2010, located at: <http://abcnews.go.com/GMA/TheLaw/barefoot-bandit-busted-colton-harris-moore-expected-extradited/story?id=11141460>.
56. Wash. Rev. Code § 7.68.200 (2009).
57. *Id.*
58. Wash. Rev. Code § 7.68.020 (15) (2009).
59. Gene Johnson, *Could feds keep Barefoot Bandit, mom from profit?*, Associated Press, July 19, 2010, located at: <http://www.king5.com/news/local/Could-feds-keep-Barefoot-Bandit-mom-from-profit-98765834.html>.
60. *Barefoot Bandit' pleads guilty to seven federal charges*, CNN, June 17, 2011, located at: <http://www.cnn.com/2011/CRIME/06/17/washington.barefoot.bandit/>.
61. Kieran Crowley, *Att'y backs 'heir' raid*, New York Post, January 4, 2011, located at: <http://nypost.com/2011/01/04/atty-backs-heir-raid/>.
62. *Id.*
63. *Matter of Edwards*, 2012 NY Slip Op. 22102, decided March 28, 2012, Surrogate's Court, Suffolk County, located at: <http://law.justia.com/cases/new-york/other-courts/2012/2012-ny-slip-op-22102.html>.
64. The Legal Information Institute at Cornell University Law School, *Slayer Rule*, located at: [http://www.law.cornell.edu/wex/slayer\\_rule](http://www.law.cornell.edu/wex/slayer_rule).
65. *Matter of Edwards* at 6.
66. *Id.* at 8.
67. Associated Press, *Killer mom might get around Son of Sam law*, The New York Post, October 14, 2013, located at: <http://nypost.com/2013/10/14/killer-mom-might-get-around-son-of-sam-law/>.
68. Bridget Murphy, *Leatrice Brewer has no right to estate of kids she killed, judge rules*, Newsday, November 6, 2013, located at: <http://www.newsday.com/long-island/nassau/leatrice-brewer-has-no-right-to-estate-of-kids-she-killed-judge-rules-1.6392700>.
69. *Id.*
70. *Id.*
71. *Id.*
72. *Id.*
73. New York State Senate, *"Senate Passes Bill to Close Loophole in 'Son of Sam',"* Law, May 30, 2012, located at: <http://www.nysenate.gov/press-release/senate-passes-bill-close-loophole-son-sam-law-0>.
74. WFTV.com, *"Jose Baez succeeds in blocking prosecution from learning how the Dream Team is being paid,"* March 25, 2009, located at: <http://itsamysterytome.wordpress.com/2009/03/25/jose-baez-succeeds-in-blocking-prosecution-from-learning-how-the-dream-team-is-being-pid/>.
75. *Id.*
76. Model Rules of Prof'l Conduct R. 1.8 (d) (1983), (2002).
77. Model Rules of Prof'l Conduct R. 1.8 (d) cmt. (1983), (2002).
78. *Id.*
79. N.Y. Rules of Prof'l Conduct R 1.8 (d) . As amended through December 20, 2012.
80. N.Y. Rules of Prof'l Conduct R 1.8 cmt . As amended through December 20, 2012.
81. *Id.*
82. *Id.*

**Ethan Bordman is an entertainment attorney and film finance consultant ([www.ethanbordman.com](http://www.ethanbordman.com)) who represents directors, producers, screenwriters, actors and investors. In addition to his law degree and MBA, Ethan holds an LL.M. in Entertainment Law from the University of Westminster in London, England. He serves as co-chair of the Young Entertainment Lawyers Committee and is a former co-chair of the Membership Committee for the NYSBA Entertainment, Arts and Sports Law (EASL) Section.**

# Labor Relations and the Anti-Flopping Policy: Has the NBA Dropped the Ball?

By David Fogel

*Phil Cowan Memorial/BMI Scholarship Winner*

## I. Introduction

Athletes in professional sports leagues often find their careers and paychecks at the mercy of league commissioners.<sup>1</sup> In the four major American sports leagues, the National Football League (NFL), National Basketball Association (NBA), Major League Baseball (MLB) and National Hockey League (NHL), Collective Bargaining Agreements (CBAs) between players and owners govern league conduct.<sup>2</sup> The CBAs outline the procedures through which disciplinary actions are imposed and player grievances are processed.<sup>3</sup> Procedures for commissioner discipline of athletes vary among the four major professional sport leagues. However, in each of the leagues, the commissioner has the power to unilaterally discipline athletes without any opportunity for players to appeal to neutral grievance arbitrators.<sup>4</sup> Grievances can only be brought before arbitration panels where authority is not granted solely to the commissioner by the CBA.<sup>5</sup>

For example, the NBA Collective Bargaining Agreement<sup>6</sup> governs the NBA's disciplinary process.<sup>7</sup> The NBA's disciplinary procedures, outlined in the NBA CBA, grant the NBA Commissioner immense unchecked power. However, in recent years the courts have ruled on several matters substantially limiting the NBA Commissioner's disciplinary power.

### A. Latrell Sprewell Incident

On December 1, 1997, Latrell Sprewell, a star player with the Golden State Warriors, choked his head coach, P.J. Carlesimo, during a practice session.<sup>8</sup> Following the incident, NBA Commissioner David Stern issued a one-year suspension to Sprewell. The Golden State Warriors exercised its right to fully terminate Sprewell's contract. Sprewell appealed the Commissioner's suspension, claiming that an incident during practice did not amount to "on the court behavior" over which the Commissioner would have disciplinary power.<sup>9</sup> An impartial arbitrator ruled that the incident amounted to "off the court behavior" and therefore presided over the appeal. The arbitrator reduced the Commissioner's suspension and reinstated Sprewell's contract. This matter was appealed in federal court and the U.S. Court of Appeals for the Ninth Circuit sustained the arbitrator's decision.<sup>10</sup>

### B. "Malice in the Palace"

On November 19, 2004, Ron Artest of the Indiana Pacers committed a flagrant foul against Ben Wallace of the Detroit Pistons in a game played at the Palace in Auburn Hills in Detroit.<sup>11</sup> As the referees conferred, a

spectator hit Artest with a beverage thrown from the stands. Artest stormed into the stands and attacked the spectator.<sup>12</sup> An altercation ensued involving several other players, spectators and stadium officials. This melee is commonly referred to as the "malice in the palace."

On November 21, 2004, NBA Commissioner David Stern suspended Ron Artest for the 86 remaining games of the season at a cost of \$5 million in salary. In addition, Commissioner Stern imposed significant suspensions and fines on several of the other players involved in the incident. The National Basketball Players Association (NBPA) filed an immediate appeal to the Grievance Arbitrator under Article XXXI of the CBA.<sup>13</sup> The major point of contention was whether the players' conduct was considered "on the court behavior" and thus appealable solely to the Commissioner or "off the court behavior" and thus subject to the appeal of the Grievance Arbitrator. The court held that fighting with or striking a fan should be characterized as "off the court" behavior and therefore subject to appeal not to the NBA Commissioner but to the impartial Grievance Arbitrator.

## II. History of Anti-Flopping in the NBA

On October 4, 2012, the NBA announced that it would impose an anti-flopping policy on its players.<sup>14</sup> "Flopping"<sup>15</sup> is defined as any physical act intended to cause the referees to call a foul on another player.<sup>16</sup> In determining whether a player committed a flop, the NBA will look to see whether the player's "physical reaction to contact with another player is inconsistent with what would reasonably be expected given the force or direction of the contact."<sup>17</sup>

The penalties for flopping begin with an initial warning and then progressively increase. After the warning, a second flop gets a player a \$5,000 fine, a third \$10,000, a fourth \$15,000 and a fifth \$30,000.<sup>18</sup> The NBA has left open the possibility of heavier fines or even suspensions following a fifth flop.<sup>19</sup> Stu Jackson, Vice President of Basketball Operations, remarked, "Flops have no place in our game—they either fool referees into calling undeserved fouls or fool fans into thinking the referees missed a foul call."<sup>20</sup>

Despite player support for the new NBA rule, the NBPA has contested the anti-flopping policy, arguing that the rule is not a part of the 2011 CBA. Former union director Billy Hunter argued that the "NBA is not permitted to unilaterally impose new economic discipline against the players without first bargaining with the union."<sup>21</sup> In July



2013, the NBPA filed an unfair labor practice challenge with the National Labor Relations Board (NLRB).<sup>22</sup> The NBPA argued that the NBA's refusal to bargain with it was a clear violation of the National Labor Relations Act (NLRA) and constituted prima facie evidence of an unfair labor practice.<sup>23</sup>

The anti-flopping policy touches upon the Commissioner's immense and unrestrained authority to discipline players. This article maintains that professional sports commissioners' ability to unilaterally discipline players must be checked for the protection of players, and that more grievance appeals should be submitted to impartial third-party neutral arbitrators. It also argues that the specific policy of the Commissioner unilaterally imposing monetary fines for flopping is unfair and without precedent.

### III. National Labor Relations Act

The NLRA governs employer-employee relations and gives employees the right to form labor organizations to collectively bargain with their employers.<sup>24</sup> As players in professional sports leagues have formed unions to collectively bargain with their respective leagues, the NLRA governs the conduct between the two negotiating parties.<sup>25</sup> Section 158(a)(5) of the NLRA makes it an unfair labor practice for an employer "to refuse to bargain collectively with the representatives of his employees, in respect to rates of pay, wages, hours of employment, or other conditions of employment."<sup>26</sup>

Wages, hours and other terms and conditions of employment are considered mandatory subjects of collective bargaining that must, at the insistence of either party, be bargained for between the employer and the union.<sup>27</sup> Subjects that do not fall under "wages, hours and other terms and conditions of employment"<sup>28</sup> are considered permissive subjects outside the bargaining requirement.<sup>29</sup> Failure or refusal by one party to negotiate mandatory subjects is an unfair labor practice and violates the NLRA.<sup>30</sup>

In *NLRB v. Katz*, the Supreme Court weighed whether an employer violated §158(a)(5) of the NLRA by unilaterally instituting wage increases that were not previously negotiated with the union.<sup>31</sup> Interestingly, the wage increases offered by the employer were considerably more generous than those which had been negotiated and previously offered to the union.<sup>32</sup> The Court ruled that such an action "conclusively manifested bad faith in the negotiations"<sup>33</sup> and constituted an unfair labor practice in violation of the NLRA. Therefore this suggests that the NLRB may hold that any unilateral change involving mandatory subjects constitutes an unfair labor practice in violation of §158(a)(5), even if the unilateral change is for the benefit of the employees.

As the NLRA does not specifically define wages, hours and other terms and conditions of employment, it

is often unclear which rules implemented by employers are mandatory subjects of collective bargaining.<sup>34</sup> Generally, implementing new disciplinary rules that affect wages and the terms and conditions of employment must be part of the bargaining process.<sup>35</sup> In *Murphy Diesel Co. v. NLRB*, the employer unilaterally implemented rules regarding employee absenteeism and tardiness.<sup>36</sup> The employer refused to collectively bargain with the union over these new rules because the CBA contained a clause stating that "all management functions are reserved to the Company."<sup>37</sup> There were no provisions relating to work rules on absence or tardiness in the CBA.<sup>38</sup> The court held that these rules were conditions of employment and, thus, mandatory subjects of collective bargaining.<sup>39</sup> Despite the fact that the CBA made no reference to rules on absence or tardiness, the court held that "any waiver of the Union's right to bargain about conditions of employment must be clear and unmistakable."<sup>40</sup>

#### A. Criteria for a Valid Waiver of a Statutorily Protected Right to Bargain

The NLRB has articulated an unambiguous standard to determine whether a union has waived its statutorily protected right to bargain over a mandatory subject. The "clear and unmistakable" standard derived from *Murphy Diesel Co.* requires bargaining partners to unequivocally and specifically express their mutual intention to permit unilateral employer action with respect to a particular employment term.<sup>41</sup>

In *Local Union 36, Intern. Broth. of Elec. Workers v. NLRB*, the NLRB ruled that an employer engaged in an unfair labor practice when it refused to bargain over its decision to discontinue its policy of permitting union members to take company vehicles home at night.<sup>42</sup> The Board found that the union did not "clearly and unmistakably"<sup>43</sup> waive its statutory right to bargain. In determining whether there has been a valid waiver, the court followed a two-step framework and asked: (1) whether the applicable CBA clearly and unmistakably resolved (or covered) the disputed issue, and (2) if not, whether the party asserting the right to bargain had clearly and unmistakably waived that right.<sup>44</sup>

In *Local Union 36*, the employer relied upon a provision in the CBA which stated "the Company shall have the exclusive right to issue, amend and revise safety and/or work rules...except as expressly modified or restricted by a specific provision of this Agreement."<sup>45</sup> The employer believed that this provision of the CBA permitted it to make the Vehicle Policy Change without bargaining with the union.<sup>46</sup> In reviewing the contractual language, the court announced that such a waiver must be "clear and unmistakable,"<sup>47</sup> for the court "will not infer from a general contractual provision that the parties intended to waive a statutorily protected right unless the undertaking is explicitly stated."<sup>48</sup> A waiver may be found in an

express provision in the parties' CBA or by the conduct of the parties, including their past practices and bargaining history, or by a combination of the two.<sup>49</sup> However, no waiver can be "inferred absent evidence that the parties knew of, and intentionally waived, the right at issue."<sup>50</sup>

In analyzing the first prong of the waiver analysis, the court asked whether the issue was clearly and unmistakably resolved (or covered) by the contract.<sup>51</sup> The court held that although intent to permit the company to unilaterally change its policy regarding vehicles may be a *plausible* reading of the contract, it was not a *clear and unmistakable* waiver of the union's bargaining power.<sup>52</sup> The provisions relied upon by the employer were not specific enough<sup>53</sup> for the court to determine that the union has clearly and unmistakably waived its right to bargain.

If the court determines that the applicable CBA does not clearly and unmistakably resolve (or cover) the decision at issue, it will proceed to the second step and determine whether the union has clearly and unmistakably *waived* its right to bargain.<sup>54</sup> The court in *Local Union 36* ruled that nothing in the evidence relating to the negotiations for collective bargaining "speaks to any intent by the Union to *consciously* waive its right...to bargaining."<sup>55</sup> In failing both prongs of the waiver analysis, the employer was required to bargain with the union over the effects of the Vehicle Policy Change.<sup>56</sup>

#### IV. The NLRB's Constraints on the Anti-Flopping Policy

In July 2013, the NLRB refused to rule on NBPA's challenge to the Commissioner's anti-flopping policy and recommended that the issue be resolved in accordance with the NBA Uniform Player Contract, the NBA Constitution and the 2011 CBA between the NBA and the NBPA.

The NBA's Uniform Player Contract is the standard form of written agreement between a player and a team required in the NBA CBA.<sup>57</sup> Paragraph 5 of the Uniform Player Contract states:

The player agrees to be bound by Article 35 of the NBA Constitution. The Player acknowledges that the Commissioner is empowered to impose fines...in the manner provided in such Article, provided that such fines are consistent with the terms of the Collective Bargaining Agreement.<sup>58</sup>

The NBA Constitution is the document that establishes how the NBA is to be governed and establishes the powers of the Commissioner.<sup>59</sup> It gives the Commissioner immense power to discipline players.<sup>60</sup> Article 35(d) of the NBA Constitution provides that:

The commissioner shall have the power to suspend for a definite, or indefinite

period, or to impose a fine not exceeding \$50,000, or inflict both such suspension and fine upon any Player who in his opinion (i) shall have made or caused to be made any statement, having, or that was designed to have, an effect prejudicial or detrimental to the best interests of basketball or of the Association or of a Member or (ii) shall have been guilty of conduct that does not conform to *standards of morality or fair play*, that does not comply at all times with all federal, state and local laws, or that is prejudicial or detrimental to the association.<sup>61</sup>

Article 24(l) of the NBA Constitution provides that:

The Commissioner shall, wherever there is a rule for which no penalty is specifically fixed for violation thereof, have the authority to fix such penalty as in the Commissioner's judgment shall be in the best interests of the Association.<sup>62</sup>

The CBA governs every aspect of the NBA's relationship with the players.<sup>63</sup> Article XXXI outlines the grievance and arbitration procedure with respect to disputes involving player discipline. Article XXXI(9) states:

A dispute involving (i) a fine of \$50,000 or less or a suspension of twelve (12) games or less (or both such fine and suspension) imposed upon a player by the Commissioner for (x) conduct on the playing court (as defined in Section 9(c)(i) or (y) for in-game conduct involving another player (as defined in Section 9(c)(ii) or (ii) action taken by the Commissioner (A) concerning the preservation of the integrity of, or the maintenance of public confidence in, the game of basketball and (B) resulting in a financial impact on the player of \$50,000 or less, shall not give rise to a Grievance, shall not be subject to a hearing before, or resolution by, the Grievance Arbitrator and shall not be determined by arbitration.<sup>64</sup>

Article VI(12) of the NBA CBA expands the scope of the Commissioner's authority regarding conduct on the playing court:

In addition to its authority under paragraph 5 of the Uniform Player Contract, the NBA is entitled to promulgate and enforce reasonable rules governing the conduct of players on the playing court (as that term is defined in Article XXXI, Section 9(c)) that do not violate the provi-

sions of this Agreement. Prior to the date on which any new rule promulgated by the NBA becomes effective, the NBA shall provide notice of such new rule to the Players Association and consult with the Players Association with respect thereto.<sup>65</sup>

## A. Legal Analysis of the Anti-Flopping Issue

Courts have previously ruled that instituting rules that could result in employee discipline affects the terms and conditions of employment and thus are mandatory subjects of collective bargaining.<sup>66</sup> As such, the Commissioner's new anti-flopping policy would be a subject of mandatory bargaining. The next step is to determine whether the NBPA waived its statutorily protected right to bargain under the two-step framework outlined in *Local Union 36*.<sup>67</sup> In determining whether there was a valid waiver one must consider (1) whether the applicable CBA clearly and unmistakably resolves (or covers) the disputed issue, and (2) if not, whether the party asserting the right to bargain has clearly and unmistakably waived that right.<sup>68</sup>

The NBA has argued that flopping falls under Article 35(d)(ii) as conduct that does not conform to standards of morality of fair play because of its intention to "trick or deceive" referees.<sup>69</sup> A plausible reading of Article 35(d)(ii) gives the Commissioner unilateral authority to rule on conduct that does not "conform to standards or morality or fair play."<sup>70</sup>

The NBA has argued that the NBA CBA grants the Commissioner unilateral authority to enforce reasonable rules governing the conduct of players on the playing court and the right to impose a monetary fine on players not exceeding \$50,000. According to the NBA, Article VI(12) of the NBA CBA clearly and unmistakably resolves (or covers) anti-flopping as "conduct of players on the playing court."<sup>71</sup> Paragraph 5 of the Uniform Player Contract acknowledges the Commissioner's power to impose fines consistent with the terms of the NBA CBA. Article 24(l) of the NBA Constitution states that "wherever there is a rule for which no penalty is specifically fixed" the Commissioner shall "have the authority to fix such penalty as in the Commissioner's judgment shall be in the best interests of the Association."<sup>72</sup>

The NBPA can argue that while the Commissioner was granted unilateral authority to impose fines of \$50,000 or less, the Commissioner is contractually obligated by Article VI(12) "to provide notice of such new rule to the Players Association and consult with the Players Association with respect thereto."<sup>73</sup> No waiver can be inferred absent evidence that the parties knew of, and intentionally waived, the right at issue.<sup>74</sup>

Assuming *arguendo* that the NBA CBA does not clearly and unmistakably resolve (or cover) the effects of

the anti-flopping policy, the court must determine whether the contractual language passes the second prong of the waiver analysis outlined in *Local Union 36*. In *Local Union 36*, the court ruled that a union must "consciously waive its right" to bargain.<sup>75</sup> In deciding whether a union has *consciously* waived its statutorily protected right to bargain, the court will review the evidence relating to the parties' negotiations for collective bargaining.<sup>76</sup>

Negotiations of the NBA CBA began on June 30, 2011. The NBA CBA was ratified on December 8, 2011.<sup>77</sup> By the time the two sides finally reached their agreement, the NBA and the NBPA met for 22 separate sessions in 148 hours' worth of meetings.<sup>78</sup> The majority of the negotiations were conducted in complete privacy. The only commentary on the negotiations came from sports reporters who had either gathered information from anonymous sources or interviewed NBA and union officials directly. None of the reports even hinted at the possibility of the Commissioner unilaterally imposing a fine on players for flopping or the NBPA consciously waiving its right to bargain over the anti-flopping policy. Given the contractual language of the NBA CBA, a court would be hard-pressed to find an intentional waiver of the specific anti-flopping policy. Ultimately, an evidentiary determination of whether the Commissioner consulted with the NBPA regarding the anti-flopping policy and whether the NBPA clearly and unmistakably *waived* its right to bargain may need to be conducted.

## V. Proposal for a New Anti-Flopping Policy

It remains unclear whether the NBPA will prevail in its unfair labor practice charge against the NBA. Flopping violations occur in the midst of an NBA game and are therefore considered to be "on the court behavior" where the Commissioner has sole authority to preside over appeals. On the other hand, the NBPA does not appear to have "clearly and unmistakably" waived its statutorily protected right to bargain over the new anti-flopping policy. Since there are strong arguments on both sides, the NBPA's unfair labor practice claim seems ripe for costly arbitration. As the NLRB refused to rule on the NBPA's challenge, it is likely that the loser of the initial arbitration will bring the matter to court.

This article proposes a simple reform to the current anti-flopping policy that could satisfactorily resolve the issues for both sides. One of the main reasons why the NBA's current anti-flopping policy should be reformed is that the policy does not serve as a deterrent for players to discontinue flopping. During the course of the 1,230-game 2012-2013 NBA season, there were 21 flopping violations,<sup>79</sup> an average of one flopping violation for roughly every 60 games. In contrast, during the course of the 40-game 2012-2013 NBA playoffs, eight flopping violations<sup>80</sup> were called, an average of one flopping violation for every five games. The statistical discrepancies highlight the



fact that when the games matter most, players are willing to do whatever it takes to win. The average NBA player makes \$5.1 million a year in salary.<sup>81</sup> A \$5,000 fine does little to deter high-salaried NBA players from flopping, particularly when important games are on the line.

If the NBA wants to discourage players from flopping, it should discontinue the nominal monetary fine on players and, in its place, implement a far more consequential in-game penalty to the player and his team. The NBA should adopt a policy where a flopping violation would result in a technical foul. When a technical foul is called, the opposing team is awarded two free throws and possession of the ball. Two technical fouls would result in a player's automatic ejection from the game. Players who accumulate five flopping technical fouls during the regular season will be suspended for their next games. Players who accumulate three flopping technical fouls during the playoffs will be suspended for the next playoff games.

This in-game discipline is similar to the penalties that the Federation International de Football Association (FIFA) has implemented. FIFA, the international body that governs the sport of soccer, has ruled that any player activity that "attempts to deceive the referee by feigning injury or pretending to have been fouled" is considered "unsporting behavior" and punishable by a yellow card.<sup>82</sup> A second yellow card during a match results in an ejection from the contest. The imposition of technical fouls for flopping would be a far greater deterrent than nominal monetary fines, because it could have a direct impact on the outcome of a game.

The procedure for implementing this new anti-flopping policy would be as follows: NBA referees would make the initial determination of whether a player has committed a flopping violation. This initial determination would be subject to instant replay review.<sup>83</sup> At the conclusion of the game, the Commissioner would retain the power to review any appeals to the referee's flopping determination. However, unlike current procedures for technical foul appeals, the current proposal would allow players who are unsatisfied with the Commissioner's ruling to appeal to a tripartite panel of arbitrators. This would diffuse the Commissioner of his or her right to act as the final authority on flopping violations. These checks and balances would further the level of fairness to players in their grievance appeals process.

The NBA CBA mandates the use of an impartial "Player Discipline Arbitrator,"<sup>84</sup> but unequivocally strips the Player Discipline Arbitrator's authority to review penalties imposed as a result of technical fouls.<sup>85</sup> Currently, the Commissioner has sole authority to review a player's appeal of technical fouls. The Commissioner acts as both judge and jury and can have an "exorbitantly adverse impact"<sup>86</sup> on players' careers and earning capacities. This article maintains that athletes need to be afforded due process before being deprived of part of their living.<sup>87</sup>

The proposed tripartite arbitration panel would be made up of former players, general managers or NBA executives who have expertise and knowledge of NBA rules and conduct. The NBA and NBPA would form pools of prospective arbitrators from which they would randomly select three-member panels for each case. This method of selection would strengthen athletes' confidence in the grievance appeals process. Some might argue that such accessible review is costly and excessive.<sup>88</sup> The costs, however, are outweighed by the benefits associated with diffusing the unchecked power vested in the Commissioner and providing for consistency and transparency in the player grievance process.

Scholars and practitioners argue that there is a current need to legitimize the arbitration process by creating greater consistency, predictability and objectivity.<sup>89</sup> A grievance system, which outlines precise guidelines for determining anti-flopping violations coupled with a player's right to appeal to an independent tripartite arbitration panel, may help the NBA develop a system that produces more consistent disciplinary outcomes.<sup>90</sup> Currently, the Commissioner is not required to make any public comment regarding his determinations. By contrast, the tripartite arbitration panel would be required to issue public written decisions regarding their dispositions. Public written decisions would "provide notice of what actions will not be tolerated and why the sanctions fit within the punishment guidelines."<sup>91</sup> Increasing transparency and consistency in the NBA's disciplinary process would better serve the interests of all the parties involved.

## VI. Conclusion

The proposed anti-flopping policy would be a far more effective deterrent to flopping in the NBA than the procedures currently in place. Players engaging in flopping would risk penalties that could potentially affect game outcomes. By agreeing to institute in-game penalties, the parties would avoid current unfair labor practice charges by the NBPA. Collective bargaining issues would be eliminated because the penalty would hinge on the determination of an NBA rule and not player discipline outlined in the NBA CBA. An agreement reached between the NBA and the NBPA on the current policy would constitute a "clear and unmistakable" waiver of the NBPA's statutorily protected right to bargain over the mandatory bargaining subject. This proposal would help both sides avoid costly litigation or arbitration. The new anti-flopping policy would be advantageous to the NBA because incorporating an appeals process that provides for hearings by neutral arbitrators would provide more due process rights for disciplined players. While providing for player rights may not seem like an advantage for the NBA, the league could possibly "champion this approach to its advantage"<sup>92</sup> in future collective bargaining negotiations or in marketing campaigns. Allowing enhanced procedural rights would be well received by

fans,<sup>93</sup> further improving the NBA's image and strengthening its reputation. The new anti-flopping policy would be advantageous to the NBPA, because it would increase uniformity in the NBA's disciplinary system. The aim of the proposal is to diffuse the immense power of the Commissioner, to institute neutral third-party arbitrators to preside over player grievance appeals and to increase consistency and transparency in the grievance appeals process. After all, what good is a policy that flops?<sup>94</sup>

## Endnotes

1. David Sirotkin, *Disciplining the Disciplinary System in Professional Sports: An Attempt to Fix the Arbitrary and Overreaching Disciplinary Powers of Sports Commissioners*, 11 CARDOZO J. CONFLICT RESOL. 289 (2009).
2. *Id.* at 291.
3. *Id.*
4. *Id.* at 290.
5. *Id.*
6. See generally NBA Collective Bargaining Agreement [hereinafter NBA CBA].
7. Sirotkin, *supra* note 1, at 294.
8. *Sprewell v. Golden State Warriors*, 266 F.3d 979 (9th Cir. 2001).
9. Jeffrey A. Mishkin, *Dispute Resolution in the NBA: The Allocation of Decision Making Among the Commissioner, Impartial Arbitrator, System Arbitrator, and the Courts*, 35 VAL. U. L. REV. 449, 453 (2001).
10. See generally *Sprewell*, 266 F.3d 979.
11. *Id.*
12. *Id.*
13. Article XXXI Section 8 of the NBA CBA states:

[a]ny dispute involving (i) a fine or suspension imposed upon a player by the Commissioner for conduct on the playing court...or (ii) action taken by the Commissioner concerning the preservation of the integrity, or the maintenance of public confidence in, the game of basketball resulting in a financial impact to the player of \$25,000 or less...shall be appealable in writing to the Commissioner.
14. *NBA Releases Guidelines for Anti-Flopping Rule*, ASSOCIATED PRESS (Oct. 13, 2009), <http://nba.com/2012/news/10/03/nba-sets-flopping-penalties.ap/index.html>.
15. For an extensive history of the technique of "flopping" see Shaun Powell, *Stop the Flopping Nonsense*, <http://www.sportsonearth.com/article/48961204> (last visited Oct. 28, 2013).
16. *Id.*
17. *New Anti-Flopping Rules in the NBA: Fair Game or Unfair Labor Practice?*, LABOR & EMPLOYMENT LAW FORUM (Oct. 13, 2013), <http://aualaborlawforum.org/2012/10/16/new-anti-flopping-rules-in-the-nba-fair-game-or-unfair-labor-practice/>.
18. *Id.*
19. *Id.*
20. *Id.*
21. *Id.*
22. *Report: NBA Players to Challenge Flopping Fines*, ATLANTA J. CONSTITUTION (Oct. 13, 2013), <http://www.ajc.com/weblogs/the-hater/2013/jul/24/report-nba-players-challenge-flopping-fines/>.
23. *N.L.R.B. v. Katz*, 369 U.S. 736, 743 (1962).
24. Brett D. Showalter, *Technical Foul: David Stern's Excessive Use of Rule-Making Authority*, 18 MARQ. SPORTS. L. REV. 205, 217 (2007).
25. Nat'l Labor Relations Act, 29 U.S.C. §158(d) (1994).
26. Nat'l Labor Relations Act, 29 U.S.C. §159(a) (1994).
27. Nat'l Labor Relations Act §158(d).
28. *Id.*
29. Showalter, *supra* note 24, at 217.
30. *N.L.R.B. v. Katz*, 369 U.S. 736, 743 (1962).
31. *Katz*, 369 U.S. at 736.
32. *Id.* at 744.
33. *Id.*
34. Showalter, *supra* note 24, at 219.
35. *Id.*
36. *Murphy Diesel Co v. N.L.R.B.*, 454 F.2d 303, 304 (7th Cir. 1971).
37. *Murphy Diesel Co.*, 454 F.2d at 305.
38. *Id.*
39. *Id.* at 307.
40. *Id.* (quoting *Gen. Elec. Co. v. N.L.R.B.*, 414 F.2d 918, 923 (4th Cir. 1969)).
41. *Johnson-Bateman Co.*, 295 NLRB 180, (1989).
42. *Local Union 36, Intern. Broth. Of Elec. Workers v. N.L.R.B.*, 706 F.3d 73 (2d Cir. 2013).
43. *Id.* at 84.
44. *Id.* at 79.
45. *Id.* at 80.
46. *Id.*
47. *Id.*
48. *Local Union 36*, 706 F.3d at 80 (quoting *Metro. Edison Co. v. N.L.R.B.*, 460 U.S. 693, 708 (1983)).
49. *Local Union 36*, F.3d at 80.
50. *Id.*
51. *Id.* at 83.
52. *Id.* at 85.
53. *Id.*
54. *Id.* at 86.
55. *Id.*
56. *Local Union 36, Intern. Broth. Of Elec. Workers v. N.L.R.B.*, 706 F.3d 73, 87 (2d Cir. 2013).
57. NBA CBA Article I §1(qqq).
58. NBA Uniform Player Contract Paragraph 5.
59. Mishkin, *supra* note 9, at 450.
60. *Id.*
61. NBA Constitution Article 35(d).
62. NBA Constitution Article 24(l).
63. *Supra* note 9, at 451.
64. NBA CBA Article XXXI(9).
65. NBA CBA Article VI(12).
66. Showalter, *supra* note 24, at 219.
67. *Local Union 36, Intern. Broth. Of Elec. Workers v. N.L.R.B.*, 706 F.3d 73, 79 (2d Cir. 2013).

68. *Id.*
69. *New Anti-Flopping Rules in the NBA: Fair Game or Unfair Labor Practice?*, *supra* note 17.
70. NBA Constitution Article 35(d).
71. NBA CBA Article VI(12).
72. *Id.*
73. *Id.*
74. *Apponi v. Sunshine Biscuits, Inc.*, 809 F.2d 1210, 1217 (6th Cir. 1987).
75. *Local Union 36*, 706 F.3d at 79.
76. *See generally id.* at 36.
77. *NBA Labor Timeline*, <http://www.nba.com/2011/news/09/09/labor-timeline/#2011> (last visited Oct. 27, 2013).
78. *Id.*
79. *NBA Fines and Suspensions*, <http://eskimo.com/~pbender/fines.html#12-13> (last visited Oct. 13, 2013).
80. *Id.*
81. *NBA's Average Salary -- \$5.15M – a Trendy, Touchy Subject*, [http://www.nba.com/2011/news/features/steve\\_aschburner/08/19/average-salary/index.html](http://www.nba.com/2011/news/features/steve_aschburner/08/19/average-salary/index.html) (last visited Nov. 30, 2013).
82. *FIFA: Law 12 Fouls and Misconduct*, available at [http://www.fifa.com/mm/document/afdeveloping/refereeing/law\\_12\\_fouls\\_misconduct\\_en\\_47379.pdf](http://www.fifa.com/mm/document/afdeveloping/refereeing/law_12_fouls_misconduct_en_47379.pdf) (last visited Oct. 31, 2013).
83. Such a policy is currently being administered in Major League Soccer (“MLS”). *See* Doug McIntye, *MLS Uses Video Replay to Stop Flopping*, [http://espn.go.com/sports/soccer/news/\\_/id/6906652/soccer-mls-uses-video-replay-stop-flopping](http://espn.go.com/sports/soccer/news/_/id/6906652/soccer-mls-uses-video-replay-stop-flopping) (last visited Oct. 31, 2013).
84. NBA CBA Article XXXI Section 9(a)(5)(d): The Player Discipline Arbitrator shall be selected by agreement between the NBA and the Players Association, shall be a person with experience in professional basketball (such as a former NBA coach, general manager, or player), and shall have expertise with respect to the rules applicable to and conduct of the NBA games.
85. NBA CBA Article XXXI Section 9(a)(5)(b): The Player Discipline Arbitrator shall have no authority to review financial penalties automatically imposed as a result of technical fouls, ejections, or the violation of other similar NBA rules that result in the imposition of an automatic penalty.
86. Sirotkin, *supra* note 1, at 309.
87. *Id.*
88. *Id.* at 314.
89. Ian Laird & Rebecca Askew, *Finality Versus Consistency: Does Investor-State Arbitration Need an Appellate System?*, J. APP. PRAC. 7 PROCESS 285, 294 (2005).
90. Logan O’Shaughnessy, *After Review: An Open Letter to NFL Commissioner Roger Goodell Suggesting That Limiting the League’s Disciplinary Power Under the Personal Conduct Policy May Be in the League’s Best Interests*, 88 U. DET. MERCY L. REV. 527, 552 (2011).
91. Sirotkin, *supra* note 1, at 313.
92. O’Shaughnessy, *supra* note 90, at 552.
93. *Id.*
94. This article was submitted for publication on December 9, 2013. On February 20, 2014, the NBA implemented new, experimental in-game flopping rules in their Developmental League (“D-League”). D-League officials will begin assessing technical fouls to players who, in their opinion, have flopped. Flopping calls will be confirmed on instant replay monitors. If the experiment with the D-League goes well, the NBA may decide to adopt similar flopping rule procedures for NBA games. *See NBA D-League to Implement Experimental In-Game Flopping Penalties*, [http://www.nba.com/dleague/news/nba\\_dleague\\_flopping\\_penalties\\_2014\\_02\\_19.html](http://www.nba.com/dleague/news/nba_dleague_flopping_penalties_2014_02_19.html) (last visited Feb. 19, 2014).

**David Fogel is currently a second year law student at the Benjamin N. Cardozo School of Law. He serves as President of Cardozo’s Labor and Employment Law Society as well as Sports Chair of Cardozo’s Sports and Entertainment Law Student Association. David is also a Staff Editor for the *Cardozo Journal of Conflict Resolution*. He received a Graduate Certificate in Sports Business Operations from New York University during his first year of law school. David currently works as a legal intern for the NBA Coaches Association. He is actively involved with the New York State Bar Association, currently serving as the Student Co-Chair for the Young Lawyers Section Entertainment, Arts and Sports Law Committee. Prior to attending law school, David graduated from Emory University with a double major in Political Science and Sociology.**

**Get CLE Credit:  
Write for the *EASL Journal*!**

**Next *EASL Journal* Submission Deadline: Wednesday, April 30, 2014**



# Misrepresentation Under the DMCA: The State of the Law

By Amanda Schreyer

## I. Introduction

The Digital Millennium Copyright Act (DMCA) was enacted in 1998, a time when widespread Internet access was a “relatively new concept”<sup>1</sup> and materials were not as rapidly disseminated as they are today. In order to balance the interests of copyright owners, online service providers, and the users of those services, one goal of the statute was to create a safe harbor from liability for copyright infringement for Internet service providers (ISPs or service providers), which would “provide[] greater certainty to service providers concerning their legal exposure for infringements that may occur in the course of their activities.”<sup>2</sup> Service providers can avail themselves of this safe harbor of §512 of the DMCA if, among taking other steps to comply with the statute, they follow the extrajudicial mechanism by which copyright owners can have infringing content quickly removed from the Internet, and users whose material had been wrongfully removed can direct the service provider to put back the material. These takedown and “put back” procedures were designed for the purpose of providing a process whereby copyright owners could have infringing copies of their works expeditiously removed from the Internet without being required to engage in the lengthy process of seeking judicial remedy, while also providing a self-help remedy for users whose material was improperly removed. Supporters of the system believe that the notice and takedown procedures are the only way to combat widespread infringement on the Internet because of the speed with which the high number of infringements occurs daily. Opponents of the process argue that the put back procedure is insufficient to remedy the harm caused to a user from having his or her material removed by an improper takedown notice.<sup>3</sup> In addition, some argue that the notice and takedown procedure is being abused by people and entities who use the DMCA to silence their critics and suppress free speech, and not for the purpose of validly enforcing copyrights. These opponents also argue that abuse of the notice and takedown procedure weakens the fair use doctrine, an important counterbalance to the long-term exclusive rights granted to copyright owners. In addition to the put back procedures, users who believe that their materials have been removed unlawfully can employ the section of the DMCA which provides for a cause of action against a copyright owner who misrepresents that the materials are infringing in a takedown notice.<sup>4</sup> The statutory language and the prevailing case law, however, set a high bar for an aggrieved user to overcome in order to prevail on such a claim.

Some recent and pending cases provide examples of attempts to surmount or lower that bar.

## II. The Statute

Service providers are generally shielded from liability for copyright infringement if they comply with the notice, takedown and put back procedures of §512. The copyright owners utilizing the notice/takedown procedures, and any user invoking the put back procedure, must adhere to the rules of the statute. In making a takedown request, the copyright owner must state, among other things, that “the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”<sup>5</sup> A user whose material has been taken down pursuant to a takedown notice from a copyright owner has recourse to have the material replaced. Section 512(g) contains the put back procedure, whereby a user may send a counter notification to the service provider stating that he or she “has a good faith belief that the material was removed or disabled as a result of mistake or misidentification of the material to be removed or disabled.”<sup>6</sup> The ISP must then replace the material within 10 to 14 days, unless the copyright owner commences suit against the user within that time frame.<sup>7</sup> The Senate Report on the DMCA conveys Congress’ belief that “[t]he provisions in the bill balance the need for rapid response to potential infringement with the end-users [sic] legitimate interests in not having material removed without recourse.”<sup>8</sup>

In addition, Congress “was acutely concerned that it provide all end-users...with appropriate procedural protections to ensure that material is not disabled without proper justification.”<sup>9</sup> While the statute does not provide *per se* liability for a violation of §512(c)(3)(A)(v), Congress did impose liability on a copyright owner who “knowingly materially misrepresents” that the material it is requesting to be taken down is infringing.<sup>10</sup> Section 512(f) provides:

Any person who knowingly materially misrepresents under this section—

- (1) that material or activity is infringing, or
- (2) that material or activity was removed or disabled by mistake or misidentification, shall be liable for any damages, including costs and attorneys’ fees, incurred by the alleged infringer, by any copyright owner or copyright owner’s authorized licensee,

or by a service provider, who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing, or in replacing the removed material or ceasing to disable access to it.<sup>11</sup>

Congress's reason for including §512(f) was "to deter knowingly false allegations to service providers in recognition that such misrepresentations are detrimental to rights holders, service providers, and Internet users."<sup>12</sup> Courts around the country have addressed the issue of determining what steps a copyright owner must take, or fail to take, in order to be liable for "knowingly materially misrepresenting" that a work is infringing because it is not "authorized by law."

### III. Problems of Interpretation

#### A. What Does "Knowingly Materially Misrepresenting" Mean?

Under what circumstances will a court find a defendant liable for "knowingly materially misrepresenting" that "the material or activity is infringing" in a DMCA takedown notice? Should "knowing misrepresentation" be based on an objective reasonableness standard, or a subjective standard demonstrating that the defendant knew the use was not infringing and sent the notice anyway?

#### 1. Existing Case Law

*Online Policy Group v. Diebold, Inc.*<sup>13</sup> was a decision from the Northern District of California in which the court applied an objective test to define "knowingly" in the context of §512(f). Diebold, Inc. (Diebold) made electronic voting machines which had come under public criticism during the 2000 presidential election. Two of the plaintiffs, college students, obtained an archive of internal emails among Diebold employees in which there was evidence that some employees were aware of problems of accuracy of the machines. The students published the archive online, and an online newspaper wrote an article criticizing the machines, providing a link to the archive. Diebold sent takedown notices to the students' and the online newspaper's ISPs. The plaintiffs sued Diebold for a declaratory judgment and liability under §512(f). Concluding that "the statutory language is sufficiently clear," and adopting a definition from Black's Law Dictionary, that court ruled that "[k]nowingly" means that a party actually knew, should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith, that it was making misrepresentations.<sup>14</sup> In applying this objective test to the facts, the court reasoned that "no reasonable copyright holder could have believed that the portions of the mail archive discussing possible technical problems with Diebold's voting machines were protected by copyright," and

granted plaintiff's summary judgment as to the §512(f) claim.<sup>15</sup> The court also considered the fact that Diebold never sued any of the plaintiffs for copyright infringement as a presumption that Diebold was using the DMCA takedown procedure "as a sword to suppress publication of embarrassing content rather than as a shield to protect its intellectual property."<sup>16</sup>

Shortly after the decision in *Diebold*, the Ninth Circuit issued its decision in *Rossi v. Motion Picture Ass'n of Am. Inc.*,<sup>17</sup> in which it applied a subjective test to define "good faith." Michael J. Rossi (Rossi) owned and operated a website, internetmovies.com, which he described as "an internet news magazine providing information and resources about movies on the internet."<sup>18</sup> The Motion Picture Association of America (MPAA), the trade organization that represents the interests of the major motion picture studios, reviewed the site and discovered statements such as: "Join to download full length movies online now!"; "Full Length Downloadable Movies"; and "NOW DOWNLOADABLE." The MPAA subsequently sent takedown notices to Rossi and his ISP. Rossi sued the MPAA for, among other things, tortious interference with his contractual relationship with his ISP resulting from sending the takedown notice. On the MPAA's motion for summary judgment, construing the good faith requirement of §512(c)(3)(A)(v), the district court held the MPAA not liable for misrepresentation, finding that the information discovered on visiting the site led the MPAA to have "more than sufficient basis to form the required good faith belief that [Rossi's] site contained infringing content prior to asking the ISP to shut down the site."<sup>19</sup> On appeal, Rossi argued that an objective standard should apply to determine what constitutes failure to use "good faith" in requesting a takedown, and therefore a copyright owner must "conduct a reasonable investigation into the allegedly offending [works]."<sup>20</sup> If the MPAA had done so, he argued, it would have seen that one could not actually download any of its movies from the site. Based on its reading of legislative history, the language of the statute, and non-DMCA cases addressing the definition of "good faith," the court concluded that a determination of good faith must be a subjective, rather than objective, standard, reasoning that if the legislature had intended an objective standard, it would have stated so explicitly. Although §512(f) was not before it, as to the mental state required to be liable for misrepresentation, the court read (c)(3)(A)(v) and (f) together, decided that the test should be a subjective one, and commented that "copyright owners cannot be liable simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake....[T]here must be a demonstration of some *actual knowledge of misrepresentation* on the part of the copyright owner."<sup>21</sup> The appeals court agreed that the information obtainable by a review of the site alone was sufficient for the MPAA employee to conclude in good faith that the material was infringing, and affirmed.

While at least one court outside the Northern District of California has followed *Diebold's* objective test,<sup>22</sup> most follow *Rossi's* subjective one.<sup>23</sup> One court following *Rossi (Disney Enterprises Inc. v. Hotfile Corp.)* recently held that the defendant counter-claimant actually did present evidence sufficient for his misrepresentation claim to survive summary judgment by presenting evidence that the plaintiff subjectively knew that some of the works on the defendant's site were not infringing on the plaintiff's copyrights when it sent the takedown notice.<sup>24</sup> Unfortunately, the defendant lost on many other claims, and ended up settling with the plaintiffs with a judgment against it of \$80 million and dismissal of its misrepresentation counterclaim.

## 2. Current Cases of Interest

Two cases have recently been filed in the Northern District of California implicating the potential abuse of DMCA takedown notices, and alleging misrepresentation under §512(f).<sup>25</sup> In *Automattic Inc. v. Steiner (Straight Pride)*, plaintiffs Oliver Hotham (Hotham) is a journalist and Automattic Inc. is the parent company of WordPress.com (WordPress), Hotham's website host. The defendant identifies himself as the "Press Officer" of an organization called Straight Pride UK, an anti-gay organization in the United Kingdom. Interested in reporting on Straight Pride, and after asking permission from the organization, Hotham sent questions to Straight Pride. The questions were answered by the defendant, labeled "Press Statement," and came with the email address [press@straightpride.co.uk](mailto:press@straightpride.co.uk). On August 3, 2013, Hotham wrote a blog post about Straight Pride, which included verbatim portions of Straight Pride's responses to his questions. On that same day, Steiner sent a takedown notice to both plaintiffs, claiming copyright infringement of the alleged press release. WordPress removed the posting in accordance with the takedown notice. WordPress was later made aware of the facts surrounding the takedown, and joined with Hotham in suing Steiner in the Northern District of California for misrepresentation under §512(f) on November 21, 2013. In their complaint, the plaintiffs allege that because the defendant knew that Hotham was a journalist, and titled his responses to Hotham's questions "Press Statement," he intended for the Press Statement to be published and therefore he knew he was making a material misrepresentation when he claimed that the blog post was infringing.

In a sister case to Straight Pride, *Automattic Inc. v. Chatwal (Retraction Watch)*, WordPress again sued for misrepresentation under §512(f) on behalf of one of the blogs it hosts.<sup>26</sup> The plaintiff Retraction Watch, LLC (Retraction Watch) is a blog dedicated to informing the public about retractions of published scientific results. WordPress hosts the Retraction Watch blog. On October 5, 2012, Retraction Watch published a blog post about a recent retraction notice from a researcher who had on multiple occasions previously made retractions of his findings. In early

February 2013, according to Retraction Watch, defendant Narendra Chatwal (Chatwal) copied 10 of the blog posts about that researcher and published them as his own on his website NewsBullet.in. On February 4, 2013 Chatwal sent WordPress a takedown notice for the 10 blog posts claiming Retraction Watch was infringing his copyrights. On November 21, 2013, WordPress and Retraction Watch sued Chatwal in the Northern District of California for misrepresentation under §512(f), arguing that Chatwal's actions demonstrated that he was using the DMCA to suppress speech. The plaintiffs argued that by copying the blog posts from Retraction Watch and posting them on his own site, the defendant knew that he was making a material misrepresentation by claiming the posts were infringing because it was in fact he who was the infringer.

### B. Section 512(3)(c)(A)(v)'s "Good Faith" Requirement and Fair Use

Further complicating misrepresentation claims are the cases in which plaintiffs claim that defendants are liable for misrepresentation under §512(f) because their uses of the allegedly copyright protected materials were fair uses. In order to make a valid statement that "the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law," pursuant to §512(3)(c)(A)(v), are copyright owners obligated to consider, or make a full-blown analysis of, fair use? Is a defendant's failure to consider fair use evidence that it could not form a subjectively good faith belief that the work was infringing?

Section 107 says explicitly, "[n]otwithstanding the provisions of §§106 and 106A, the fair use of a copyrighted work..., is not an infringement of copyright."<sup>27</sup> Proponents of this reading of §512(f) argue that if the use of the complained-of material is fair use, then it is not infringement, so the copyright owner misrepresented that the use was infringing in its takedown notice. While there are those whose position is that fair use is "authorized by the law" as provided in §512(c)(3)(A)(v), the opposing view is that fair use is merely an affirmative defense to a use that would otherwise be an infringement, and that "authorized by the law" means only that the use is subject to a compulsory license.<sup>28</sup>

#### 1. Existing Case Law

*Lenz v. Universal Music Corp.* is a DMCA case that has been proceeding in the Northern District of California for almost seven years. In February 2007, Stephanie Lenz (Lenz) recorded a video of her children in her kitchen dancing to the Prince song "Let's Go Crazy," and uploaded the video to YouTube. On June 4, 2007, Universal Music Corp. (Universal), the owners of the copyright in "Let's Go Crazy" sent a takedown notice to YouTube, and the video was taken down. On June 21, 2007, Lenz sent a counter-notice to YouTube, and the video was subsequently replaced. On July 24, 2007, Lenz sued Universal for misrepresentation, interference with her contract with



YouTube, and for declaratory relief, arguing that her use of the song was a self-evident, non-infringing, fair use under 17 U.S.C. §107,<sup>29</sup> and that Universal “knew or should have known” that the use was non-infringing.<sup>30</sup> On Universal’s motion to dismiss the complaint, on April 8, 2008, the district court dismissed Lenz’s claim for misrepresentation with leave to amend (*Lenz I*).<sup>31</sup> Discussing *Diebold*’s objective definition of “knowingly,” and mentioning Lenz’s contention that *Rossi* did not interpret “knowingly,” the court stated that “the cases are not necessarily in conflict.” Regardless of the definition of “knowingly” employed, the court found that Lenz failed to allege facts sufficient to infer misrepresentation on the part of Universal and that she failed to allege facts demonstrating that her use of “Let’s Go Crazy” was self-evident fair use.<sup>32</sup>

On Universal’s motion to dismiss the amended complaint, on August 20, 2008 (*Lenz II*),<sup>33</sup> the court considered whether fair use was a non-infringing use “authorized by the law” pursuant to §512(3)(c)(A)(v), which a copyright owner must consider prior to being able to make a good faith representation that the user’s use of the copyrighted work is infringing. Universal argued that “fair use is merely an *excused* infringement of a copyright rather than a use *authorized* by the copyright owner or by law.”<sup>34</sup> Adopting Lenz’s argument that because §107 of the Copyright Act explicitly provides that “the fair use of a copyrighted work...is not an infringement of copyright,” the court held that a copyright owner must evaluate whether the use of the copyrighted work is a fair use prior to sending a takedown notice in order to demonstrate the good faith belief that the work is infringing under §512(3)(c)(A)(v). The court concluded that “in the majority of cases, a consideration of fair use prior to issuing a takedown notice will not be so complicated as to jeopardize a copyright owner’s ability to respond rapidly to potential infringers,”<sup>35</sup> and will maintain the balance intended by Congress between the injury to the public caused by unnecessary removal of non-infringing uses and copyright owners’ right to maintain the integrity of their works. On the matter of whether Universal acted in bad faith when it sent the takedown notice, Lenz alleged facts demonstrating that Universal did not send the takedown notice because it had a good faith belief that the use was infringing, but rather that it sent it in order to appease Prince. Although it stated that it had “considerable doubt that Lenz will be able to prove that Universal acted with the subjective bad faith required by *Rossi*,”<sup>36</sup> the court also found that Lenz’s second amended complaint alleged sufficient facts of Universal’s subjective bad faith in sending the takedown to withstand the motion to dismiss.

In its most recent opinion on the case, on January 24, 2013 the district court denied both parties’ motions for summary judgment (*Lenz III*).<sup>37</sup> The court, while maintaining that fair use is use “authorized by law” pursuant to §512(3)(c)(A)(v), but apparently refining its rule from its previous opinion, held that even though Lenz

proffered evidence sufficient to prove that Universal did not consider fair use prior to sending the takedown notice, Universal’s mere failure to consider fair use was insufficient to give rise to liability under §512(f) because making a mistake does not amount to liability for misrepresentation, per *Rossi*. The court emphasized that Lenz must “demonstrate that Universal had some actual knowledge that its takedown notice contained a material misrepresentation.”<sup>38</sup> Lenz argued that Universal’s failure to evaluate whether her use was fair amounted to willful blindness of whether it was “authorized by the law,” which was equivalent to the actual knowledge purportedly required by *Rossi*. Equating willful blindness and actual knowledge, and applying the two-pronged test for willful blindness from the Supreme Court case of *Global Tech. Appliances, Inc. v. SEB SA*,<sup>39</sup> the court found that while Lenz did provide evidence that Universal took deliberate actions to avoid learning whether or not her use was fair by assigning the task of review of the video to an employee untrained in fair use, she did not present evidence that Universal subjectively believed use of the song in YouTube videos generally, or her use of the song specifically, was fair use. Even though the court acknowledged that “a legal conclusion that fair use was ‘self-evident’ necessarily would rest upon an objective measure rather than the subjective standard required by *Rossi*,” it also stated that Lenz was “free to argue that a reasonable actor in Universal’s position would have understood that fair use was ‘self-evident’” and that Universal’s failure to make any inquiry into whether the use was a fair use is evidence of its willful blindness, the proof of which would demonstrate Universal’s misrepresentation in its takedown notice. The court also held that Universal had not shown that “it lacked a subjective belief that there was a high probability” that the use of the song in the video was fair use.<sup>40</sup>

On the other side of the country, the district court in Massachusetts is currently hearing the misrepresentation case of *Tuteur v. Crosley-Corcoran*.<sup>41</sup> This case involves two people with divergent opinions on home birth, each using a blog to condemn the other’s positions. Dr. Amy Tuteur (Tuteur), an OB/GYN, runs “The Skeptical OB” blog, a blog critical of home birth. Gina Crosley-Corcoran (Crosley-Corcoran) runs “The Feminist Breeder,” and is a proponent of home birth. The parties exchanged a series of heated criticisms via their blogs regarding home birth, culminating in Crosley-Corcoran posting a photo of herself giving Tuteur “the finger” on her own blog, with the caption saying that she was giving Tuteur something she “can take back to [her] blog and obsess over....”<sup>42</sup> Tuteur then did, in fact, repost the photo to her own blog. Crosley-Corcoran sent a takedown notice to Tuteur’s ISP, claiming that Tuteur’s reposting of the photo was infringement of Crosley-Corcoran’s copyright in the photo. After Tuteur moved the blog to another service provider, Crosley-Corcoran sent a takedown notice to that one as well. Unable to reach an amicable resolution among their

counsel, Tuteur filed suit against Crosley-Corcoran, claiming that the latter was liable for misrepresentation under §512(f) because she was using a takedown notice to silence a critic rather than to validly enforce her copyright. Tuteur's complaint asserted that her use of the photo was also not an infringement because Crosley-Corcoran's statement to "take something back to her blog" was a license to do so, or because the use was self-evident fair use, and that Crosley-Corcoran "should have known, if she had acted with reasonable care," that Tuteur's use was non-infringing. Furthermore, Tuteur was able to put forth evidence that Crosley-Corcoran's motive in sending the takedown notices was to silence her critic, and not to enforce her copyright. Specifically, Crosley-Corcoran allegedly made comments on the public Facebook page for "The Feminist Breeder," such as: "Thanks for your continued support and patience while I move things into place," "Oh man, [Tuteur's] brain is going to EXPLODE when she sees what I'm up to," and "When will a certain person learn that no host in their right mind is going to keep her hateful content on their servers?"<sup>43</sup> In its order denying Crosley-Corcoran's motion to dismiss, the court rejected Tuteur's reliance on *Diebold's* objective standard for knowing misrepresentation and also rejected the applicability of *Lenz II's* holding that in order for a copyright owner to make a good faith belief that the use of the work is not "authorized by the law," the owner must consider whether the use of the material is fair use. This court affirmatively stated that "Congress did not require that a notice-giver verify that he or she had explored an alleged infringer's possible affirmative defenses prior to acting,"<sup>44</sup> because "to have required more would have put the takedown procedure at odds with Congress' intent of creating an 'expeditious[,] 'rapid response' to 'potential infringement' on the Internet."<sup>45</sup> Citing *Lenz III's* "retreat" from its earlier opinion, the court held that the standard to be applied to the copyright owner sending the takedown notice is *Rossi's* subjective test of whether a plaintiff can provide sufficient evidence that the defendant "had some actual knowledge that its Takedown Notice contained a material misrepresentation."<sup>46</sup> The court did find, however, that the evidence proffered by Tuteur in order to demonstrate that Crosley-Corcoran's motives in sending the takedown notices were for the purpose of silencing a critic, rather than protecting her copyright, was sufficient to plead a claim of "a knowing material misrepresentation" such that the claim survived Crosley-Corcoran's motion to dismiss.

Unlike the district court in *Tuteur*, two cases of note adopted the *Lenz II* rule that "in order for a copyright owner to proceed under the DMCA with 'a good faith belief that use of the material in the manner complained of is not authorized by ... the law,' the owner must evaluate whether the material makes fair use of the copyright."<sup>47</sup> Both cases also followed *Rossi* in requiring a subjective knowledge of misrepresentation.

In a case where it was the sender of the counter notice accused of misrepresentation in his counter notification by the party sending the original takedown notice,<sup>48</sup> *Shropshire v. Canning*, the court denied the defendant's motion to dismiss and found that the evidence of the plaintiff's conversations with the defendant explaining how the plaintiff, holder of the song composition copyright, had a copyright interest in the defendant's sound recording, plus the defendant's challenge to the plaintiff to "[g]o ahead, contact the Video site managers and get my video removed" were "specific and plausible allegations that Defendant did not have a good faith belief that the [] video was removed due to mistake or misidentification."<sup>49</sup> This court equated a "lack of good faith" with "willful misrepresentation" and allowed the plaintiff's §512(f) claim to proceed. Interestingly, the court never mentioned *Rossi* or *Diebold*. Raising the issue of fair use *sua sponte* in a footnote to its decision, the court in *Shropshire* indicated that if that issue were presented to it, it would adopt the *Lenz II* rule that "[f]air use of a copyrighted work does not constitute copyright infringement, and in order to proceed under the DMCA, a copyright owner must evaluate whether the material made fair use of the copyright."<sup>50</sup>

A case out of Montana, *Ouellette v. Viacom Int'l Inc.*, adopted the *Lenz's II* rule that "in asserting its good faith belief of a copyright infringement..., a copyright owner must evaluate whether the material makes fair use of the copyright."<sup>51</sup> In that case, Todd Ouellette (Ouellette), a *pro se* plaintiff, took on Viacom International Inc. (Viacom) for misrepresentation in a takedown notice. The court found, however, that Ouellette had not "presented any factual information plausibly suggesting Viacom actually knew Ouellette made fair use of its copyrighted material," nor did Ouellette plead any actual facts demonstrating that his use of the materials was indeed fair use.

## 2. Current Cases of Interest

On appeal to the Ninth Circuit, in *Lenz v. Universal*, Universal argues that no evidence exists establishing that Universal willfully blinded itself to the knowledge that *Lenz's* use of the song was fair use, leading to liability for misrepresentation. Universal also argues that even if the failure to consider the fair use defense was a mistake, it does not equate to knowingly making a material misrepresentation that the use is infringing. *Lenz* argues that the district court misapplied *Rossi*, and that *Rossi's* subjective standard applies only to the copyright owner's belief about the facts, and not to its belief about the legal import of those facts. She states that the facts make obviously clear that her use is fair, and was authorized by the law.

The *Tuteur* case is proceeding to trial with motions due in May 2014, and another section 512(f) case has recently been filed in the District of Massachusetts.<sup>52</sup> The plaintiff in *Lessig v. Liberation Music Pty. Ltd.* is Lawrence Lessig (Lessig), a world-renowned copyright lawyer,

scholar, and professor. In June 2010, Lessig delivered the keynote speech at a Creative Commons conference in South Korea. In his 49-minute presentation, he used five brief clips of amateur music videos for the song “Lisztomania,” by the band Phoenix, found on the Internet. He later posted his lecture on YouTube. Liberation Music, the alleged owner of the copyright in the “Lisztomania” song, sent a takedown notice to YouTube, claiming that Lessig’s use of the clips in his lecture was copyright infringement. Lessig sent a counter notice to YouTube, but later retracted it as a result of alleged threats of legal action by Liberation Music. Lessig sued Liberation Music for declaratory relief and misrepresentation under §512(f), claiming that Liberation Music “knew or should have known that the [ ] lecture did not infringe its copyright when it sent YouTube the takedown notice,” because Lessig’s use of the work “is lawful under the fair use doctrine.”<sup>53</sup>

#### IV. What Next for Misrepresentation Claims?

Even within the Ninth Circuit, the proper way to evaluate §512(3)(c)(A)(v)’s “good faith” requirement, and the mental state required of an actor to conclude that a misrepresentation in a takedown notice that a work was infringing was sent “knowingly,” is in flux. *Rossi* remains the precedential case cited around the country, so the subjective standard for determining “good faith” is generally applied. Some interest groups contend, however, that *Rossi*’s statement that “[a] copyright owner cannot be liable simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake,” is dictum and not precedential, because §512(f) and the meaning of “knowingly” was not an issue before that court.<sup>54</sup>

Thus, cases continue to challenge courts’ reading of *Rossi* and distinguish their facts. Lessig, for example, in a case for which no briefs have yet been filed, argues to the court of the District of Massachusetts that Liberation Music “knew or should have known” that his lecture made fair use of Liberation Music’s song, and that Liberation Music therefore “acted in knowing bad faith when it sent the takedown notice, knowingly and materially misrepresenting” that the material was infringing.<sup>55</sup> As the same court in *Tuteur* held that the reasonableness standard was not the objective “knew or should have known” test, but rather *Rossi*’s subjective test, Lessig may need to establish more facts demonstrating that Liberation Music “knew” it was materially misrepresenting that Lessig’s use of the song in the lecture was infringing in order to prevail on his §512(f) claim.<sup>56</sup> The *Tuteur* decision, however, may have foreclosed the possibility of Lessig, or any other plaintiff, prevailing on a §512(f) claim in the district of Massachusetts based on the contention that the plaintiff’s use was a fair use and therefore “authorized by law.”

Of the misrepresentation cases currently pending, the plaintiffs in *WordPress* and *Tuteur* may just have enough facts in their favor to prevail on their §512(f) claims. It

remains to be seen whether a reasonable trier of fact will find that Crosley-Corcoran’s actions and statements are sufficient proof that she knew her statement in her takedown notices that Tuteur’s use of the photo was infringement was false. It appears that such mental state will have to be proven without relying on the claim that Crosley-Corcoran failed to consider whether Tuteur’s use of the photo was fair use, as the district court has already rejected that argument. Similarly, if proven true, the facts supporting the misrepresentation claims in *Straight Pride* and *Retraction Watch* could also satisfy the actual knowledge requirement. Notably, the *WordPress* cases demonstrate that it is not only users of service providers, but also the service providers themselves, who take issue with copyright owners’ alleged abuses of DMCA takedown notices.

The issue of whether fair use is authorization under the law, rather than merely an affirmative defense to infringement, is also unsettled law having a bearing on the success of misrepresentation claims. District courts in California have held that a fair use is not infringement and is authorized by law under §512(3)(c)(A)(v),<sup>57</sup> and plaintiffs in other jurisdictions have urged their courts to adopt such a rule. Some parties and advocates maintain, however, that “authorized by law” means only that the use is subject to a compulsory license.<sup>58</sup> While the failure of a defendant to consider whether a use was a fair use may cause a defendant to be mistaken when he or she makes a good faith statement that the use was infringing, *Lenz III* makes clear that such a mistake does not arise to the level of knowing misrepresentation required by §512(f).

In jurisdictions adopting the rule that a copyright owner must evaluate whether a use is fair before being able to send a takedown notice in good faith, another question that could be addressed before courts is whether the plaintiff can succeed in demonstrating that the defendant knowingly misrepresented its good faith by proving that the defendant was willfully blind to the fact that the use was fair. Currently, that argument appears foreclosed in the District of Massachusetts per the district court’s decision in *Tuteur*, but remains alive in California in the appeal in *Lenz*. A finding at the appeals court level that a defendant may be found liable for misrepresentation if it willfully blinded itself to the facts that a use was fair could go far in making it less difficult for a plaintiff to prevail on a §512(f) claim, at least in the Ninth Circuit.

#### V. Conclusion

It remains uncertain how difficult it will be for current or future plaintiffs asserting that copyright owners are unlawfully using the DMCA takedown procedures to silence critics or suppress speech to succeed on their §512(f) misrepresentation claims. While critics feel that courts’ interpretations of the mental state of the defendant required to prove a §512(f) claim makes it extremely diffi-



cult, if not impossible, for an aggrieved user to prevail on a claim for misrepresentation, for so long as the language of the statute remains the same, Internet users seeking recourse for misrepresentations in DMCA takedown notices will have to prove that the owner knew the use was non-infringing and still sent the takedown.

Congress believed that “the procedural protections afforded by the notification requirements of subsection 512(c)(3) and the provisions for the replacement of removed or disabled materials in subsection 512[(g)] provide all the process that is due.”<sup>59</sup> From the courts’ interpretations, it appears that §512(f) does remain “an expressly limited cause of action for improper infringement notifications.”<sup>60</sup> Even though the takedown and put back procedures of the DMCA may be insufficient to address users’ rights under copyright law with respect to the fair use of others’ works, “[i]f experience ultimately proves that the remedy is weighted too heavily in favor of copyright owners at the expense of those who seek to make ‘fair use’ of another’s intellectual property, the resetting of the balance is for Congress and not a court to strike.”<sup>61</sup>

## Endnotes

1. S. Rep No. 105-190, at 21 (1998).
2. *Id.* at 20.
3. Appellee And Cross-Appellant’s Answering And Opening Brief On Cross-Appeal Public Redacted Version at 20, *Lenz v. Universal*, Nos. 13-16106, 13-16107 (9th Cir. filed Dec. 6, 2013).
4. 17 U.S.C. § 512(f).
5. *Id.* at § 512(c)(3)(A)(v).
6. *Id.* at § 512(g)(3)(C).
7. *Id.* at § 512 (g)(2)(C).
8. S. Rep No. 105-190, at 21 (1998).
9. *Id.*
10. 17 U.S.C. § 512(f) also imposes liability on a user requesting a put back who materially misrepresents that the “material or activity was removed or disabled by mistake or identification.”
11. The issue of damages and their impact on the determination of misrepresentation is beyond the scope of this article.
12. S. Rep No. 105-190, at 49 (1998).
13. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004).
14. *Id.* at 1204.
15. *Id.*
16. *Id.* at 1205.
17. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000 (9th Cir. 2004).
18. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 2003 WL 21511750, \*1 (D. Haw. 2003).
19. *Id.* at \*3.
20. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1003-04 (9th Cir. 2004).
21. *Id.* at 1005 (emphasis added).
22. *Ground Zero Museum Workshop v. Wilson*, 813 F. Supp. 2d 678, 704 (D. Md. 2011) (holding no facts on the record to support the conclusion that the defendant “actually knew, should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith, that it was making misrepresentations”).
23. See *Third Education Group, Inc. v. Phelps*, 675 F. Supp. 2d 916, 927 (E.D. Wis. 2009) (finding that because the plaintiff presented “no evidence to suggest that [defendant] acted without subjective good faith when he brought his claim under the DMCA” the plaintiff’s claim for misrepresentation under the DMCA is dismissed); and *Dudnikov v. MGA Entertainment Inc.*, 410 F. Supp. 2d 1010, 1012 (D. Colo. 2005) (affirming magistrate judge’s dismissal of the plaintiff’s “perjury” claim under 512(f) because the plaintiff failed to present evidence that the “[Defendant] knowingly and materially misrepresented Plaintiff’s infringement,” and following Rossi’s assertion that Congress only intended 512(f) to protect users from “subjectively improper actions by copyright owners”) (quoting *Rossi v. Motion Picture Ass’n of Am., Inc.*, at 1005) (emphasis in original).
24. *Disney Enterprises Inc. v. Hotfile Corp.*, 2013 WL 6336286, \*48 (S.D. Fla. 2013) (“There is sufficient evidence in the record to suggest that [plaintiff] intentionally targeted files it knew it had no right to remove.”).
25. *Automattic Inc. v. Steiner*, No. 3:13-cv-05413 (N.D. Cal. filed Nov. 21, 2013).
26. *Automattic Inc. v. Chatwal*, No. 5:13-cv-05411 (N.D. Cal. filed Nov. 21, 2013).
27. The full text of 17 U.S.C. § 107 is:  
  
Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—  
  
(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;  
  
(2) the nature of the copyrighted work;  
  
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and  
  
(4) the effect of the use upon the potential market for or value of the copyrighted work.  
  
The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.
28. Appellants’ First Brief On Cross-Appeal Public Redacted Version at 35-36, *Lenz v. Universal*, Nos. 13-16106, 13-16107 (9th Cir. filed Oct. 9, 2013).
29. Amended Complaint at 4-5, *Lenz v. Universal*, No. C 07-03783 (N.D. Cal. filed Aug. 15, 2007).
30. *Id.* at 4.
31. *Lenz v. Universal*, 2008 WL 962102 (N.D. Cal. 2008) (“Lenz I”).
32. *Id.* at 3.
33. *Lenz v. Universal*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008) (“Lenz II”).
34. *Id.* at 1154 (emphases in original).

35. *Id.* at 1155.
36. *Id.* at 1156.
37. *Lenz v. Universal*, 2013 WL 271673 (N.D. Cal. 2013) (“*Lenz III*”).
38. *Id.* at \*6.
39. *Global Tech. Appliances, Inc. v. SEB SA*, 131 S.Ct. 2060, 2070 (2011) (“(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact.”).
40. *Lenz III*, at \*8.
41. *Tuteur v. Crosley-Corcoran*, 1:13-cv-10159, 2013 WL 4832601 at \*7 (D. Mass. filed Jan. 25, 2013).
42. *Id.* Complaint at 4.
43. *Id.* at 10-11.
44. *Tuteur*, at \*7.
45. *Id.* (quoting S. Rep No. 105-190, at 21 (1998)).
46. *Tuteur*, at \*7 (quoting *Lenz III* at \*6).
47. *Lenz II*, at 1148.
48. *Shropshire v. Canning*, 809 F. Supp. 2d 1139, 1148 (N.D. Cal. 2011).
49. *Id.*
50. *Id.* at n.3.
51. *Ouellette v. Viacom Int’l, Inc.*, 2012 WL 850921, \*3 (D. Mont. 2012) (quoting *Lenz II* at 1154).
52. *Lessig v. Liberation Music PTY Ltd.*, 1:13-cv-12028 (D. Mass 2013).
53. Amended Complaint at 11, *Lessig v. Liberation Music PTY Ltd.*, 1:13-cv-12028 (D. Mass filed Sept. 19, 2013).
54. Brief Of Amici Curiae Automattic Inc., et al. 15, *Lenz v. Universal*, Nos. 13-16106, 13-16107 (9th Cir. filed Dec. 13, 2013).
55. Amended Complaint at 11, *Lessig v. Liberation Music PTY Ltd.*, 1:13-cv-12028 (D. Mass filed Sept. 19, 2013).
56. See *Tuteur*, at \*7.
57. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1200 (N.D. Cal. 2004) (“Fair use is not infringement of a copyright.”); *Shropshire v. Canning*, 809 F. Supp. 2d 1139, n.3 (N.D. Cal. 2011) (“Fair use of a copyrighted work does not constitute copyright infringement.”); *Lenz II*, at 1154 (“Fair use is a lawful use of a copyright.”).
58. See Appellants’ First Brief On Cross-Appeal Public Redacted Version at 35-36, *Lenz v. Universal*, Nos. 13-16106, 13-16107 (9th Cir. Oct. 9, 2013).
59. S. Rep No. 105-190, at 21 (1998).
60. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1004 (9th Cir. 2004).
61. *Tuteur*, at \*7.

**Amanda Schreyer is of counsel at Fierst, Kane and Bloomberg LLP in Massachusetts, where she practices intellectual property, media, and entertainment law. She counsels clients on copyright, trademark, licensing, and general business matters in the context of online and offline media and entertainment endeavors.**

## NEW YORK STATE BAR ASSOCIATION

# CONNECT WITH NYSBA

Visit us on the Web:  
[www.nysba.org](http://www.nysba.org)

Follow us on Twitter:  
[www.twitter.com/nysba](http://www.twitter.com/nysba)

Like us on Facebook:  
[www.facebook.com/nysba](http://www.facebook.com/nysba)

Join the NYSBA  
LinkedIn group:  
[www.nysba.org/LinkedIn](http://www.nysba.org/LinkedIn)



# It Is Not Time to Pay College Athletes

By James A. Johnson

Every evening viewers seat themselves in front of televisions and by remote control peek at ESPN, ESPN Classics, Fox Sports and other channels until they find the most interesting sporting events. Most often they are college football or basketball games, and there are a plethora to choose from in every section of America. There are the Big East, PAC 10, ACC, SEC, Big 10, Big 12 Conference, American Athletic, Conference USA and smaller conferences. Sports today have a greater valence than ever.

Sport is big business and there is a groundswell of talk about paying college players. In fact, there are existing lawsuits against the National Collegiate Athletic Association (NCAA) and its rules alleging the exploitation of college football and basketball players. *O'Bannon v. NCAA* is a class action lawsuit in the Northern District of California that is principally seeking damages for the alleged violation of players' right of publicity, antitrust violations and for unjust enrichment.<sup>1</sup> Ed O'Bannon, the principal plaintiff, is a former basketball player who was a starter on the UCLA's 1995 Championship team and its Most Outstanding Player.

## The Right of Publicity

The right of publicity is a protectable property interest in one's name, identity or persona. Every person, celebrity or non-celebrity, has the right of publicity: that is, the right to own, protect and commercially exploit one's identity. However, a student-athlete should not have this right while an amateur *during* his or her collegiate career. The NCAA rules require each student-athlete to sign form 08-3a. This form authorizes the NCAA to use the athlete's name or picture to promote NCAA Championships and events. In effect, this requirement is a tradeoff in consideration of the value of their scholarships worth approximately \$100,000 over four years.

Fame is valued. The right of publicity protects the athlete's proprietary interest in the commercial value of his or her identity from exploitation by others. Therein lies the issue that the court has to determine in the *O'Bannon* case: Athletes are of great publicity value to colleges and universities and generate millions of dollars to institutional coffers. Many are making big money off the student athletes, especially institutions at the top of Division I. For example, big time football and basketball coaches earn in excess of one million dollars annually. Even cities and towns where the colleges are located benefit greatly from the current structured system. Several students and sports enthusiasts ask why players worth so much to their schools and towns are not able to

earn revenue based on their identities, just as any other celebrities have the right to do. Others respond that it is irresponsible to pay student-athletes out of the funds generated from their sports, permit them to sign autographs for money and receive endorsement money from merchandisers and others. They are first and foremost students, even if they are celebrities. How would the institutions or NCAA apportion the revenue to the players? The potential would be to have some student-athletes receiving paychecks every month for thousands of dollars. This arrangement would create various kinds of temptations and problems.

Brad Wolverton of the editorial staff of *The Chronicle of Higher Education* wrote about alternative benefits and a new openness to increasing player benefits. "The idea for a trust fund—which is endorsed by the National College Players Association...is one of several gaining momentum as commissioners met last week in Chicago to discuss ideas for a revamped Division I."<sup>2</sup> Of course, these deliberations about alternative benefits are engendered by the increasing pressure to treat athletes more equitably. Unfortunately however, there is little consensus on how to accomplish this.

Wolverton further reported that Bob Bowsby, the Big 12 Commissioner, supports new benefits short of payment to athletes.<sup>3</sup> Bowsby is urging major college programs to consider new ideas for helping players. One consideration would be a "departure fund" that could be used to help athletes make the transition from college or university to life after. In short, Bowsby is suggesting a trust fund.

## Paying College Players

Moreover, paying undergraduate players has huge risks. Wealthier schools could buy up talent and disrupt the competitive balance. The student-athlete's mind-set and purpose could become distorted. The players could become more interested in making money than learning skills and information that will assist them after their playing days are over, particularly as fewer than even 1% of college student-athletes make it to the professional ranks. The bottom line is that the focus should be and remain on higher education. A serious consideration and reasonable solution to this current dispute is to permit colleges and universities to provide a stipend over and above the athletic scholarship to cover expenses beyond tuition, room and board, fees and books.

On October 2, 2013, Jim Boheim, Syracuse University basketball coach, at an annual Associated Press meeting



of New York newspaper editors called the idea of paying college athletes “the most idiotic suggestion of all time.”<sup>4</sup> For background, Jim Boheim, in his 38th coaching season, is a former player at Syracuse and was the backcourt partner of National Basketball Association (NBA) Hall of Famer, Detroit Piston Dave Bing.

The NCAA told *USA Today* in late September that: “We’re prepared to take this all the way to the Supreme Court if we have to.” Donald Remy, the NCAA General Counsel, said recently “We are not prepared to compromise on the case.”

It appears that U.S. District Judge Claudia Wilken agrees with this writer, because on November 8, 2013 by Order she partially certified class action status in *O’Bannon v. NCAA* involving current and future college athletes, but not former ones. This case is set for trial this June.

Lastly, comparing student-athletes with college coaches and professional athletes in terms of revenue sharing is ludicrous. Amateurism and higher education should be maintained and not promote “One-and-Done.” For anyone not familiar with this phrase, it means to play one year of major college basketball and then be eligible for the NBA Draft. Some believe that the “Love of the

Game” is dead, but we need to get back to what the Dean of Sports Journalists Grantland Rice, espoused: “*When the One Great Scorer comes to mark against your name, he will not write if you won or lost but how you played the game.*”

#### Endnotes

1. *O’Bannon v. NCAA*, No. CV09-3329, 2010 WL 445190, at \*2 (N.D. Cal. July 21, 2009).
2. Brad Wolverton, *In College Sports, a New Openness to Increasing Player Benefits*, 60 THE CHRONICLE OF HIGHER EDUC. 5, Sec.A14 (Oct. 4, 2013).
3. Brad Wolverton, *Big 12 Commissioner Backs New Benefits Short of Payments for Athletes*, 60 THE CHRONICLE OF HIGHER EDUC. 5, Sec. A18 (Oct. 18, 2013).
4. *Syracuse’s Jim Boheim: Paying NCAA Athletes “Idiotic,”* USA TODAY, (Oct. 2, 2013), <http://www.usatoday.com/story/sports/ncaab/acc/2013/10/02/syracuse-orange-jim-boheim-college-players-student-athletes-pay/2912327/>.

**James A. Johnson (johnsonjajmf@yahoo.com) of James A. Johnson, Esq. in Southfield, Michigan is an accomplished Trial Lawyer concentrating on Sports and Entertainment Law. He is an active member of the Massachusetts, Michigan, Texas and Federal Court Bars. His website is at [www.JamesAJohnsonEsq.com](http://www.JamesAJohnsonEsq.com).**



## Entertainment, Arts and Sports Law Section Blog

### The EASL Blog Provides a Forum and News Source on Issues of Interest

The EASL blog acts as an informational resource on topics of interest, including the latest Section programs and initiatives, as well as provides a forum for debate and discussion to anyone in the world with access to the Internet. It is available through the New York State Bar Association Web site at <http://nysbar.com/blogs/EASL>

To submit a Blog entry, email Elissa D. Hecker at [eheckeresq@eheckeresq.com](mailto:eheckeresq@eheckeresq.com)

# Russian Sport Disputes Resolution: Theory and Real Practice

By Sergey Yurlov

## I. Introduction

The business of sports is a complex system of inter-related elements, involving comprehensive administrative, financial and resolution policies and procedures. Unfortunately, no system can exist without disputes. Therefore, it is very important to develop dispute resolution systems.

There are several classifications of sports disputes. All such disputes depend upon each particular category of sports relations and should be divided into six groups, as follows:

- Disputes resulting from conducting sports competitions (such as disqualifications, technical violations, exclusions from the competitions);
- Disputes connected with memberships in sporting federations;
- Doping disputes;
- Disciplinary disputes (such as breaches of Codes of Conduct);
- Ethical disputes (such as improper conduct and unethical acts); and,
- Contractual and civil disputes resulting from violations of contract/agreement provisions.

## II. Legal Framework of Russian Sport Disputes Resolution

It is to be noted that there are no legal provisions related to sports disputes resolution in Russian statutory acts. Federal Law of 04.12.2007 N 329-FZ “On Physical Culture and Sports in the Russian Federation” (Law on Sports) does not contain any provision related to sports disputes. This law does not even mention the concept of a “sport dispute.” Each federation connected to a particular type of sport has a complex grouping of legal documents (acts), including charters, constitutions and provisions. These acts define different aspects of sports dispute resolution. That is the greatest lack of Russian sports legal regulation. Unfortunately, Russia only has dispute provisions from sporting federations. However, these provisions are controversial and vague. Most of the sports federation acts impose an arbitration clause that requires the parties to resolve disputes either by mediation or arbitration. It is not a good solution to existing problems. Each sporting federation shall have its own internal jurisdictional body that is empowered to consider disputes between and among its members. These sports

federation acts should be amended. Ideally, each sporting federation should be entitled to constitute its own jurisdictional bodies and the governing body of each should have an obligation to procure and support the development of such a jurisdictional system.

In addition, the Russian Law on Sports should be amended by adding new articles related to sport disputes resolution.

## III. Authorities Entitled to Consider Sporting Disputes

Currently, sporting disputes may be considered by three groups of authorities:

1. Internal jurisdictional bodies of sporting federations;
2. Sport arbitration courts; and,
3. Courts of general jurisdiction, i.e., Russian State Courts.

### A. Internal Jurisdictional Body of Sport Federation

This is a great opportunity for dispute resolution and has high potential (as discussed below with regard to the U.S.). The internal jurisdictional body of sport federation has some unique characteristics. They are as follows:

- It is an organizational unit of a sporting federation; consequently, the internal acts of the federation define its legal status, and its judges are elected by the governing bodies of the federation;
- It is institutional (not ad hoc);
- It is entitled to resolve all categories of sporting disputes;
- Its judges have special knowledge in sports.

Jurisdictional bodies are constituted in several state sport federations, such as the Greek, French, U.S., and Australian swimming federations. Unfortunately, the Russian swimming federation has no such bodies.

In countries outside of Russia, for example, in the U.S., the U.S.A. Swimming Federation (USA Swimming) has a system of jurisdictional bodies that are entitled to solve all disputes arising from swimming as a sport. USA Swimming has one internal legal document—USA Swimming Rules and Regulations.<sup>1</sup> In accordance with Art. 401.1, USA Swimming Rules and Regulations, USA Swimming may conduct hearings on any matter affecting USA Swimming as the national governing body for swimming.

According to the provisions of this document, there are three main jurisdictional bodies:

1. Local Swimming Committee Board of Review (the Commission LSC);
2. The National Board of Review (National Board); and,
3. The Board of Directors of USA Swimming.

The above-mentioned bodies have the following powers, and based on the findings of the hearing of each case, the Commission LSC may deem it necessary to apply the following measures:

- Dismiss the Petition with or without permission to refile;
- Censure or fine a party;
- Establish a period of probation, with or without conditions; and,
- Prohibit or mandate future actions, inaction or conduct.

Italy also has special sport procedure codes, as does Federation Internationale De Natation (FINA),<sup>2</sup> which has an effective system of jurisdictional bodies. There are four main bodies:

1. FINA Judicial Panel. This body is entitled to resolve doping, discipline and ethical disputes;
2. FINA Executive Director. It considers appeals against the Judicial Panel's decisions;
3. FINA Executive Committee. This body is empowered to consider disputes related to organization matters. It is like a court of first instance; and,
4. FINA Bureau. It considers appeals against the Executive Committee's decisions.

In Greece, there are two levels of jurisdiction in sports:

1. The jurisdictional body of first instance, the jurisdiction of which is analyzed in article 120 of Greece's Sports Law; and,
2. The Supreme Council of Dispute Resolution in Sports, which acts as a "court of appeal" concerning the decisions of the jurisdictional body of first instance.<sup>3</sup>

The Australian swimming federation has one jurisdictional body—its Judicial Panel. It is empowered to solve all disputes.

## **B. Sport Arbitration Court**

Sport arbitration court is also an excellent facility for dispute resolution. Essentially, it differs from an internal jurisdictional body, in that it is independent from sporting federations. Generally, a sport arbitration court is

a national body, but the Court of Arbitration for Sport (CAS), further discussed below, is international. The main criteria here is *independence*. This is reflected in the fact that the sport arbitration court has:

- Legal independence. The procedure is imposed in special code/rules related only to this arbitration court;
- Organizational independence. It is not an organizational unit of any sports federation; and,
- Financial independence. It does not use the funds of any sports federation.

There are several sporting arbitration courts in the world. Among them are the CAS, the Sport Arbitration Court of Italy, the Italian Sport Tribunal, the Greek Supreme Council of Dispute Resolution in Sports, the Russian Sport Arbitration Court, and others. It is to be noted that the CAS has the highest volume in sporting dispute resolution cases, because parties may appeal national court decisions to CAS, and the CAS's decisions are binding and final.

## **C. Court of General Jurisdiction, State Courts**

The State Court in Russia is entitled to resolve disputes in general. Therefore, it is not a special body for resolving sporting disputes. Ninety percent of judges in the State Court do not have special knowledge in sports law, and therefore this is not the best forum to hear and resolve such disputes.

## **IV. Conclusion—Recommendations for Russian Sport Management**

Most of the Russian sporting federations have no internal jurisdictional bodies that can hear disputes, which is problematic. More importantly, the Russian sporting federations either have no internal legal provisions, or are poor, unenforceable and not practical when resolving disputes. Ideally, sports federation jurisdictional bodies should be considered as obligatory stages in dispute resolution before one brings a case before sporting arbitration courts and courts of general jurisdiction. In Russia, there are only two sport arbitration courts. Unfortunately, these courts consider sports-related cases very rarely (with only a handful of cases per year). Russian sports law science should examine the real practice of the courts; it should have case study. Unfortunately, however, Russian sport arbitration courts cannot establish real precedents on a rolling basis; if the jurisdictional bodies exist, in actuality they will have no rights. From the Russian point of view, jurisdictional bodies should have the right to take interim measures (such as injunctions) to secure the claims upon request by one of the parties in any dispute.

The Russian Law on Sports should be amended by adding new articles related to sport disputes resolution. In addition, the Russian Swimming Federation should



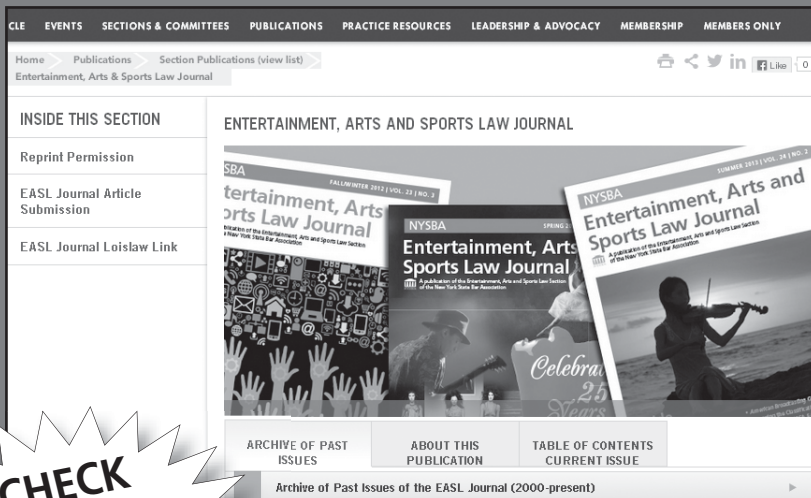
constitute its own jurisdictional bodies that are entitled to adjudicate sports law cases.

### Endnotes

1. See more about legal regulation of swimming in USA: S. Yurlov, The basics of the legal regulation of swimming in USA, 10 INT'L SPORTS L. REV. PANDEKTIS 1-2 (2013).
2. The full name of the FINA is FEDERATION INTERNATIONALE DE NATATION.
3. See more: Konstantinos Margaritis, Greek sports law: professional sport - part 2, LAW IN SPORT (2013), <http://www.lawinsport.com/articles/regulation-a-governance/item/greek-sports-law-professional-sport-part-2>.

Sergey Yurlov lives in Moscow, Russia. He is a fifth-year student of Moscow State University, law faculty, civil procedure department, Master of sports, sport judge, and member of the International Association of Sports Law (IASL), [tommii125@yandex.ru](mailto:tommii125@yandex.ru). Mr. Yurlov is a sportsman and has been swimming since childhood. Mr. Yurlov's primary interest is in sports law, especially swimming legal regulation issues and sport disputes resolution. Mr. Yurlov has already published his own book (monograph) related to the legal framework of the sport of swimming.

# The *Entertainment, Arts and Sports Law Journal* is also available online



Go to  
[www.nysba.org/  
EASLJournal](http://www.nysba.org/EASLJournal)  
to access:

**CHECK  
OUT OUR  
NEW LOOK!**

- Past Issues (2000-present) of the *Entertainment, Arts and Sports Law Journal*\*
- *Entertainment, Arts and Sports Law Journal* Searchable Index (2000-present)
- Searchable articles from the *Entertainment, Arts and Sports Law Journal* that include links to cites and statutes. This service is provided by Loislaw and is an exclusive Section member benefit\*

\*You must be an Entertainment, Arts and Sports Law Section member and logged in to access. Need password assistance? Visit our Web site at [www.nysba.org/pwhelp](http://www.nysba.org/pwhelp). For questions or log-in help, call (518) 463-3200.



NEW YORK STATE BAR ASSOCIATION  
ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

# ANNUAL MEETING

JANUARY 28, 2014

**Section Chair**

**Rosemarie Tully, Esq.**  
Rosemarie Tully, P.C.  
Huntington

## FAIR USE ACROSS THE MEDIA

**Program Co-Chairs**

**Anne S. Atkinson, Esq.**  
Pryor Cashman  
New York City

**Judith A. Bresler, Esq.**  
Withers Bergman LLP  
New York City

**Innes Smolansky, Esq.**  
Law Office of  
Innes Smolansky  
Brooklyn

**Carol J. Steinberg, Esq.**  
Law Office of  
Carol J. Steinberg  
New York City

**Moderator**

**Tom J. Ferber, Esq.**  
Pryor Cashman LLP  
New York City

**Jason P. Baruch, Esq.**  
*Theater*  
Sendroff & Baruch, LLP  
New York City

**Dennis Reiff**  
*Errors and Omissions Insurance*  
Reiff & Associates  
New York City

**David A. Bondy, Esq.**  
*Music*  
Law Offices of David A. Bondy, PC  
Brooklyn

**F. Robert Stein, Esq.**  
*Book Publishing and Documentary Film*  
Pryor Cashman LLP  
New York City

**Tom J. Ferber, Esq.**  
*Scripted Motion Pictures & Television*  
Pryor Cashman LLP  
New York City

**Irina Tarsis, Esq.**  
*Fine Art*  
Center for Art Law  
New York City

**Britton Payne, Esq.**  
*Emerging Technologies*  
Fordham Law School & Bronson Lipsky LLP  
New York City

## AEREO: CHANGING THE FUTURE OF TELEVISION

**Program Co-Chairs**

**Pamela C. Jones, Esq.**  
Law Office of Pamela Jones  
New York City

**Barry Werbin, Esq.**  
Herrick, Feinstein LLP  
New York City

**Mary Ann Zimmer, Esq.**  
Law Office of Mary Ann Zimmer  
New York City

**Moderator**

**Barry Werbin, Esq.**  
Herrick, Feinstein LLP  
New York City

**Howard Homonoff, Esq.**  
Homonoff Media Group, LLC  
New York City

**Mary Ann Zimmer, Esq.**  
Law Office of Mary Ann Zimmer  
New York City

**Matthew Schruers, Esq.**  
Vice President, Law & Policy  
Computer & Communications Industry Association  
Washington, D.C.

**Q&A with Alki David**  
founder of FilmOnX

**ROSEMARIE TULLY:** I am Rosemarie Tully, Chair of the Entertainment, Arts and Sports Law Section. I like to remind folks, we affectionately call the Section EASL, because it's nice and easy to remember, EASL, Entertainment, Arts and Sports. So you'll hear me refer to the Section as EASL throughout.



First, I'd like to welcome you. Welcome to members of the New York State Bar Association, EASL members, students, guests, members of the public and the press. This is EASL's Annual Meeting, and I welcome you here today.

The Annual Meeting gives us that rare opportunity to gather as a Section, acknowledge scholarships with our Phil Cowan Memorial/BMI Scholarship writing competition, gain enlightenment and CLE credit with two fabulous panels that we have for you today. And finally, to socialize in a relaxed atmosphere at the end of the day at the Warwick Hotel right across the street.

We're fortunate. We are very fortunate at EASL to offer a wide variety of programs. And over the years we have developed some wonderful hallmark events, such as the Fashion Law Committee on the heels of the week, a CLE which takes place now every February, which will be mid-February this year.

In April we have our two-day Theatre Program focusing on the legal aspects of commercial theatre producing. This program is held at the Snapple Theatre on Broadway, and is offered by the Theatre and Performing Arts Committee in conjunction with the Commercial Theatre Institute.

This is a unique program. I don't know that you can have a more wonderful CLE that deals with theatre on Broadway and taking place in a Broadway theatre. So we're really very fortunate for that.

We will also have the update with Stan Soocher, courtesy of the Motion Pictures Committee, in May. And in October, we will again plan our full day music CLE program that takes center stage during the CMJ Music Marathon.

You should also mark your calendar this year for our Spring Meeting, which will be held on May 21st at the law firm of Herrick, Feinstein. The program will focus on publicity rights, personal endorsement issues, and regulation and social media. It will be held in the afternoon followed by a reception. A little CLE, a little reception. It gives our members an opportunity to get to know each other in an informal setting.

As always, there will be additional programming throughout the year, and you never know what inspir-

ing event may spring up for you to enjoy. There's always something interesting happening at EASL.

We continue to do some good for the public through our Pro Bono Clinics, which are organized several times a year by our Pro Bono Steering Committee.

The next Pro Bono Clinic will be on February 23rd at the Gibney Dance Center in Manhattan. Any member may volunteer, and those that do, return time and again to perform this meaningful service. And with a mind toward mandatory pro bono, as we were reminded at our Executive Committee meeting earlier today, EASL affords you a direct path to provide good service in an organized fashion. So EASL's really covering all the bases.

As for the state of the Section, I am pleased to report that our membership numbers are strong. We continue to average 1,700 members annually. Our fiscal health is positive, and our programming lineup for the coming year is ahead of schedule. We are in pretty good shape.

Before we begin today's program, we have some administrative details to attend to as we have the biennial changing of the guard.

Before I ask Steve Rodner, our Vice Chair, to present the nominations to you—our Section members—I wish to express my gratitude.

It has been an honor to serve as EASL's Chair for the past two years. There are a lot of moving parts that create the EASL experience, none of which happens without the combined efforts of our dedicated Officers and Executive Committee; my sincere thanks to each of you. And particularly, my sincere thanks to my Vice Chair, Steve Rodner, our Second Vice Chair, Diane Krausz, and the incomparable Beth Gould, our Section liaison—that's where the real power lies. Beth has really been terrific for us.

This past year we reached back in time to commemorate our founding some 25 years ago. And we took pride in the many accomplishments made along the way. Thanks to our founding members and Founding Chair, we were built on a solid foundation. One of inclusion, lively discourse, scholarship and comradery. And the one thing I love most about EASL is that it continues to evolve, and does so so wonderfully well. And it does so while maintaining its foundation; I am grateful and proud to have played a small part in continuing that evolution.

And now as we head into the next quarter century, I ask Steve Rodner to come up to conduct the election of Officers and elected positions.

**STEVE RODNER:** This is going to be the only formal part of the meeting, and we have to do this every two years. So if you open your books past the first few colored pages, you'll see a Nominating Committee Report, which sets forth a proposed slate of Officers and District Representatives.



So before we actually vote on anything, does anybody have any additional nominations they wish to bring forward at this time? Okay. Do I hear a motion?

**AUDIENCE:** So moved.



**STEVE RODNER:** Okay. It's been moved and seconded to accept the Nominating Committee Report. All those in favor, please raise your hands. Anybody opposed? Okay, so it has been accepted that we will be the new slate of Officers for the next two years and I'm looking forward to it and very excited about it.

Rosemarie, I would like to stay up here for a minute if you can come up.

All right, it's my turn to thank you. I know you did the thanks to us, but none of this would have happened without you. And what I'd like to do is present to you on behalf of EASL, a small token of our appreciation. Unfortunately, it's not expensive enough to bribe you to stay, but it's our way of saying thank you for all of your guidance, all of your hard work, all of your support, both emotional and physical support. And everything you've done.

I was going to list some of the things that happened on your watch that you were involved in or responsible for, but you went over a lot of those, so I don't have to do that. And I know that you really cemented our relationship with Albany and with our really awesome liaison Beth. And I hope, I'm assuming you're continuing on. Okay.

So Rosemarie, I hope to continue to work with you. I'm looking forward to it, and we all really want to thank you for everything you've done in the last two years.



**ROSEMARIE TULLY:** Thank you. This is my favorite kind of box. I'll let you know what it is later. That was a lovely surprise. Thank you very, very much. Wow, that's cool.

Clearly, the Section is in good hands. So Steve Rodner, our incoming Chair, takes over the reins in a couple of days. Diane Krausz, who is standing to Steve's right, is our new Vice Chair. So thank you. And the rest of the Officers, we should have the Officers stand, because it's important to be recognized. So the rest of the Officers that have just been elected to EASL, please stand.

Thank you, some of you have been serving and for your future service, it's going to be terrific.

Next order of business is our Phil Cowan Memorial/BMI Scholarship awards, and that will be presented by Judith Bresler and Rich Garza, so I would ask you both to come up now please.



**JUDITH BRESLER:** Greetings everybody. This is the ninth year that we have had this scholarship in existence. It's the Phil Cowan Memorial/BMI Scholarship, and it was created in memory of Phil Cowan, who was a Former Section Chair who died precipitously, and we thought to memorialize his name we would have two scholarships offered each year on the part of EASL and BMI to students who are committed to practicing either in the area of entertainment law, art law or sports law. And the way we go about finding these students is we offer a writing competition that is available to every accredited law school in New York State plus a number of other law schools outside of New York State on a rotating basis that are selected by BMI, and also to law schools in New Jersey.

So without further ado, it is our pleasure, and I should say that every year our submissions seem to be better and better. And this year they were absolutely extraordinary.

So for the first one it's my pleasure to call Amanda Rottermund. Please come up. Oh, my dear. She's planning on coming? Well, I will honor her in absentia. I will tell you a little bit about Amanda. Her prize winning essay was entitled "THE TWENTIETH CENTURY AND PROPERTY

EXPROPRIATION: QUEST FOR THE RETURN OF THE MOROZOV COLLECTION." Absolutely terrific. You'll be able to see it in the next issue of the *Entertainment, Arts and Sports Law Journal*.<sup>1</sup>

Amanda graduated with honors and a B.A. in History from Eugene Lang College, The New School University, in 2010. She was a one-year visiting student at Wadham College, Oxford University in 2008-2009. At Oxford, she specialized in Central and Eastern European History and Politics.

She is currently a third-year student at St. John's University School of Law where she is the Editor-in-Chief of *St. John's Journal of International and Comparative Law* and the *New York International Law Review*. Amanda is passionate about art law and hopes to pursue a career in the field both in the U.S. and abroad.

So again, congratulations to Amanda. And we wish her all success.

It's now my pleasure to turn this over to Rich Garza and Jared Leibowitz from BMI.

What we do have for her is, of course, a certificate honoring her being the winner, and a scholarship check in the amount of \$2,500, which I know will come in handy.

**LEILA AMINEDDOLEH:** I must say she's a very conscientious student; if she's not here I'm sure there's a very very good reason. I was here to support her, so I know she was planning on being here today. Thank you on her behalf. She worked very hard on this paper. And as Ms. Bresler said, she is very passionate about art law, so I know she'll do great things. So I'll be handing this over to her. Thank you.

**RICHARD GARZA:** Good morning. The other winner is—he wrote his paper in the sports area, and his name is David Fogel. He is currently a second year law student at the Benjamin N. Cardozo School of Law. David serves as President of Cardozo's Labor and Employment Law Society as well as Sports Chair of Cardozo's Sports and Entertainment Law Student Association. David is also a Staff Editor for the *Cardozo Journal of Conflict*



*Resolution*. He received a Graduate Certificate in Sports Business Operations from New York University during his first year of law school.

David currently works as a legal intern for the NBA Coaches Association and is also actively involved with the New York State Bar Association and currently serves as the Student Co-Chair for the Young Lawyers Section of the Entertainment, Arts and Sports Law Committee.

And David went to Emory University for his undergrad, and he had a double major in Political Science and Sociology. And his paper was entitled "LABOR RELATIONS AND THE ANTI-FLOPPING POLICY: HAS THE NBA DROPPED THE BALL?"<sup>2</sup>

And it's my honor and pleasure to call David Fogel up to present him with his check and his certificate.

**ROSEMARIE TULLY:** Okay, we will begin the program momentarily. Before we do I just would like to make—I usually do this at this time, a shameless plug for our publications.

EASL has four books that we've put out as a Section: *Counseling Content Providers in the Digital Age*, *Entertainment Law Fourth Edition*, *Entertainment Litigation*, and our newest one, *In the Arena: A Sports Law Handbook*.

These are all on sale today at the lowest prices, apparently that they've ever been, in the main area where you see all the State Bar tables. And you can pick them up. The original price, the list price of the first book is the *Counseling Content Providers in the Digital Age* is \$70, and members get it for \$35.



So there are some very very attractive discounts. You should take a look. These books are put together by EASL Section members who are members of the Executive Committee, more often than not. And they're pretty special. So you get a really good deal today.

So moving on I would like to ask Anne Atkinson, a newly

minted EASL Officer, to come up and introduce the first panel.



# FAIR USE ACROSS THE MEDIA



**ANNE ATKINSON:** I want to add my thanks to those already expressed for Rosemarie's great leadership, she was just magnificent. And I also want to not forget to thank Adriana Favreau, whose assistance really made this work really well. We really appreciate it.

Hi; as you know I'm Anne. And on behalf of the Co-Chairs of this panel, who include Judith Bresler, Innes

Smolansky, and Carol Steinberg, I welcome you today to today's conversation, "Fair Use Across the Media."

Since this isn't just any fair use panel, this is one that talks about fair use in each of the media, we have a very large panel. So I will be very brief in introducing them, or we won't have any time to do anything else. You can find their complete biographies at the end of the materials.

Moderating and speaking on fair use in scripted motion pictures in television is Tom Ferber, at the end of the table. Tom is my colleague at Pryor Cashman, where he's practiced intellectual property law and entertainment litigation since 1982.

Tom represents a variety of clients in motion pictures, television, publishing and other industries in copyright infringement and other intellectual property actions.

Tom—just to give you some of the names of movies and other things that Tom's been involved with—"The Expendables," "50/50," "Lovelace," and a whole panoply of earlier cases, including "Ghostbusters," "Raiders of the Lost Ark," among others. And he's litigated precedent setting cases in his field.

Irina Tarsis, right there in red, will speak on fine arts. She's the founder of the Center For Art Law. Irina combines her international, business, art history and legal training to provide legal services to artists and art dealers. She also teaches and consults on provenance research matters, as well as manages a not-for-profit referral service for the NYSBA initiative.

Bob Stein, also my colleague sitting next to Irina, is speaking on both literary publishing and documentary films. He's worked at a variety of other places that have given him the bandwidth to do all that, including Warner Books, DC Comics, CBS, Random House, Simon and Schuster.

Bob represents artists, literary agents, book publishers, and others in publishing negotiations in disputes, as well as film producers and insurers in the review of screenplays for libel, copyright and other issues.

Jason Baruch is right here and he will talk about theatre. Jason is a founding partner of Sendroff and guess what, Baruch. And he's served as production counsel for scores of musical and dramatic stage productions on Broadway, Off-Broadway, the West End, and around the world.

He also represents numerous regional theatre companies, as well as award-winning dramatists, directors and choreographers, designers, performers, orchestrators and arrangers. He represents clients also in the music industry and various other talent in other industries.

David Bondy, who's sitting next to Tom, will discuss music. His clients include individuals and companies in music, fashion, website and software development, television production, advertising, PR branding, interior design, and other fields.

David's legal background includes stints at several top law firms and one of the world's leading publishing companies. And prior to practicing law, David spent 13 years at International Creative Management, or ICM, in various departments. So he's seen the business both from the agent's side and from the legal side.

Britton Payne, right there, will weigh in what he taught me to call Emerging Media. I used to call it New Media, but that's passé, it's no longer new.

Britt is an adjunct professor of Copyright, Trademark and Emerging Technologies at Fordham Law School. He also advises startups and is the moderator and co-organizer of an active startup exposition in New York City called StartupFix.

He's a COO and General Counsel for the social advertising startup, Sociaby, and is Of Counsel to the firm Bronson Lipsky LLP.

And last, but certainly not least, is Dennis Reiff, who is our E&O Expert. Dennis founded Reiff & Associates, a full service brokerage, in 1983. The brokerage focuses on the entertainment and arts insurance and risk management insurance areas.

His firm specializes in feature films, TV, documentaries, equipment, errors and omissions, authors, photographers, Broadway and Off-Broadway theatre venues, etc.

So you see you have an incredibly distinguished panel. We look forward to a really lively discussion. Thank you all.



**TOM FERBER:** I'm Tom Ferber, I'll actually be speaking mostly about fair use in motion pictures in television, after Irina talks about fair use and fine arts, where she will get to what I regard as arguably the single most important case from this jurisdiction from the Second Circuit in the last year, *Cariou v. Prince*,<sup>3</sup> which she'll be talking about and which I'll allude to later on.



Just a few minutes of background. Fair use actually was not a statutory defense until in the large scheme of things, the fairly recent past, and the 1976 Copyright Act,<sup>4</sup> which of course went into effect in 1978; prior to that it was judge-made law.

The seminal case is actually from the nineteenth century, *Folsom v. Marsh*, from Massachusetts,<sup>5</sup> in which the Supreme Court's Justice Story sat, I guess, as the Circuit Justice.

Interestingly, in the end of the day, no fair use was found, although I think the result would be very different today. Fair use was in essence brought to us by the father of our country, because it concerned a two-volume biography of George Washington that copied details from Washington's papers and letters from an earlier 12-volume biography. Most of the standards that we use today were first reflected in Justice Story's opinion in 1841.

Another important judge-made case is much more recent, in the last 50 years or so. Some of you may have heard of *Berlin v. E.C. Publications*,<sup>6</sup> which is the other end of the spectrum from serious and scholarly to not serious or scholarly at all, involved *Mad Magazine*, which if any of you remember, *Mad Magazine* had at the end lyrics that were spoofs, and would say, without copying the music, it would say, "to be sung to the tune of," and they would give you a famous tune. And *Berlin v. E.C. Publications* concerned those spoofs, and the Second Circuit there said, indeed, this is a protectable fair use, but that preceded the Copyright Act.

So in the 1976 Act, we actually got the codification. And it talks about circumstances in which the exclusive rights under §106 must yield to other purposes espoused by the Copyright Act in terms of fair use.

Usually, not always, but usually, it will come up in the case of commentary, criticism, research, something related to teaching. And there are four—and this is important, they are nonexclusive factors which the court can consider, and how they've been considered has changed over the years, and I'll be talking about that.

The first factor is the purpose and character of the use. The statute says you would also include whether the use is commercial or non-profit in nature.

The second would be the nature of the copyrighted work. Usually, the plaintiff's work will pass muster, because it really just requires it be a creative work, but there are instances in which that may be neutralized.

The third factor is the amount of substantiality of the portion used.

And the last is the effect of the defendant's use upon the original copyright owner's market. And that has been given varying treatment over the years.

One of the early important—well, not that early, but early under Copyright Act—*Harper & Row v. Nation*,<sup>7</sup> which I think you all probably all remember, involved the *Nation's* essentially scooping the first authorized publication of President Ford's memoirs. What they did was they excerpted without permission certain very very key portions, which kind of killed the market for what Harper & Row intended to print.

The Supreme Court stressed there the commercial nature of the defendant's enterprise. Kind of said, the fact that you're calling it news doesn't help you very much, because what you're trying to do is create news by the fact that you've pre-empted an unpublished work. And great concern was expressed for the fact that the Ford memoirs were unpublished at the time.

So years later, what we get as a response to this is the only amendment there has been, §107, which does not set a per se rule barring fair use where unpublished works are concerned, but certainly setting the threshold a little higher in saying it would be a consideration with respect to the second factor under fair use.

Now, the father of parody and fair use cases that kind of leads into everything we'll be discussing today is the Supreme Court case from 20 years ago, which is still quoted in almost every fair use case you see.

*Campbell v. Acuff-Rose*,<sup>8</sup> I think many of you will be familiar with that too. It concerned 2 Live Crew's song, "Pretty Woman," which was clearly a spoof and clearly quite similar to Ray Orbison's song, "Pretty Woman."

A couple of things of great note happened in that case. First of all, the Supreme Court said that the fact that the defendant's use is for a commercial purpose by no means ends the inquiry.

Second, while before that case the focus had seemed to be on the fourth factor, the effect on the potential market, it seemed to shift at least with respect to most cases to this day to the first factor, the purpose and character of the use. And the question became whether the new work merely superseded the demand for the original work, or whether it added something new and altered the message, if you will. And by that it would become, and here's the term that launched a thousand ships, "transformative."

And transformativeness is the key inquiry in the majority of fair use cases today.

Even though *Campbell* was a music parody case, it has in fact, in the last 20 years, been applied very very broadly in most fair use cases, not just parody cases, and in all sorts of media. And it also distinguished between parody and satire. Noting that parody truly needed to mimic the original to make its point, while satire really has to justify what it's doing more than parody does.

And in the wake of that, many years later—last year, we got *Cariou*, which will be discussed by our first substantive speaker, Irina.

**IRINA TARSIS:** Hello, everybody. It is my honor to be on this distinguished panel. And thank you very much to the organizing committee.

Speaking first, I wish my presentation were the least nuanced, but I think discussing fair use in fine arts arguably is the most complicated of the subject; maybe I'm biased. Thank you.

So already in the nineteenth century, Justice Story in a different case<sup>9</sup> wrote, "in truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before."

So as we approach the age, or as we're looking back at the age of appropriation of imagery, it is an essential strategy to post-modern art.

Here's one of the first examples. And if Duchamp was the first to start appropriating and re-contextualizing, Andy Warhol was probably the king of appropriating. I don't know how many of you are aware that Warhol was also subject to a litigation. He was accused of taking copyright-protected images and using them in his own works—but instead of pursuing litigation, he chose to settle, particularly with one of the photographers, Patricia



Caulfield, when she brought up the fact that the silk print of flowers was adopted from a photograph that she took. *Cariou* is not one of that.

So Warhol decided to pay her royalties and give her two of the paintings. This is an ideal scenario in my mind, where an appropriation artist shares profits from his works having used a copyrighted image as a raw material created by another artist.

However, it is unclear whether Warhol would have lost had he refused to share profits or buy a license to use Patricia's image, because currently the courts hold, and they have before the 1976 Copyright Act, that if there was a fair use defense, then the appropriating or taking party did not have to have a license to the original work.

I'd like you to keep a couple of things in the back of your mind. There's a 1903 decision, where Oliver Wendell Holmes, Jr. says, "It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the *worth of pictorial illustrations*."<sup>10</sup> Because we are here to discuss a number of cases where judges are deciding what effectively constitutes fair use of an image, and what constitutes transformative art, and what does not constitute transformative art.

So what is this? Let's see. The 1976 Act did codify the fair use doctrine; however, the Congressional Record indicates that there was no goal of enlarging, or truncating or making any changes to the common law way of dealing with fair use. And consistently from one case to another, it is in my opinion, judge-made law, using the four factors in the Copyright Act to decide what constitutes fair use and what does not.

So artists such as—this is a brand new fair use case called, *Greenfield v. Pankey*,<sup>11</sup> where the man that complained filed last month. We have a photographer whose works are being taken and colorized, painted by a Texan artist. We'll see whether the court decides whether there's transformative nature to Greenfield's photographs of dancers, or not.

In 1990, Justice Leval wrote a now famous and frequently quoted law article called "Towards a Fair Use Standard."<sup>12</sup> He began his article by saying it's about time we have framework where we can predict an outcome of a fair use case. He was coming from a background of publishing. And I believe that background colored his understanding of the term that he coined, "transformative use," which makes fine art cases more complicated rather than simpler.

So we have definition of art according to the Copyright Act. We also have the exclusive rights. This is an individual image of a motion picture, or ad of a motion picture, and it will make its way back into the presentation towards the end, so just keep your eyes open.

And yes, we have a fair use defense. Somebody can use copyrighted material for certain purposes such as criticism, comments, news reporting, etc.

There are four factors that courts regularly revisit when they deal with fair use defenses.

So now to address the elephant in the room. Initially I thought I would have my presentation going in chronological order, but this case really breaks chronology. So we'll talk about *Cariou v. Prince*, and then we'll take a look at the cases that preceded it, and we'll take a look at the cases that have come down subsequently. And the mess that *Cariou v. Prince* might have created or the clarity that it has given to the discussion.

So the United States Supreme Court has never, in my opinion and in my research, ever looked at a fine arts fair use case. There have been cases dealing with music, with publishing, with quoting from unpublished works, but never an image.

So we have—what do we have? *Cariou v. Prince* has received a lot of attention, so I'll try to be brief.

On your left you see an image called Graduation. And on your right, you have one image on the top that's done by Prince, and one image on the very bottom also done by Prince. The image in between is a Cariou photograph, from a book called *Yes Rasta*.

Cariou is a French photographer who spent about six years living in Jamaica and photographing Rastafarians.

He published his book. He received about \$8,000 in royalties for his book, from the sale of his book.

Now, Richard Prince, who, according to Wikipedia, was born in the U.S.-controlled Panama Canal Zone, saw Cariou's book; I guess he liked it, he bought a couple of copies. Adopted, colorized, put lozenges, that's what these circles around eyes and mouths are, enlarged images, had his studio actually paint collage, etc., and exhibited works at the Gagosian Gallery.

So now Prince and Gagosian are two co-defendants, because Cariou, having copyrighted his photographs, sued for copyright infringement.

The district court held that having looked at and applied all the four factors, that Prince infringed. The 38-some works in dispute were deemed not fair use.

On April 25, 2013, the Second Circuit reversed in part and remanded that decision, so now only five of the 30-something works are still in limbo. And I don't

know if the date for trial has been set or if the parties are negotiating a private settlement.<sup>13</sup> That's not the point, the point is we have a decision on the books, which is transformative.

The Supreme Court denied certiorari, so each Circuit is still left to its own devices deciphering what constitutes fair use and what does not.

First of all, the Second Circuit said, there's no requirement in the law that the appropriation artist, here Prince, needs to comment outright on the content of the original work. And it held that a secondary work may constitute a fair use even if it serves some purpose other than one of the purposes identified in the preamble of the Copyright Act §107.

They looked at the photographs, the judges, and they saw a new expression, meaning and message. And I ask you, who decides whether there is new expression, meaning and message? Here it was the judge or it was the court.

A quote from the decision: "Where Cariou's serene and deliberately composed portraits and landscape photographs depict the natural beauty of Rastafarians and their surrounding environs, Prince's crude and jarring works, on the other hand, are hectic and provocative. Cariou's black-and-white photographs were printed in a 9½" x 12" book. Prince has created collages on canvas that incorporate color, feature distorted human and other forms and settings, and measure between ten and nearly a hundred times the size of the photographs. Prince's composition, presentation, scale, color palette, and media are fundamentally different and new."<sup>14</sup>

Back to the Oliver Holmes' warning, judges deciding aesthetics. That's still a dangerous business.

The two courts, the lower court and Second Circuit, looked at Prince's testimony and decided that that testimony stood for completely different things.

Prince said, I don't really have a message, I'm not trying to create anything with a new meaning or message. I don't have any interest in Cariou's original intent.

So the district court said, he's not commenting. The Court of Appeals actually said, "it is not surprising that, when transformative use is at issue, the alleged infringer would go to great lengths to explain and defend his use as transformative."<sup>15</sup>

The fact that Prince did not provide those sorts of explanations in his deposition is not dispositive. What is critical is how the work in question appears to the reasonable observer.

Now I ask you, what is reasonable? Prince's work sold—he sold eight of his works for 10-plus million



dollars. I don't know, reasonable is in the mind of the beholder.

*Cariou v. Prince* has had a great influence on our community. However, I say if you read Leval's article, I had never read Leval's article until I started preparing for this presentation, it is an eye-opening experience, because he never talks about artists.<sup>16</sup> The word "sketch" is used to say sketch of a portrait. He does not have visual arts in there. He has a paragraph saying artists in Europe have more protections, and if we want to consider artists protection, we should have a different law, it's not copyright law.

He talks about text, abridgements, quotes. He talks about letters, diaries, he's not talking about visual arts. So maybe we're comparing apples. Guess what's coming? Oranges. This is Mark Rothko's "Orange, Red, Yellow," and we have Koons' "Orange Puppy."

So quickly taking you back to where we started, Leval wrote his article in 1990. It preceded all of the important seminal art law cases dealing with appropriation and fair use.

Where we really theoretically should have started was The Banality Show. In 1988, there was a big show, 20 sculptures done by Jeff Koons. These are the three sculptures that instigated litigation. And in 1992, 1993, Koons lost, although he was explaining why he was using somebody else's works.

Here we have *Rogers v. Koons*.<sup>17</sup> He took a photograph of a couple holding German Shepherds. And voila, we have a sculpture.

He also took an image of Odie from the Garfield cartoon and stuck him into another work. I did not find the original photograph of "Boys With a Pig," so we don't have a slide for that, but the court said that the most important of the three decisions was *Rogers v. Koons*, and frequently quoted that instead of being fair and using images fairly, Koons was sailing under the flag of piracy. Piracy is something to do with literary works perhaps, plagiarism. It's not really a fine arts term. And given that Koons was deliberately copying the instruction he sent to studios to recreate the sculptures were to "copy exactly, here's the size, here's the smile," the court said, not fair use.

All right, now voila, *Leibovitz v. Paramount Pictures*.<sup>18</sup> It's a 1998 decision, it follows *Campbell*, which Tom has described as father of fair use. And here the court said, well, yes, there's commercial nature in creating an advertisement incorporating Leibovitz's photograph, but we clearly have a parody. The face with the smirk versus a face taking itself very seriously. Commentary on a woman's body. There is a lot of message and meaning that a reasonable observer can get out of it. So here we had a fair use decision.

Then we had a couple of Mattel cases, both of them are described in your notes.<sup>19</sup> Here's one. And another of a producer using Barbie dolls to create noir dolls with scary clothing and a changed anatomy. And so the court again said, we are not comparing same things. We are not comparing apples to apples. We have different markets at play. And so this was deemed to be fair use.

We are back to Koons, who 10 years later is able to win a fair use case on the same arguments. He had an explanation—he used an image incorporated into the work. And he won.<sup>20</sup>

These images are amazing. In a case out of Washington D.C., we have a photograph taken of a memorial. And the United States Government lost the fair use argument, because there was no transformation;<sup>21</sup> back to Leval.

So back in the *Cariou v. Prince* mind, what does it mean for subsequent decisions? Well, let me introduce *Morris v. Guetta*.<sup>22</sup> This decision said no fair use. The decision came down before Second Circuit's reversal of *Cariou v. Prince*.

And here a court in California quotes *Cariou* and says, where an artist, a street artist takes a copyrighted material, splashes it on streets or reproduces posters with a little bit of colorization, it's not enough for transformative use. Not transformative, not fair.

Ah, but we have *Seltzer v. Green Day*,<sup>23</sup> which came down a few months after *Cariou's* Second Circuit's decision, looking at the four factors, there's no effect on the market. There's transformative use, because the audience is different, because the nature and purpose, etc., are different.

Where does it take us? It means that we have to decide each case on its own merits. We can look at the language from the past. We can enter these treacherous waters, reference to the piracy, but really, each case is different.

And here *Clay v. Smith*,<sup>24</sup> there was a debate in the Fall of 2013 whether Lauren Clay, an artist who used David Smith's images, was infringing or not. Instead of pursuing her rights, she could have argued it was transformative. Clearly her works were small, they were made in the decorative arts fashion. They were commenting they were feminine versus David Smith's large bulk metal masculine works. She decided to walk away, she decided it was not worth her time, and effort, and energy, and so she walked and moved on.

What's next, private negotiations like *Clay v. Smith* or mandatory licensing? There's an amazing article you should take a look at. It's already 10 years old, by Judith Bresler, which says, well, what about mandatory licensing?<sup>25</sup> Where artists who take, they can take, but they have to pay if they make any profit. And that seems fair.

Now, if you take a look in the galleries today in Chelsea Market, you will find artists appropriating. This is a Turkish artist, Murat Pulat. Here is an American artist, John Grande—do you recognize anything? Herbst, Avedon, they're copyrighted images. But here we go. You can see them and you can decide for yourself.

So when Richard Prince received his paintings back, do you know what he said? This is his tweet, I think it is, he said, "Saw em for the first time in 5 years. What they should of sued me for was making shitty paintings. X'ingEmOut." Thank you.

**TOM FERBER:** Bob's next.



**ROBERT STEIN:** I'm going to speak now about fair use and documentary film. Very few documentary filmmakers have budgets sufficient to allow them to purchase all of the film, television and music clips, and all of the photos, and newspaper, and magazine pages they would like to include in their films.

In addition, some of the copyright owners of those clips and photos may be unwilling to license them to the filmmakers, regardless of price, particularly where the film may be critical of the copyright owners, their businesses, or their family members.

Accordingly, many documentary filmmakers rely heavily on fair use to cover at least some of the clips, stills, and music and print excerpts in their films.

Traditionally, errors and omissions insurance carriers, who cover copyright infringement claims, as well as those involving trademark, defamation and invasion of privacy, automatically excluded all claims pertaining to unlicensed, third party, copyrighted protected material. However, in the last few years, E&O insurers have been willing to cover claims for such material, provided that the filmmaker's attorney states that in his or her opinion, the inclusion of such material qualifies as fair use.

Some carriers also ask to see a clip log so that they can gauge for themselves whether the attorney's opinion is reasonable or overly optimistic.

I have worked on over 100 films from 1989 to date. Mostly, but not all, documentaries. And I've had to make fair use judgments on nearly all of them. To date, none of those judgments has been challenged by any copyright owner. So I have no way of knowing whether my judgments were right. Whether I could have allowed more fair use, or whether I was overly permissive, and it just wasn't worth any copyright owner's time and money to sue the filmmaker over a very, very brief clip.

What have I considered in making those fair use determinations? For most of the 20-odd years, my primary concerns were whether my clients' unlicensed use of third party material was for purposes of criticism, commentary, news reporting, scholarship or research. And further, whether my client was using the heart of the third party material. And whether he could use less of the borrowed material and still achieve his objective.

After reviewing the large number of judicial opinions of fair use, I came up with my own informal guideline. I had seen opinions which held that the defendants borrowing of 5%, or 10% or more of a copyrighted work did not constitute fair use, but I had never seen an opinion holding that 1% or less was not fair use.

So I tried to get my clients to limit their taking of any copyrighted film or music to 1% or less of the original, even though, and I caution you, even though that 1% standard is nowhere to be found in the Copyright Act or in any judicial opinion I have seen. So far, this standard has worked for my clients.

The 1994 Supreme Court opinion in *Campbell v. Acuff-Rose Music*<sup>26</sup> introduced the concept of transformativeness as a standard in the determination of fair use.

Initially, I more or less ignored that standard, hewing instead to the four step process prescribed by the Copyright Act. However, with each new fair use decision to come down, it seemed ever more obvious that the criticism, commentary and news reporting purposes set forth in the statute pale in importance before the issue of transformativeness.

And I will tell you, the transformativeness standard scares the hell out of me, because I don't know what it means. I've read everything I can find on the subject. And it seems to me that it's something that is defined in retrospect. It's used to get to a decision that the court wants to get to. And it's very, very difficult to predict in advance what that's going to be.

So that was the case until yesterday, when the Second Circuit upheld a summary judgment ruling of fair use in a suit brought by Swatch Group Management, that's Swatch, as in the watches, against Bloomberg LP involving dissemination of a two-hour long recording of an earnings call between Swatch and investment analysts.<sup>27</sup>

In its opinion, the court explicitly stated that, and I paraphrase: While a transformative use generally is more likely to qualify as fair use, transformative use is not absolutely necessary for finding a fair use. And indeed, some core examples of fair use can involve no transformation whatsoever.

In the context of news reporting and analogous activities, moreover, the need to convey information to the public accurately may in some instances make it desirable and consistent with copyright law for a defendant to faithfully reproduce an original work rather than transform it. In such cases, courts often find transformation by emphasizing the altered purpose for context of the work as evidenced by surrounding commentary or criticism. Wonderful, that's what I've been waiting for.

So I now look for originality and creativity in the client's use of the unlicensed clip. I look for differences in context between the client's use and the original copyright owner's use. And, of course, for relevance to the subject matter of the client's film.

Is he using the clips simply to make his film more entertaining, or does it contribute in a material way to the reportage in his film? In short, I try to hedge my bets, hoping that combining transformativeness and compliance with the purposes set forth in the statute will persuade the copyright owner not to sue, and failing that, that he will persuade the reviewing courts to agree with my fair use determination. Thus far, that approach has been successful for my clients.

I'm going to switch over and talk about book publishing now. And I'll start again by quoting *Campbell v. Acuff-Rose Music*, which of course was not a book publishing case.

*Campbell* held that for the purposes of copyright law, the heart of any parodist's claim to quote from existing material is the use of some elements of a prior author's composition to create a new one that at least in part comments on that author's work.<sup>28</sup>

In 1997, in *Dr. Seuss Enterprises v. Penguin Books*,<sup>29</sup> the Ninth Circuit agreed with the district court opinion that the Penguin book entitled *The Cat Not in the Hat! A Parody by Dr. Juice*, which satirized the O.J. Simpson trial entirely in rhyming verse and illustrations, was not entitled to a parody or fair use defense, because it failed to target the original work.

The Ninth Circuit held that there was no effort to create a transformative work with new expression, meaning or message, and that the defendant's fair use defense is pure shtick. And that their post hoc characterization of the work was completely unconvincing.

But then in 2013, the Second Circuit held that 25 of Richard Prince's paintings, which used without permis-

sion, this may sound a bit familiar, 35 images from photographer Patrick Cariou's book, *Yes Rasta*, were transformative and thus fair use, notwithstanding that they did not comment upon Cariou's book.

*Cariou v. Prince* was a complete game changer where fair use is concerned.<sup>30</sup> If commentary on the original work is no longer a pre-requisite for fair use, then the most significant question would seem to be transformativeness, which I consider a completely unpredictable post hoc characterization.

Until I, yesterday, read this *Swatch v. Bloomberg* decision, I was not at all confident that a use, which clearly uses the borrowed material for purposes of commentary, criticism or scholarship, but which is not obviously transformative, would be recognized as fair use.

The question of whether a transformative fair use will always override the copyright owner's exclusive right to create or to authorize derivative works, as it apparently did in *Cariou v. Prince*, remains unresolved. Until that issue is resolved, there is considerable risk for authors and book publishers in relying on fair use.

In my experience, book publishers tend to be risk adverse, unless they see a likelihood of major profits. In a situation like the present, where the rules appear to be in flux, I would expect publishers to be even more risk adverse than usual.

Accordingly, unless the editor and publisher see the likelihood of huge profits as justifying the risk of proceeding with a fair use, I would expect them to decline to proceed on a fair use basis.

Keep in mind that even where the publisher is willing to proceed, the author is usually even more at risk than the publisher, since most publishers' contract forms require the author to indemnify the publisher against all costs and expenses arising from any legal claim against the author's book. Even where the publisher offers authors coverage under the publisher's insurance policy, the author is often liable for the entire deductible under the policy and the deductible can be hundreds of thousands of dollars.

While the recent decisions in *Cariou v. Prince*, and in the *Authors Guild v. Google*,<sup>31</sup> and the *Authors Guild v. HathiTrust*,<sup>32</sup> tend to affirm the continued viability of the fair use defense, I don't think those cases will be considered to be particularly useful in terms of the next parody book or the next time an author wants to include a photograph or music lyrics in his book without permission from the copyright owner.

As a practical matter, I would expect publishers to be resistant to an author's desire to include copyrighted third party material on the basis of fair use. Thank you.



**TOM FERBER:** Okay. So back to motion pictures and television. We're going to explore fair use in that context in a variety of types of works from the serious to the not at all serious.

So starting with the sublime before we get to the ridiculous. We had in 1996 *Monster Communications v. Turner Broadcasting*.<sup>33</sup>

In the interest of full disclosure, I represented the defendants in this case. What happened was the following: In the 1970s, Ali had his famous fight with George Foreman in Zaire, the "Rumble in the Jungle," the "Rope a Dope" match, where he came back after being brutally battered to knock Foreman out.

People had been talking about making a documentary film about that for years. And there was a tortured history and threat of possession of certain film materials that had been taken at the time. So by the time you got to the 1990s, different parties had other parties' films, and didn't remember what belonged to whom, but intent isn't always important in copyright infringement cases.

And what happened here is the plaintiff, Monster Communications, was about to release a theatrical film about just that fight called, "When We Were Kings." At the same time, Turner, on its cable channel was releasing a biography, "Mohammed Ali, The Whole Story," about his whole life, but which of course featured that whole fight in great degree.

At the end of the day, various clips totaling about two minutes, that it turned out the ownership of which belonged to Monster, the people who had made, "When We Were Kings," appeared in the title sequences and otherwise in the Turner film.

And this case is memorable for many reasons, one of which, we wound up having a trial on a preliminary injunction on the Sunday of Labor Day weekend. And what happened was ultimately the court found it was a fair use. And you recall before I said that while the nature of the copyrighted work, that second factor, is almost always going to be on the plaintiff's side, here it was neutralized, because in the case of documentary film, it was the filming of a real event. What we had here was someone happened to be there to stick up his camera while Ali was doing something or Foreman was doing something. It was just being at the right place at the right time. Very, very different from a photographer carefully posing or creating a very creative situation controlling lighting, costumes, set design, whatever it might be. So that factor was neutralized.

The fact that it was the biography of a very important cultural figure who played such an enormous role in our cultural history and our history of sport, I think obviously was very important. And we ultimately prevailed on a

fair use defense, and defeated a motion for a preliminary injunction.

It would seem that biographical works, where the documentary or docudrama or in some other medium altogether might always win if they are a biography of history, some historical reference to our popular culture. There is not in fact, a per se rule, but it does seem to mean, looking at the case law, that if you are producing one of those works and you have an appropriate fair use, you haven't gone beyond the pale in terms of excessive use, there's a rebuttal presumption that it's going to be a fair use.

Such was the case in the *Hofheinz v. A&E Television* case in this jurisdiction, the Southern District and Second Circuit, about a decade ago.<sup>34</sup> There was a cable television biography about the actor Peter Graves. Some film clips were used from some really bad movies he'd done early in his career and that was found to be a fair use in part because it was certainly not usurping the market for the original. And it was really, the court found, those clips were being used to show the actor's very modest beginnings before he reached success years later in film, and "Mission Impossible," on television, etc.

Also, some of you may be familiar with, even though this is not motion pictures, the *Bill Graham Archives v. Dorling Kindersley* case.<sup>35</sup> There was a coffee table book about the history about the Grateful Dead. And some of the plaintiff's images that had been used in concert posters, and even tickets, and things like that, were reproduced. And the court found that it was for such a plainly different purpose in this cultural historical context if you will, that it was a fair use.

We're going to be hearing later about *SOFA Entertainment v. Dodger Products*,<sup>36</sup> so I don't want to step on my co-panelists' toes, involving the *Jersey Boys* musical, which will soon be, I understand, a film, so it will come back into my bailiwick.

One caveat I want to note—sometimes you can go too far even in a documentary. So in this case, *Elvis Presley Enterprises v. Passport Video*,<sup>37</sup> even though it was in one sense definitely a biographical work about Elvis, on the other hand, they took clips, the use of clips so far that the court found, no, you've now gone to the point that you're not just using it for an historical reference point, you're going beyond that, and you're just trying to entertain and aggregate to yourselves the benefit of the work that someone else has done, and that is not going to be permitted.

Interestingly also, even though it was a post-*Campbell* case, the court there shifted the use, the focus back to the fourth factor, the market impact.

Now to the ridiculous. I don't know if many of you remember back in the early days of *Saturday Night Live*,

there had been an effort by the New York City Chamber of Commerce to clean up our tarnished image and get tourists back at the same time we were trying to clean up Times Square and other areas of the City. And it was the I Love New York ad campaign.

*Saturday Night Live*, of course, could not resist and did a spoof on it that took place in the biblical city of Sodom, where city officials decided they had to clean up the town's untarnished image. And "I Love New York," same tune, very different lyrics, became "I Love Sodom."

And the court, the Southern District and affirmed by the Second Circuit found that that was such an obvious spoof that it was fair use.

Here's another interesting thing that you'll see developing through the case law. On the amount in substantiality, the taking factor, the defendant there had argued not just the traditional fair use argument, but it said, this is de minimus.<sup>38</sup>

As you'll see when I get to the set decoration cases, de minimus has really has come to mean something different, and I'll clarify for you what that means. Recently, two years ago in the Seventh Circuit we had the *Brownmark Films v. Comedy Partners* case.<sup>39</sup>

There had been a really crazy and positively viral YouTube video called, "What What (In the Butt)." And just as *Saturday Night Live* in the '70s couldn't resist a good spoof, neither could *South Park*. And *South Park*, produced by Comedy Partners, did an episode about viral videos that specifically made fun of the "What What (In the Butt)" video. And the proprietors of the original video said, wait a second, this is clearly a ripoff. The district court and the Seventh Circuit said, no, that is utterly transformative under *Campbell*. And the *South Park* episode is clearly a parody. It provides commentary not only about the ridiculousness of the original video, but the nature of how videos become viral on our society in general. That passes muster for sure. The plaintiff was out.

There is, however, a caveat again I will give you. By way of comparison in the early days after the enactment of §107, compare this to the *Saturday Night Live* case, we had *MCA v. Wilson*.<sup>40</sup> There was a musical in Manhattan called, "Let My People Come—A Sexual Musical." And they spoofed "Boogie Woogie Bugle Boy of Company B" in ways I won't even repeat here. It was positively obscene. And a personal observation never acknowledged by the courts, I think a lot of judges, when they find a use to be, shall we say, unsavory, you don't necessarily get the rebuttable presumption, or shall we say, it's more readily going to be rebutted.

Here the fair use defense was asserted, but rejected. The court found that the lyrics that had been put to "Boogie Woogie Bugle Boy of Company B" was neither a

parody nor burlesque, it was just a commercial composer trying to plagiarize a competitor's music.

It's a similar concept to words that were used by the Supreme Court years later in *Campbell*, where they said, there's a difference between true parody and taking someone's work to avoid the drudgery of coming up with something fresh for yourself.

Again, another caveat was the case that Bob mentioned, the *Dr. Seuss* case.<sup>41</sup> It was deemed not to be really transformative and not really a parody. I question whether, and you might think about whether that might come out differently, and many of these cases might come out differently today in the post-*Cariou* world.

I also would note that in the post-*Cariou* world, while the court will still answer the question, first and foremost is the word transformative. There now will be a discussion of degrees of transformativeness, and the more transformed the work, the stronger the second user's chances are of overcoming, or I should say frankly winning, on the other three factors.

An interesting problem that happens in many, many film cases are the set dressing issues. There had not been a reported set dressing case until *Amsinck v. Columbia Pictures* in 1994.<sup>42</sup> Again, I represented the defendants in this case.

The only prior case I was aware of was a very small minor common law case in the late '60s. This was the first case to come up and what had happened was that Ms. Amsinck was a graphic artist. She had licensed a baby bear's design for children's furniture and things like that and it had been put on a mobile. The film, "Immediate Family," had concerned a couple that was adopting a baby of a teenage girl who was pregnant. And as they were readying the nursery, this mobile that was hanging in that room became, in essence, the symbol of the unborn baby. Sometimes you just saw it in the background. In a few shots you saw it very very prominently. And there was a claim of copyright infringement.

On an alternative ground there, the first not being pertinent, the court found that it was indeed a fair use. The *Amsinck* case then became cited for a number of cases over the following years on set decoration which they also said, fair use, look at *Amsinck*, including the *Ringgold* case,<sup>43</sup> when it was in the district court.

In the *Ringgold* case, Ms. Ringgold had created this beautiful tapestry, this church picnic story quilt, which kind of gave an ethnic history. It was used in a BET sitcom called *Rock*, in a community church, hanging on the church wall, and frankly it was quite visible. The district court had said that that was a fair use under *Amsinck* and then it went to the Second Circuit.

The Second Circuit reversed and remanded, saying it's not transformative. That graphic design was used for precisely the same purpose for which Ringgold used it, to be decorative. It was quite deliberately chosen by the set designers for its thematic relevance, and so said it was not fair use.

Interesting part of that decision is the court goes back to the *de minimis* defense, and which I promised you more before, and said that where that's concerned, where that defense is raised, the alleged infringer must demonstrate that the copying was so trivial as to fall below the regularly accepting quantity of threshold for actionable similarity.

So again, one of my cases, *Sandoval v. New Line Cinema*,<sup>44</sup> in the movie "Seven," which involved a serial killer—you saw some of the plaintiff's negatives when the detectives, who were at the center of the film, find his lair, and it was used as set decoration.

Before *Ringgold* came down, the district court dismissed following *Amsinck*. However, then *Ringgold* comes down and this reaches the Second Circuit, it posts its decision in *Ringgold*. And so we switched our approach, we argued *de minimis*. This was one of the few cases in which I think you really had a valid *de minimis* defense, and the court agreed. It was such a trivial, such an insubstantial use, you didn't have to get to the affirmative defense of fair use, it was in fact, *de minimis*.

*Seltzer v. Green Day* was discussed.<sup>45</sup> I think it's interesting because it is very much in the mold. It came several months after *Cariou* last year. And it was a similar concept. You're really just marking up—to create a different message, someone else's work.

I'll leave the practical considerations about errors and omissions insurance to Dennis Reiff. I will note, however, though, and as Bob has said with respect to documentary films, you really want to consider how strong your fair use defense is going to be, and where you might need to assert it if you're representing someone who is producing a work for film or television.

You may also want to consider whether your client should be seeking a license to use what it's going to use, even if you think it's likely to be denied. Not everyone is going to agree. My personal view is, it's better to ask and say, "look, we're going to use it with or without you, but you may want to say that you licensed the use so we'll take a modest license, because you being you, the copyright proprietor will be in better shape than if you want to sue later and lose on a fair use defense," but you'd better be pretty confident you've got a good fair use defense.

So last, current case, a pending litigation. Again, I'm representing the defendant. My clients are the producers and distributors of "Lovelace," which tells the story in docudrama format of Linda Lovelace, the famous porn

star from the 1970s, most especially from "Deep Throat." And as you would expect, the plaintiffs on the intellectual property right in "Deep Throat" are very unhappy about "Lovelace." They frankly admit they're unhappy, because it's quite critical of the porn industry in general and of "Deep Throat," and how Linda came to appear in it. And in fact, "Lovelace" tells the story of how she was abused and coerced by her husband into winding up in that film.

The plaintiffs have argued that the scenes that show her filming "Deep Throat," even though it shows other things, her interaction with producers, directors, financiers, etc., that it so closely replicates the dialogue, the costumes, and the set designs of "Deep Throat," they argue that it goes beyond the threshold, and that it's not a fair use.

We have argued, and we have a dispositive motion pending, that it in fact is fair use. We can discuss later if you'd like, what you think. Thank you.

**JASON BARUCH:** I think it's my turn to talk about theatre, is that right? So I'm going to be talking a little bit on theatre. The fair use analysis is similar, so I'm not going to rehash the four factor test. But one of the reasons that I think makes theatre unique is that, and unlike the other media that we've been discussing so far, publishing, film and television, we'll be talking about music, is that theatre isn't really a medium at all. It's immediate, it's inherently temporal. And because of the very nature of theatre, it allows certain remedial behavioral changes that may not apply to some of the other media where you're trying to fix something after the fact.

Theatre, among other things, has a limited geographical reach. It's perceived only in the location in which it's being presented. It has a limited temporal reach. It's only reaching people while it's being performed. And once you stop performing it, unless it's recorded, and we can talk about that as well, it's over. And because of that there's the ability to remediate prospectively, which if you run into problems, it is theoretically possible to fix them going forward. Obviously, you can't fix what you've already done, but you can fix going forward, which I think allows for some risk mitigation and you know, changes in behavior from producers and authors, and other creators of live stage.

The case law that's out there, like I said, is kind of few and far in between. One of the cases, an early case from 1979, which was *MGM v. Showcase Atlanta*,<sup>46</sup> involved a humorous take on *Gone with the Wind*, the novel and the film, and it was called, "Scarlett Fever."

There, in that particular case, the court—the judge actually went to see the show and made a determination that it was not sufficiently transformative, that it was primarily a derivative and adaptive use of the underlying property, and it wasn't really making a statement about



the original work. And this goes back to the *Acuff-Rose* parody versus satire. The defendants argued, well, it's funny. It's a funny take on *Gone With the Wind*. And the moral of the story is, just because you make something funny doesn't mean that it's parody or doesn't mean that it's going to pass the fair use smell test.

Another project—has anyone seen “Point Break,” the movie? Oh, good. Well, for the two of you that have seen it, the rest of you, it is the “Citizen Kane” of bank robbers for movies, I highly recommend it. (laughter)

It features a stellar Academy Award winning performance by Keanu Reeves and also Patrick Swayze (laughter). Keanu Reeves plays a character, his name is Johnny Utah. And some very creative people put on a live stage production of it, it was at the Viper Room in L.A. And what they did was, it was pretty much a straight run-through of the screenplay. Their main brilliant conceit was they chose someone from the audience every night to play the role of Johnny Utah, who would read cue cards. So he was playing it with a bunch of actors, and necessarily would do it in a very robotic, not very persuasive way.

Now the question is, is that making a comment on the original film? Is that a parody, will that pass the fair use test? It's up for debate, we'll never know, because the parties resolved their differences. At this point, the studio was working on a sequel, for some reason, of “Point Break.” And they were concerned about this property being out there. Ultimately, they reached an accommodation that worked for everybody.

We were talking a little bit about parody lyrics, and Tom was talking a little bit about spoof songs, and this is a long tradition in live theatre. *Forbidden Broadway* has been doing this for decades. And for anyone who hasn't seen *Forbidden Broadway*, it's a bunch of spoofs on well-known Broadway current and past shows.

So they would have spoofs of *Wicked*, hysterical spoofs on the *Lion King*. And it's sort of like Weird Al Yankovich—the creator and producer of *Forbidden Broadway* actually seeks licenses from its rights owners.

Most rights owners grant it because it's considered a badge of honor to be included in the *Forbidden Broadway* pantheon. If you're not included, that means you're not important enough. So most actually grant licenses. Some like Disney actually chose not to grant licenses, but also chose not to pursue any actions. So there's sort of a gentlemen's agreement to allow certain songs in there. And again, because it's live theatre, if the producers run into a problem, they always have the option of taking the show out. Ninety-five percent of the time these things get resolved with a cease and desist letter that the producers can choose to ignore or try to negotiate. Or they can withdraw the material that is potentially problematic. Because although it's true we talked a little about copyright owners sometimes not bothering to pursue things because

they're too small, or there's not enough money at issue, producers in general are fairly risk averse, and don't want to run into a problem with people that are known to be litigious about their copyrighted works.

So the consequences—although the legal analysis is the same as in *Campbell v. Acuff-Rose*. And we talked a little bit about *Bourne Company v. Fox*.<sup>47</sup> I don't know if we actually spoke about that. That was the *Family Guy* spoof. Oh, we will, okay. I don't want to steal your thunder on that. So there's always the option of removing something in the context of live theatre that isn't really available to the media that have been discussed, and which will be discussed.

Tom had mentioned *SOFA Entertainment v. Dodger Products*,<sup>48</sup> which is one of the few and current cases out there that talks about fair use in the context of live theatre. This involved *Jersey Boys*, and there was a seven-second clip from the *Ed Sullivan Show* that was used in *Jersey Boys*. SOFA Entertainment, which owned the copyright in the material, claimed there was an infringement. And the court determined that the clip was being used as an historical reference point in furtherance of a biographical purpose. It basically deemed the use sufficiently transformative under the circumstances.

They also determined that seven seconds was hardly quantitatively significant. And that also there was no financial harm to the underlying rights owner.

So that was one of those rare cases that went to trial and appeal. At the end of the day, again the producers could have figured out another way to do this if they had to—they could have removed the material had they chosen not to pursue this. Frankly, I'm happy they did, because I think it's a very important moment in the play.

So, and then the scenic design and set dressing issues that Tom had talked about also are relevant to the world of commercial theatre and not-for-profit theatre.

You know, if someone is going to want to put a bunch of *Vogue* posters on as part of their set dressing, they'll come to us and say, “Well, am I going to have a problem with *Vogue*? Should I go out and seek rights?”

Or, I want to use the Beverly Hilton Hotel or the Hollywood sign, which is a trademarked sign, owned by the Hollywood Chamber of Commerce. “Do we need to go out and get permission from the owners?”

We also talked a little bit about the *Amsinck v. Columbia Pictures* case, and *Ringgold v. Black Entertainment Television Network*. Again, I tend to agree with Tom that if you are in a position to ask and say, “Listen, we're just going to be doing this, we have the right to do this, but if you want to grant us a license, because it'll be better for you to have a license out there, we'd be willing to do that.” That said, there are sometimes where the owners of copyrights or trademarks will just adamantly refuse to do it, either

because there's something else out there that they think might compete with it, or they just don't want to for a variety of reasons. And then the producers have to make a decision.

Do I need the Beverly Hilton Hotel in order to set the time and place and identity of the show or can I just use some palm trees and some building that evokes the Beverly Hilton? So those are decisions that producers have to make all the time.

And again, there are circumstances where the first thing we'll get is a cease and desist saying, stop doing it. And then we get together, and we'll talk a little bit about E&O insurance and how that might work for theatre as well as film and television.

So anyway, that's, I think, one of the reasons why we don't see more case law on the theatre, because a lot of this stuff gets resolved before it gets to the point of trial—either through settlement or through the producers taking remedial action, which is again available to them, and not available to certain other of the fixed media that we've been discussing.

I haven't really talked about music, because I'm going to leave that to David to talk about right now.

**TOM FERBER:** Thank you, Jason.

**DAVID BONDY:** Thank you all. I'm Dave Bondy with a very quick survey of music fair use. A few preliminaries, number one, we're discussing only U.S. law.

Number two, for copyright purposes, recorded works contain two sets of rights, one in the recording and one in the musical composition that is embodied in the recording.

Number three, as with all other media, the Copyright Act of 1909 or 1976 governs except that there was no federal copyright for recordings until February 15, 1972; recordings released prior to that date are subject to state law copyright. The result is that arguably that every recording ever made is protected in the U.S. one way or the other.

I've included in the materials the *Capitol Records v. Naxos of America* case<sup>49</sup> which sorts this out. So preliminaries complete, on to fair use.

In summary, and very broadly speaking, any unlicensed use of all or a portion of an existing recording is not fair use. Any unlicensed use of the underlying musical content of such recording may or may not be fair use.

As for specifics, there are guideposts, but no bright lines. Remember that Justice Souter tells us we must take



each case as it comes. Among the few cases dealing with sampling, the *Grand Upright Music* decision<sup>50</sup> from 1991 in the Southern District, without providing much legal reasoning, found use of unlicensed samples to be theft, pure and simple.

In 2005, the Sixth Circuit in *Bridgeport Music v. Dimension Films*<sup>51</sup> held similarly. In a case involving a three-note sample, the court cited the exclusive rights under §106 of the code and the special rights for owners of sound recordings under §114b, to conclude that a

sound recording owner has the exclusive right to sample his own recording.

There are 12 pitches available throughout most of western music. Because these notes have been used for so many centuries, patterns have emerged. Therefore, more elements of musical composition, including more lyrical rhymes and wordplay, as well as melodic permutations, are in the public domain.

As for recordings, there is a binary analysis. You're either using someone's recording or you're not. So a taking is clearly from someone else's work. Nevertheless, fair use analysis should in theory apply to recordings as well as musical compositions, notwithstanding §114b.

One thing I know for sure is that composer clients are confused. "If immature artists borrow and great artists steal," they ask, "I should be stealing left, right and center, shouldn't I?"

The clients who know just a little too much ask some form of the question on the screen<sup>52</sup> and I respond as I suspect you would as follows: "In other words, let me know what your plans are and I can help you understand and manage the risk."

With respect to composition, no matter what you, or I, or the law has to say about it, the history of music is rife with theft and misappropriation of other people's music. That's how you do it. And if you take someone else's music and that music isn't in the PD, it helps your cause to call your version a parody.

Take the *Bourne Co. v. Twentieth Century Fox* case,<sup>53</sup> Southern District, 2009. Jiminy Cricket sang the Disney classic, "When You Wish Upon a Star" in "Pinocchio," released in 1940. Peter Griffin in the Fox TV show, "Family Guy" sang, "I Need a Jew," in the episode entitled, "When You Wish Upon a Weinstein."

Here's the first verse of each.

(MUSIC CLIPS BEING PLAYED).

Both are touching. The clips bear an uncanny resemblance. In fact, the court agreed and said that but for a finding of fair use, this is infringement. Remember my client's question about the five notes? There's a roughly five-note difference between these two song clips.

Notwithstanding the similarity, the court found the "Family Guy" song was a parody. And from even before the 2 Live Crew decision, parodies have been understood to be treated differently, fair use, and thus not infringing. But is this really a parody, as Justice Souter described it? He tells us that under copyright law, a parody uses some elements of a prior author's composition to create a new one that at least in part comments on that author's work.

As part of the defense, the defendants noted that "Family Guy" works into a number of its episodes the theme of Walt Disney's supposed anti-Semitism, and that this song was a comment on that.

The judge nodded approvingly at this point in her decision. However, if we take Justice Souter at his word, a comment on the producer of the movie in which a song is a part is not a parody for copyright purposes, because it does not comment on the work itself, but on something outside the work.

So is "I Need a Jew" a parody under Justice Souter's definition? I don't know. It's well done, clever and funny, as well as rude. But does it comment on the original work? Surely it takes some of the lyrics, much of the melody, and all of the harmonic structure of the original to convey its sordid tale, but was the original a target that is a parody or merely a handy template like in the *Cat in the Hat* case?

I'm not sure how important this case is. After all, the decision was not appealed. So we don't know the Second Circuit's take on it. All I can say is that there are some judges who read Justice Souter's instructions expansively.

We move onto fair use of music sampling. Any kid with a computer can do it, and many have. As we've seen there's been no cover under the law for people who use unlicensed samples in their recordings. Nevertheless, here's a de minimus defense that was successful for a sample.

This is a decision from the central district California from November 18, 2013.<sup>54</sup> Madonna's recording of her hit song, "Vogue," includes 11 horn hits that were taken from a 1975 recording by Salsoul Orchestra called "Chicago Bus Stop," "Love Break." Here's a bit of the original, followed by some "Vogue," and watch me for cues, it goes by fast.

(SONG CLIPS BEING PLAYED)

Got it? Okay. As they say about driving through a small town, if you blink you miss it. By summary judgment the court found that neither the musical content

of the horn blast nor the recording thereof was original enough to merit copyright protection. And if it did, any copying was de minimus.

So at least in the Ninth Circuit there can be fair use of recordings. No one would dispute this finding in the realm of musical composition, and in this case it's one note. A very good candidate for de minimus. However, until now we weren't sure that any use of any amount of a recorded sample could be fair use.

The *Madonna* court carries these concepts over to recordings, which may or may not be a very big deal, it's too soon to tell.

In summary, use a recorded sample without paying a license and you are toast, unless it's a de minimus use, whatever the parameters of that may be.

The industry has treated the matter as settled. But time passed, technologies improved, becoming ever cheaper and within reach of all. And artists kept doing what they were supposed to do, pushing the envelope.

I suppose one could think of mash-up as extreme sampling, because a pure mash-up starts with no material that is original with the mash-up creator. It is analogous to collage in the visual arts.

In a musical mash-up the creator selects clips and edits them as she wishes for use in a new work. A well-known example is Danger Mouse's Grey Album, an entirely unlicensed mash-up of Jay Z's Black Album with the Beatles' White Album, that was released for free over the Internet in 2004.

Gregg Gillis, known professionally as Girl Talk, works in a similar vein and goes Danger Mouse one better. He sells CDs, including through retailers such as Amazon.com, and he keeps the money. He does not license the recordings or compositions he uses in his work. He has a clip available on YouTube in which he demonstrates the ease with which he appropriates a bit of an Elvis Costello record, and defends himself by claiming that his work is transformative. Evidently, he has an attorney.

To my knowledge, no one has sued Danger Mouse or Girl Talk, probably because the decision going against the plaintiff could spell disaster for the players in the music business. For if these aren't transformative uses of recordings, what are? We may find out, but it may take a Girl Talk hit record before we do. And now I leave it to you Britt, in your good hands.

**BRITTON PAYNE:** Thank you.

**TOM FERBER:** Thank you very much.

**BRITTON PAYNE:** As we get towards all these interesting uses of technology we have questions that are answered by law that's already in place, but by nature if we're talking about emerging technologies, there is no



law in place. So the trick is to find what's the appropriate metaphor that's going to win the day for you when you're talking about *Aereo*<sup>55</sup> or *Cablevision*.<sup>56</sup>

If your VCR is over at your neighbor's house, is it still yours? Yeah, sure. And if you control it with a very, very long stick are you in violation of a copyright law in any way? No, not really. So maybe that kind of a metaphor is the kind of thing that will win the day for you when you're making your argument about who's in control of what technology is being used. This question is going to come into play further with the *ReDigi* cases<sup>57</sup> and as we see, the expansion of the use of the cloud.

If the notion that distributing content over the Internet that theoretically belongs to you, because this is your piece of the locker in the cloud, is comparable to the *Cablevision* decision, well then what happens in the Ninth Circuit where the *Cablevision* decision was found—that didn't follow the Second Circuit decision?

So as we see the *Aereo* case argued and ruled on by the Supreme Court, we should take a look at those kinds of things. What metaphor is the one that was applied and ended up winning the day, in addition to, of course, the law.

So I want to try and take up as little time as possible, but one thing I wanted to talk about briefly was 3D printing file repositories. It's a new area where there's almost no law that I know of being discussed.

In the future, and soon, we will see the widespread availability of 3D printing that can be used the same way that a PC was used maybe 25 years ago. It might be in your home, it might be down the street at Kinko's or in the computer lab, but it'll be the kind of thing that everybody has access to.

Presently, the files that get used by 3D printers are available by the super nerds in a repository in the cloud. And they're accessible by anybody who cares to. Right now nobody cares to unless you're essentially on the cutting edge. But soon enough it's going to be much more common that people are sending and selling 3D printable files that you can then walk down to the Kinko's or walk down to your basement and print out to make simple things, like an iPhone case or more complicated things, like jewelry. And depending on the size of the printer and the materials you can put in, you can do all kinds of crazy things.

And it's a very robust field right now where to my eye it's mostly the tech people who are in charge, but pretty soon the creative people are going to start getting involved, and it's going to become more popular.

So there's a question that we're going to have to answer. Is there a primary liability for the distribution of

these files if you are the cloud service that's providing them? If you are a Napster of 3D printable files, are you in fact like Napster, or are you more like something else? Are these files themselves copies of works like rolls of player piano tape that get sent around the country, or are they more like an instruction manual? Hey, why don't you try doing this thing that maybe in and of itself is more educational than an actual copy?

Questions that we haven't answered yet, they don't have a whole lot to do with fair use right now, but because it's so wide open I believe it's possible that they could. And you're going to see all kinds of arguments run in the 3D printer space.

Where we do see an interesting application of fair use and emerging technology is with RapGenius and with video fingerprinting.

So RapGenius, one of the more popular kinds of websites right now, at least in terms of who is going where to do what, is lyric sites for pop songs. And the National Music Publishers Association has increased its enforcement against unauthorized republication of song lyrics.

RapGenius is a website that says, "all right I see why that would be a problem. However, we're creating a system so that people who come to our website will see the lyrics to Elton John's 'Levon,' and they will find annotations to the song. So it's more of an index, and it's more of an educational service, but it's Wiki, meaning that it's user generated content in addition to the content that they're putting up or that they're allowing to be put up. And further, it has links to authorized copies of the song, and videos that are authorized and videos that are publicly available and free."

So the question becomes, is RapGenius's effort to get involved in this marketplace, where tons and tons of people are making a lot of advertising money off of republishing lyrics to songs by adding this additional functionality, is it in fact an indexing like we see in the *Perfect 10* case,<sup>58</sup> or more importantly in the recent *Google Books* decision,<sup>59</sup> or is it a fig leaf where they're just faking and they're saying, "you know what, you're not really adding that much content. You're just kind of reproducing the same content we already provided," like we saw in the *Star Trek, Joy of Trek* case?<sup>60</sup> There the summaries that were included in this book that's designed to instruct you how to be a more and better loving spouse to your Trekker fan spouse, husband, who am I kidding, had summaries of the episodes that were too substantial, they were so substantial they constituted inappropriate appropriation of the actual episodes themselves.

So video fingerprinting is the creation of analog description of things that are going on in a video. So for example, you might buy the video fingerprinting machine

box and plug your cable pipe right into it. This is going to then convert these videos into something that can be traceable later.

You can imagine simple ways they might do it. Well, was this video indoors or outdoors? Was it an interview, was it a sports thing? I can sort of tell by the movement that it's a sports thing. It's the computer that's turning the video content into an analog formula so that it can be compared against other analog translations of the same video content and they haven't quite figured out exactly what to do with it, but you can imagine it would be great.

You can say, is my content being infringed anywhere on YouTube? Here's my copy of it, convert it to this analog. Instead of having to go pixel by pixel, frame by frame in your comparison, you can compare a formula, that's your proprietary formula. And in theory, your formula can't reproduce the original content for the original purpose, which is to entertain. It's only in theory to create an index. But that index can get pretty complicated. It also involves making a buffer copy, which was something that was a hot topic in *Cablevision*.<sup>61</sup>

And then the question, is this indexing a fair use or should it require a license to make this a separate copy and to make this transformation of the original content into this new content?

And does it fit again within the *Google Books* fair use analysis? Is this providing a new service or an interesting way of doing things?

The next topic I wanted to hit was automated DMCA takedown notices. It's an interesting little piece of the DMCA running into fair use law. There was a decision in the Prince, "Let's Go Crazy" case,<sup>62</sup> where Prince was very upset—effectively, Prince was very upset that his song appeared on YouTube without a license, and a DMCA notice was sent. And Lenz, the mother who posted the video of her child dancing to the faint strains of his song, fought back.

One very small decision that came out of that case more recently is that you can't just send your DMCA takedown notice that considers the factors present in a fair use analysis, you actually have to consider fair use. And so far there's no computer that can consider fair use. Which means that if you're a big content owner, and you want to go on a big repository of content like YouTube and you want to fill out a zillion DMCA takedown notices in a blink of an eye, and you want a computer to do it, *Lenz v. Universal* says you can't. So that means you're going to have to hire someone to conduct a fair use analysis.

So I tell my students, that's good news for you if you are a young attorney coming out of law school trying to find a place to be. So *Lenz v. Universal*, that was January 24, 2013, so that was about a year ago.

And then the last thing I just want to touch on is sort of the granddaddy of all tech fair use cases, *Sony v. Universal*—"the Betamax case,"<sup>63</sup> the analysis of the Betamax case is felt through *Grokster*<sup>64</sup> and *Cablevision*, and *Aereo* and a lot of the hot emerging technology cases that have come out in the last 20 years, 25 years. It's celebrating its 30th anniversary this year. It was handed down in 1984.

So it has obviously informed a generation of fair use in emerging technology, both in the law and in business practice. The big one is that copying authorized copies for personal use is presumptively fair.

The question I ask and the question that was actually asked within the decision itself is, does the analysis of the 1984 facts stand up to the tests of time? So I look forward to taking a quick look and "a fresh look at this new technology," which is also a quote from the case.

So the court cited to speculation about the possible effect of this new technology and beyond, and some of that is part of the factor for the fair use analysis. What is the effect on the marketplace?

They have great quotes, "time-shifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge." Another one is, "predictions of harm hinge on speculation about audience viewing patterns and ratings."<sup>65</sup> Seems self-evident now, but at the time that was an interesting notion.

And we continue to see predictions of harm in our newer cases, in *Aereo* and in *ReDigi*. We imagine entire industries collapsing. And in fact, we have seen industries come to their knees from other fair use analysis of new technologies, particular in *Napster*<sup>66</sup> when we see, no one buys records anymore.

If you press CDs and you sold records, particularly albums, if you're thinking about it even not buying works a la carte, that's over. So predictions of harm speculate on audience viewing patterns and ratings. The good news is, no one knows how they're actually going to play out. So you do have to do that sort of futurist analysis, but you're not really going to be able to nail it down, you can only make your best argument based on the things that we've seen before.

Another prediction from *Sony* was time shifting will reduce audiences for telecast reruns. So they're talking about it in the way that reruns used to be presented. But I'll bet that another factor that played into the continued success of reruns and the zillion dollar contract for "Seinfeld" reruns, and who knows what's coming for "Two and a Half Men," and "How I Met Your Mother," and whatever the next humungous sitcom is, is that there's so many new outlets for—it's not broadcast television, it's cable television, but broadcast for television to be distributed essentially again live. It's obviously pre-recorded

programs, but they get pumped out, and you sit there, and you watch it and you sit through the ads and that's how they make their money.

That market is at least robust. It's at least alive. People are at least still spending money on it. Shows continue to cycle in and out.

I remember being a kid and "The Monkees" were in syndication. And then years later "M\*A\*S\*H" was in syndication. And now "Friends" and "Seinfeld" are in syndication, and those guys are going to give way to whatever the next hot show is that everybody wants to talk about the next day.

Time shifting without librarying would result in not a great deal of harm. So if you're an advertiser, that's not something you probably agreed with, because the function of time shifting also includes the ability to fast-forward through commercials. And what's kind of been fun in talking with friends of mine who work in that industry, is that even though we now see most people, or many people, watching television through their DVRs, a majority of the people who watch television on the DVR still watch the commercials. It's crazy as far as I'm concerned. But it's the viewing pattern, it's what people really do.

So it does go into your fair use analysis of this new technology. Well, how do people actually use it? Just because you can make this prediction of harm, doesn't mean that it's actually something that comes true.

Current measurement technology allows the Betamax audience to be reflected. I think we can all see that continued technology has allowed audience measurement to be reflected in many different ways, including with video fingerprinting. If you put a video fingerprinting box on top of your television or just a Shazam-based technology, where you can hold up your iPhone and see what song is playing, stick one of those in front of your TV, we'll know exactly what you watched, and when you watch it, and we'll report that information to whomever is going to be paying the ad rates.

Live television or movie audiences will decrease as more people watch Betamax tapes as an alternative. Betamax wasn't the only thing that was going to hurt live television movie audiences. But I think you'll also find that if it's a truly live event, like the Grammys or the Super Bowl, you'll see an increased premium on those kinds of events.

Television production by plaintiffs today is more profitable than it has ever been. I don't know that you can say that that continues to be truthful, but I do know that a lot of television production companies are continuing to make television, so it didn't die at least.

The most interesting thing to me, I thought, was that they predicated some of the logic in the *Sony* case on

the physical restrictions of the recording. So they talked to somebody and they said, "well, so and so owns approximately 100 tapes. When he bought his Betamax he intended not only to time shift, but also to build a library of cassettes," which were about the size of a sandwich for anybody who hadn't really used them, a little longer.

Maintaining a library however, proved too expensive and he is now erasing some earlier tapes and reusing them. Also, for those of you not familiar, a tape I believe would hold two to six hours of content. So a big sandwich-sized tape would hold two to six hours of content.

And, of course, now what we see is that physical limitation which contributed to the Court's decision that the use of a Betamax constituted fair use, and especially time shifting. Now, you can put a deli's worth of sandwiches on something the size of your fingernail. Does that change the analysis? It essentially obliterates the notion that we anticipate erasing tapes so that there is no library.

There is almost an accidental librarying now, and I sort of think it's the anonymity of the cloud. If you've got one million movies in your library, it's just the same as having four, because you're not going to watch all of them. You don't have that many hours left in your life.

And I'd like to close with just a quote. And oh yes, I guess when the plaintiffs asked interviewees how many cassettes were in their libraries, more than half said there were 10 or fewer. So at least the majority of folk who were collecting video cassettes at that time had a library of 10, not the hundred of the co-defendant.

And finally, as we think of the balance between protection of intellectual property and the protection of the free speech analysis, kind of, I think, that underpins fair use analysis, they both move for the purpose of the creation of new works.

And the fair use analysis, I think, and the incentivisation for the creation of new works is also extended to the new modes of distribution of new works. And so I'll be curious to see how *ReDigi* and *Aereo* come down.

And just to quote one of the great men of the twentieth century, Fred Rogers, when he testified in that case, he said, anything that allows a person to be more active in the control of his or her life in a healthy way, is important.<sup>67</sup> And so I just leave you with that thought from Fred Rogers. Thank you very much.

**DENNIS REIFF:** Now I give you the practical aspects of everything else you've been hearing. I'm an insurance broker, Dennis Reiff here in New York. And I place errors and omissions insurance, also known as producer's liability or media liability insurance.

And briefly, you know what E&O is, it's libel, slander, theft of idea, copyright infringement and so forth.



We classify it as intellectual property law or intellectual property claims, should you have a claim under your policy. And there are a number of insurance companies that will underwrite this, but their appetites are varied. And they each have their own requirements, they each have their own application, they each have their own appetite.

I'm often asked, when should I get E&O insurance? And we recommend if a producer calls us right at the beginning of his production that they at least clear the application at the beginning of their production so that if any problems pop up, they can take care of it right away before they lock down their production.

We also recommend to every producer that we talk to that they get an experienced media attorney. And that really helps them in the long run. And we recommend that they budget something for them, for the attorneys' fees, so that they don't do it at the last minute.

And then once they fill out the application that we send them and they claim to have fair use issues, we need a letter from an experienced attorney. And the one thing I can ask people out in the audience here is, please write a clear, to the point letter, that's usually aimed at an underwriter who is not an attorney, who has to make a decision on what is in the application. And once that's done, we can proceed and get you an insurance quote.

Without a clear letter with an opinion, underwriters do not reach an opinion, they need some guidance, that's where I come in. Underwriters need guidance. Without that they usually quote you either high, or they have high deductibles, or a lot of restrictions, and it's our job to talk them out of that. But again, an attorney letter is very, very important.

E&O is required by all distributors, all insurance bond companies, or feature film bond companies, documentary bond companies. And just from talking to the producer I can tell you where the problems are.

We were talking about boxing as one of our problems, it's usually any film that I get in that involves boxing I know is going to have some problems.

Anything to do with Elvis, John Wayne, there's various topics. We did for example, "The War Room," at one point, where the Clintons went around and every time they had a campaign appearance they would play a certain piece of music. They actually asked the owner of the music whether they could use it or not, and were refused, but they went and proceeded anyway under fair use. And the documentary was, this is probably 20, 30 years ago now, went through without a problem, they were never sued.

And there are problems with music. We did "Fahrenheit 911," which really went through with no problems,

but everybody perceived Michael Moore as a problem and it was very hard to get him insurance.

We also did another documentary called "Prom Night in Mississippi," where you go to a prom, and they play music at a prom. But the story was about the first integrated prom in Mississippi, black and white. And we had fair use issues with the music. And again, it went through with no problem, because we had a good attorney write a good letter.

Anything to do with film clips, or music, or art, we know it's going to be a problem, and again this is where the attorneys come in. And the clearer letter that you can write, the better it is for me to get the producer a good competitive insurance quote.

Not all companies are the same, and we shop it around. And there are very few documentaries or films that I can't get E&O insurance for.

There was one called "Pig Business," and it had to do with pig farming in Europe. And because of the UK libel laws, there were threatening letters to the producer and we could not get E&O insurance. But the documentary came out. They never sued the producer. And if you go online you'll probably see it and it's rather disgusting the way they handle pigs.

E&O insurance, even if you're right and you're sued, you're going to want the deep pocket of an insurance company to stand behind you because deductibles can be quite high. They start off at \$10,000 and go up from there. If it's at all controversial, they go way up. And you want an insurance company to back you up in case you—even if you're right, you're still going to have legal fees.

So I impress upon the producers, get your clearances right away. Find out what your problems are. Get a letter from your attorney, and let us go to work. And basically that's what E&O insurance is all about.

**TOM FERBER:** So that's the panelist presentations. I see a microphone has been set up and I'll open the floor to questions, comments, whatever you'd like to ask this panel.

**ROSEMARIE TULLY:** Thank you very much. If anyone would like to ask a question, it would be very helpful to come up to the microphone.

**JASON AYLESWORTH:** Let's say I'm a copyright owner of a song, you reach out to me saying, we'd like to get a license from you but we're going to use your song anyway. Your clients get the E&O insurance, you get the attorney's letter, the producer's film is accepted at the Tribeca Film Festival. I now want to put forth a claim and an injunction. Who fights it? Who defends it?

**DENNIS REIFF:** If you have an insurance company policy, we turn it right over—

**JASON AYLESWORTH:** No, I'm not the producer. I'm the copyright owner. I'm filing a suit against the producer of the film whose film was about to be shown at this festival, and I'm putting a claim for an injunction so it's not shown...

**DENNIS REIFF:** Well, what would happen is the producer would get a letter from you with some kind of threat and we'll turn that over to the insurance company, who then gives it to their attorneys, and they set up a file, and they answer the suit.

**JASON AYLESWORTH:** I'm trying to stop your client because he is using my song without my permission and now I'm trying to get an injunction for him to have this film shown at the festival.

**DAVID BONDY:** But you're focusing on the festival rather than the distribution—

**JASON AYLESWORTH:** The distribution. Yes.

**DAVID BONDY:** The distribution that would follow. So the usual question of who is going to defend this, who you're naming as a defendant. But as a practical matter, whomever you're naming is going to look to the production entity and its insurance. So that goes back to what Dennis says. It's ultimately going to come back to the policyholder and the insurance company.

If you're trying to stop that, it's almost more important whom you choose as your defendant, because you may not have the right defendant. Obviously, the actual distributor will be somewhere down the chain who may or may not have an interest at that early juncture.

Frequently, at film festivals, you're showing it at a film festival because you don't have a distributor yet, and you're hoping to get one. It's really the production entity who took out the policy in the first place that will be the principal defendant, and have the greatest interest in defending.

**DENNIS REIFF:** There's actually a policy for just film festivals prior to your distribution. And then if you get distribution and it goes to theatrical release or television release then we talk about that again.

**INNES SMOLANSKY:** I think I also have a follow-up also for Dennis, in case of documentaries, or reality television, or essentially any non-scripted program I understand why you would get insurance when the program is finished and you're about to enter a festival or distribution, but what actually are you putting on the application if you're doing it before when you're just starting production? Because I think that's what you said, because I'm just not sure what element, as the lawyer writing the legal opinion, what are we going to say that the program is looking into the future? Is it going to have elements that are clear, not clear, it's not scripted, it hasn't happened yet?

**DENNIS REIFF:** Yes, underwriters may offer terms, but say the following things are restricted until you tell me you've got clearances or you have an attorney letter that tells us that fair use is fair.

**INNES SMOLANSKY:** But that's the whole point, there's nothing yet.

**DENNIS REIFF:** But with a high deductible.

**INNES SMOLANSKY:** But what coverage then is there in the interim?

**DENNIS REIFF:** There is no coverage, it's just an intent to offer a policy based on certain things that you'll clear as you're going through the production process.

**ROBERT STEIN:** You're locking in a premium. You're locking in the amount of premium that you will have to pay depending on what you tell the insurer will be in the film. And then the coverage will not become effective until you have the film finished, and then the attorney is then able to prepare a letter opining that the film is safe.

**INNES SMOLANSKY:** So the whole idea is to lock a better rate?

**DENNIS REIFF:** The whole thing is to start a process. In other words, what questions will the underwriting companies ask you, so you'll have an idea of what you'll have to do as the production progresses. And you'll get a very good idea of what music you have to clear or not, or what's going to be fair use or not, and what film clips or music you're going to be using. And the underwriting company will say, we'll issue these terms and conditions, but there will be no coverage for anything you don't have a release for, or for music, etc., until you can get us something that says that it's okay to do that.

**INNES SMOLANSKY:** Okay. Thank you.

**JAY KOGAN:** Dennis, can I ask you a question just about how this analysis and the process differs from a live stage production, as E&O is not a requirement for a live stage production. It's optional. Some producers choose to get it and some don't. And how does your process change for that?

**DENNIS REIFF:** It's basically the process is the same. In fact, we use the same applications for film that we do for theatre, but we want to find out from the theatre producer, again if it's a musical, if it's original music, and what the contract is with the composers—whether they're using any film clips as background. Are they using any sets that might have been designed somewhere else. Just some logical questions as to how they're setting up the production.

For example, we're doing *Beautiful* on Broadway right now. Full of music, but they got permission to use

all the music. But we did *Avenue Q* and they used puppets. You've got to call them puppets and not Muppets, because they were afraid of getting sued by the Jim Henson estate. But again, the production has been running now for quite a long time with no problems. So it just depends.

**JAY KOGAN:** They were actually required to put a disclaimer in the program that there was no relationship with the—

**DENNIS REIFF:** But the people that designed the puppets used to work for Jim Henson.

**JAY KOGAN:** Right.

**DENNIS REIFF:** So we had to be very careful and call them puppets. But no, basically the process is the same. Again, an attorney would write a letter saying that we don't see anything in the production that could lend itself to a claim. And underwriters take that at face value.

By the way, anything you put on an E&O application, underwriters take as face value. They don't read into anything. So whatever you say they take right as literal, so.

**TOM FERBER:** We have another question?

**CAROL STEINBERG:** Sort of connecting a dot from the original speakers talking about *Cariou v. Prince*. I want to know if you have any predictions? *Cariou* seems to apply to appropriation art, but the analysis, if you try to apply it to all the other industries, all those parody cases go by the wayside, because you no longer need to comment on the subject being parodied.

For the *Jersey Boys* case, you don't need to have any sort of historical connections. You don't need any connection to the work that you're using. How do you expect or how do you think that decision, if it's upheld, will apply to other media and industries beyond appropriation art?

**DAVID BONDY:** I think in part your question in and of itself imposes what the issues are going to be in these cases going forward. In fact, by the very fact that *Cariou* was appropriation art, which is as aggressive a taking as you're going to find, it is virtually a wholesale taking with some kind of marking up or change to it. That seems to set a framework which is wildly expansive. And that's why it was so ground-shaking here in the Second Circuit.

And the *Seltzer v. Green Day* case seems to go off on a very *Cariou*-like analysis, although not as in-depth. It does appear that post-*Cariou*, at least in the Second Circuit, the



focus is going to move very much away from: "Are you truly commenting on the original" to "irrespective of how much of a commentary you're making on the original, is the use transformative in some meaningful way?" Is it using some portion of the original to provide a new message? A new artistic comment, a new idea? And that seems to be the overriding inquiry. I don't know what's

going to happen. Frankly, I wouldn't have expected *Cariou* two years ago.

**CAROL STEINBERG:** It seemed like no copyright case would be decided on a summary judgment motion anymore if you have such a broad possible task to argue that this is giving some sort of new message.

**DAVID BONDY:** Because cases like *Cariou* really are mixed questions of fact in law, you're going to see a lot of them coming up in summary judgment, which I think that was. And by the way, keep in mind, of the two-and-a-half dozen works at issue in *Cariou*, not all, I think there were five left over that had not been declared by the Second Circuit to be clearly transformative, and they were part of a remand to the Southern District.

It's a remarkable case, there's no question about it. The judge in the district court was remarkably harsh. It actually, I think, called upon the defendant to render up the works and have them destroyed. And the Second Circuit's decision with respect to 25 of them was just as remarkable for how expansive the discussion of transformative use is. I can't tell you where it's going to go from here, but it certainly has changed the inquiry, which is why there's been so much discussion about it today.

**CAROL STEINBERG:** I think something that *Cariou* might help with, the five paintings that were sent back to the district court, the question was it the third factor that seemed a little bit unclear, how much was taken. And in the five paintings the court thought too much was taken. The de minimus argument sort of swung the other way.

An interesting part about the *Cariou v. Prince* decision was also looking at the potential market for the transformative works. And there the court said well, if you're not in the same playing field, if your clients or your audiences are of difference stripes, let's say, much more expensive; if your gallery is Gagosian versus some kind of a smaller gallery in Brooklyn, then you're not competing in the same market. The appropriation artist is not usurping your market. And so you have to look at who is the target audience for the product that is being produced.



**AUDIENCE MEMBER:** Any of the panelists who want to answer. Copyright reform is being discussed. People for ages have been talking about how difficult fair use is to predict, to advise people about, and you've raised all kinds of issues. Do you think anything can be done in copyright reform that could resolve any of this? Not whether it will be, because that's a really hard question.

**ROBERT STEIN:** Doesn't copyright reform require a Congress that functions?

**AUDIENCE MEMBER:** That's why I—yes, apart from that. Let's just assume apart from Congress, is there anything that you would recommend?

**JASON BARUCH:** I have a prediction, and it's just about the idea that clinics can serve a greater value in developing contours of fair use. Often you'll find that risk averse companies, like the ones that Bob was talking about, will be able to overwhelm otherwise lawful uses of copyrighted content, because the fair use doctrines don't provide reliable enough guidance for little uses.

And I think that if we start to see copyright clinics with the law students who are coming out of school now who can't find the kinds of jobs that maybe they could have found a generation ago, maybe they'll get involved in these kinds of clinics, and maybe through that sort of ground level legal support will find smaller plaintiffs and smaller defendants better able to defend themselves. And I think that could do just as much as any Congressional reform.

**ROBERT STEIN:** I thought a lot about this when I was putting together this presentation. And one of the things I thought is possibly the courts are responding to the lengthening term of copyright. There is a move, I understand, to tack on another 20 years in 2018. I don't know how strong that is. I don't know how far along that is, but I understand it exists.

Under those circumstances where less and less enters the public domain, basically none and none in our country, if another 20 years—you know, I started practicing in 2000. There hasn't been a work in America in the U.S. that's entered the PD during my professional copyright career, and that could be extended further.

So I think courts may be trying to soften that to some extent, allowing you to use it more even though the owner will continue to own the so-called exclusive rights. I don't know. I guess.

**TOM FERBER:** Any other questions?

**ANNE ATKINSON:** Do you think—any of the panelists, do you think *Cariou* has gone too far?

**ROBERT STEIN:** I feel like I've entered Alice in Wonderland. I think it's gone way too far. And it leaves

me just flummoxed as to how to render opinions as to infringing or noninfringing. And particularly in what Jay was referring to before. The definition versus satire. Does that matter anymore.

**ANNE ATKINSON:** My question was, why the Supreme Court declined certiorari in that case, because that would have been very helpful to all of us. But given that the certiorari was denied, then yes, we're waiting for the next best thing to happen, and I guess that's Congressional interference.

**ROSEMARIE TULLY:** I want to thank the panel so much. This was enormously informative, and very interesting. I really appreciate it. Thank you.

## **AEREO: CHANGING THE FUTURE OF TELEVISION**

**PAMELA JONES:** I'd like to welcome everybody to the second panel in this afternoon's EASL CLE program. My name is Pamela Jones, and I'm Co-Chair of the Television and Radio Committee, and a founding member of EASL.

It's my pleasure today to introduce you to our panelists who are going to be discussing the battle for over-the-air TV transmissions, with the primary characters being Aereo and FilmOn, and is this disruptive technology pushing copyrights to its limits?

Our first panelist over to the far left is Howard Homonoff. Howard heads the Homonoff Media Group, a strategic media consulting firm, and is an experienced media executive and lawyer.

He's also the producer and host of "Media Reporter," a weekly cable television program which airs in New York.

Howard has served as an expert witness on the cable, broadband and digital media industries, and in proceedings before the FCC, the Copyright Royalty Board, and federal and state courts, and his prior positions include serving as Vice President and General Manager of CNBC's Strategic Ventures, where he oversaw the distribution of CNBC content on digital media platforms, as General Counsel of NBC Cable Networks, an attorney with Continental Cablevision, and as Counsel for the U.S. House of Representatives Telecommunications and Finance Subcommittee.

Next to Howard is Matthew Schruers, who has traveled from Washington D.C. today to join us. Matthew is Vice President for Law and Policy at the Computer and Communications Industry Association, where he represents and advises the Association on domestic and international policy issues, including intellectual property, competition and trade.

He's an adjunct professor at the Georgetown University Law Center and the Georgetown Graduate School program on Communication, Culture and Technology, where he teaches courses on intellectual property.

Mr. Schruers joined CCIA from Morrison and Foerster, LLP in 2005, where he practiced intellectual property, anti-trust and administrative law.

He received his J.D. from the University of Virginia School of Law, where he served on the editorial board of the *Virginia Law Review*, and received his B.A. from Duke University.

Mary Ann Zimmer maintains a broad-based entertainment law practice in New York City representing clients in all aspects of U.S. and international television, film, video and digital platform production and distribution, as well as in intellectual property, merchandising, licensing and regulatory matters.

Ms. Zimmer was General Counsel and Vice President, Business Affairs for A&E Networks, responsible for overseeing all legal, regulatory and programming business affairs activities for A&E, History Channel and A&E Home Video.

Before A&E, Ms. Zimmer was with CBS Inc. and headed the New York Business Affairs Department of its Entertainment Division, as well as Network Music Operations.

Prior to CBS, she was a member of the Labor Relations Department of American Broadcasting Companies, Inc. and a trial attorney for the NLRB.

A founding member of EASL, Ms. Zimmer currently serves as Co-Chair of its Motion Picture Committee. She received her B.A. with honors from NYU, her J.D. from Case Western Reserve University School of Law, where she was an editor of the *Law Review*, and an L.L.M. in Labor Law with honors from NYU School of Law.

Lastly, Barry Werbin, the moderator of today's panel. Barry is a partner at Herrick, Feinstein, and the Chair of the firm's Intellectual Property and Technology Practice.

He routinely handles copyright and trademark infringement matters and other litigation involving licensing disputes, publicity rights and trade secrets, as well as transactional licensing matters, software and website development agreements and online commerce issues.

Barry was immediate prior Chair of the New York City Bar Association's Copyright and Literary Property Committee from 2010 to 2013, and is a standing member of the City Bar's IP Council.

He also serves on EASL's Executive Committee, where he's Co-Chair of the Committee on Publicity, Privacy and Media, and is also a member of the Copyright Society of the USA.

He is the author of the Internet Law chapter of the American Bar Association's *2013 Legal Guide to Fashion Design*, and was just named one of New York's Intellectual Property Litigation Super Lawyers by Thompson Reuters.

Now on to the panel. Thank you.

**BARRY WERBIN:** Well, I also want to thank Pamela who has an illustrious career behind her as well, having worked for A&E Television Networks, BBC, MTV, CBS and the like. And as a member of the Planning Committee, we really appreciate all her efforts and those of everybody up here today.

We're going to do something a little different than the first panel, first because it's that bewitching hour, heavy caffeine hour where half the people start nodding out around 3:30, even with the coffee and the cookies, which we're lacking, unfortunately.

So we're going to try not lecture as much as have a dialogue. And the way this is going to work is as follows:

First, to meet the CLE requirements, which essentially is the PowerPoint that you've gotten. The only difference between the version you are going to see today, which I'm going to go through and what you have, is that the title has changed to reflect the accurate title of the program. And the PowerPoint I'm showing has been updated to reflect the Supreme Court's acceptance of the cert. petition from the Second Circuit's *Aereo* decision,<sup>68</sup> which of course is enormously significant and we'll discuss that.

The PowerPoint is going to go through a bit of a necessary history so that you understand what the dialogue is going to be about, which is essentially a question and answer session and then interaction among the panelists.

At the end of our panel discussion, if the technology works, Alki David, who is the Founder of FilmOnX, formerly known as AereoKiller, is going to participate via Skype from Los Angeles for about 15 minutes in a moderated Q&A with me. And then we're going to open it up to the audience for Q&A, and Alki David is going to stay on as well.

The presentation in the PowerPoint goes through the brief history of the so-called "Transmit Clause," which is the core issue in terms of its meaning and intent in these cases, meaning the various district court, and so far one Circuit Court, decision in the *Aereo*, and call them the *FilmOn* cases.

So what these technologies involve is roughly what you see on the screen. So you take what we call over-the-air broadcasts.

In this case, here is a picture of the Empire State Building with different bandwidths for representing different broadcast networks. And then these companies

use technology, very sophisticated to some extent. On the other hand, very unsophisticated in terms of how it's presented to the courts. But basically, they capture the signals through some individual type of antenna that's purportedly allocated to individual users. The content is buffered, stored temporarily. The format has to be converted to a digital format that can be streamed over the Internet. Copies are maintained on hard drives that are allocated for individual users. There's a streaming server that uploads the content onto the Internet where end-users can access it and also direct the system as to what programming they specifically want to watch or record in terms of remote DVR-type recording devices that are housed by the companies that are providing these services.

Let's take a step back, because it's really important to understand copyright policy and what the Founders of our country intended when the directive for Congress to enact a copyright statute was embodied in Article 1 §8 of the Constitution, which says that "The Congress shall have the Power... To promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries..."

James Madison, in the Federalist Papers, defined the policy as to be coinciding with the public good. In 1965 testimony by then copyright registrar Abraham Kaminstein, he opined that the basic purpose of copyright, again, is the public interest—to make sure that the wellsprings of creation do not dry up through lack of incentive, and to provide an alternative to the evils of an authorship dependent upon private or public patronage. It's a very strong language back in 1965.

So let's take a look at what we're going to be talking about for the rest of the afternoon here. There are several key definitions. As simple as they are, they have given rise to an incredible plethora of litigation and now to the Supreme Court accepting this issue.

We start with §106 of the Copyright Act, which imbues the copyright owners with the exclusive right to perform their copyrighted works.

A performance is defined as a work intended "to recite, render, play, dance or act it, either directly or by means of any device or process, or in the case of a motion picture or other audiovisual work, to show its images at any sequence or make the sounds accompanying it audible."

The key issue in all these cases surrounds what we call the Transmit Clause, which was added to the copyright law by virtue of the 1976 Copyright Act that didn't exist in the old 1909 Act.

And the Transmit Clause defined what a public performance is, which is at stake here, because the right to

publicly perform a work is what is the right reserved to a copyright owner under §106.

And the Transmit Clause says that a public performance is: "To perform or display a work publicly means...to transmit or otherwise communicate a performance or display of the work to a [public place] or to the public by means of any device or process," here's that phrase again, "whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places, and at the same time or at different times." So keep this language in mind as we go through our discussion today.

The term "transmit" is specifically defined in the Copyright Act to mean "to communicate [something], by any device or process, whereby images or sounds are received beyond the place from which they are sent."

A device or process, finally, is also defined very broadly as including a device or process now known or later developed. And all these definitions will come up in these cases.

So what happened before the Transmit Clause was added and why was it added? Well, before 1976 something called community antenna television sprung up. And this was because when you went to a lot of rural areas they weren't able, even with rabbit ear antennas, they still couldn't pull in the signals on their television.

So companies and industry started where literally a company would put up a big pole on top of a hill or mountain, literally run a cable down the mountain into the village below, pick up the broadcast signal from the high elevation, and retransmit it over the cable into home TV sets.

Two cases involving CATV came up before the Supreme Court. One, the *Fortnightly* case, in 1968 challenged this.<sup>69</sup> The broadcasters challenged this as to whether this was a public performance. The Supreme Court said it definitively was not a "public performance."

Another case came up in 1974, the *Teleprompter* case,<sup>70</sup> where the Supreme Court said, "irrespective of the distance from the broadcasting station, the reception and transmission of 'distant signals' by a CATV system does not constitute a 'performance' of a copyrighted work."

So what happened after the '76 Act? Well, I want to just go over a few of the seminal cases that come up time and time again.

In 2008 the Second Circuit decided what everyone refers to as the Cablevision case, *Cartoon Network v. CSC Holdings*.<sup>71</sup> And there, Cablevision, which paid for its licenses to retransmit broadcast TV, came up with an idea to provide essentially at that time, what we call now, a cloud service, a remote DVR system. So that if you, as



a cable subscriber wanted to record, instead of in your home, as in the *Sony Betamax* case, but remotely using this remote DVR system, you could tell the system through your hookup with Cablevision through your cable box what you wanted to record and when, so you can receive and watch a playback of it later on.

So this was challenged as being a violation of the Transmit Clause and being a public performance. And the Second Circuit held that the DVR remote system in this case was not a public performance, because a single unique copy of a program was used for each unique customer. The focus by the Second Circuit was on the individual transmission of a unique copy of the original work that was broadcast.

There was also a challenge for direct copying. And the direct copying claim was because a very brief buffering copy on the computer server had to be made by Cablevision before it got into the DVR server that was placed in the server that was allocated for the user. But the buffer only maintained the copy for 1.2 seconds, and without getting too far afield, the Copyright Act has what is called a fixation requirement, that in order to be protected by copyright, a work has to be fixed in some tangible form. And the Second Circuit found that 1.2 second buffering was insufficient to meet the fixation requirement.

Now, this issue is going to also come back, because while the various cases that have ruled on preliminary injunctive relief in the *Aereo* and *FilmOn* cases haven't for the most part addressed the remote storage and playback option that these services provide, it still will be an issue in these cases.

In 2011, the Central District California decided *Warner Brothers v. WTV Systems*,<sup>72</sup> involving a service called Zediva, which streamed DVD movies to subscribers on demand. A customer remotely rented a DVD which played through an assigned DVD player located at Zediva's data center.

A preliminary injunction was issued. The court found the system was an unauthorized public performance, that Zediva was clearly transmitting performances using a device or process directly under the statute, and that these transmissions were to the public.

The court also noted that it didn't matter that the customers were viewing the transmissions at different times and in different places. And unlike Cablevision and its remote DVR system, the California Court found that the defendant's customers do not produce their own unique copy of plaintiff's copyright works. Instead, the same DVD is used over and over again to transmit those performances.

In 2011, I apologize because this case was affirmed in 2012 by the Second Circuit. And just for your—you can

notate your PowerPoint, the Second Circuit cite, which affirmed the district court, is 691 F.3d, 275 Second Circuit 2012.<sup>73</sup> And the Second Circuit and the district court addressed a system by this company called iVi, which was streaming live copyrighted programs over the Internet for profit without a retransmission license or any other kind of license. And the court readily found that this type of retransmission was indeed a public performance. iVi defended the case, arguing that it was a cable system, a cable television system, but the court dispensed of that fairly readily finding it did not come within the definition of a cable system, which under the Copyright Act is entitled to obtain a compulsory license.

And the court also noted that the Copyright Office has consistently concluded that Internet retransmission services are not cable systems and do not qualify for the compulsory license.

So now we come to the two key cases we're going to talk about for the rest of today. The first is the so-called *Aereo* case, and the Second Circuit's decision in particular.

While we were preparing for this we were very lucky that on January 10th the Supreme Court accepted cert. petition that the broadcasters filed, which was rather surprising to many because there is no other Circuit Court opinion that has yet ruled on this issue, but there are a slew of amicus briefs that were filed from all sectors of the media entertainment technology economy.

Let's look at what Aereo does. So we've heard all these references to dime-sized antennas, that's actually what one of these antennas looks like, literally the size of a dime. And they're arrayed thousands and thousands of them on individual boards.

Aereo, on its website, greatly simplifies its system. As I said, these companies try to make it appear that it's fairly simple and that they're putting up individual antennas, tiny dime sized antennas in this case, allocated to every individual customer that subscribes. And the customer then essentially tells the system what over-the-air broadcast it wants to watch and when and it can watch it either live streaming, or as I mentioned before, essentially remote DVR-type storage and playback system.

In fact, this is a copy of the schematic from Aereo's patent application, a little more complicated than what it shows on its website, but essentially at a higher level mirrors one of the first slides I showed about the Empire State Building. They're pulling in these signals. They have a system of different types of servers, converting the data, buffering it, serving it up to the Internet, and then also receiving signals back from its subscribers as to exactly what they want to watch and when.

So in its decision, the Second Circuit held that each transmission to an individual user was a private perfor-

mance. It didn't matter that essentially the same original broadcast was retransmitted. The Second Circuit looked at essentially each copy that was being retransmitted for each individual user through one of these individual antennas.

It equated the Aereo system with Cablevision's DVR unique copy and one-to-one user system where copies were made "at the direction of the user," and they analogized it to a consumer essentially going out to Radio Shack or Best Buy and buying a digital antenna to pull in digital TV broadcast signals where at least you can get such a signal. And all Aereo is doing is by analogy essentially renting an antenna to each end user. The end users, the court said, exercise volitional control, because the copies and what to watch are made at each user's discretion.

And the court found that the potential audience was one person, and that you cannot aggregate users unless the same copy of a work is used for multiple transmissions.

Now, Judge Denny Chin had some strong disagreement with this. Bear in mind, Denny Chin wrote the district court opinion in *Cablevision*, which was reversed by the Second Circuit.

Denny Chin found in strong language that Aereo's platform is a "sham" and a "Rube Goldberg device," that its transmissions were very much "public performances." He said that *Cablevision* was wrongfully decided by the Second Circuit, no surprise, but even if it was correct, "Aereo is distinguishable because it owns no retransmission license," which Cablevision did of course pay for.

Aereo, he said, "fits squarely within the plain meaning of the Transmit Clause," because each user "receives a 'unique copy'" and "it still constitutes transmitting to the 'public.'"

Judge Chin also looked at the legislative history. And remember those definitions found that the Transmit Clause was intended to cover all conceivable forms and combinations of wires and wireless communication media and reach new technologies that are designed solely to exploit someone else's copyright.

Users were "paying strangers," in other words, the public. And this is no different than the old outlawed cable TV systems, which the Transmit Clause, by the way, intended to make unlawful. Again, which they were not prior to the 1976 Act.

There was a petition filed by the broadcasters before the Second Circuit to rehear the case en banc, the petition was denied by a short summary order, but Judge Chin again issued a vociferous dissent. And this time he focused even more so on the exceptional importance of the case, perhaps envisioning that the Supreme Court

ultimately would take it, or he would help assist the Supreme Court in taking it. But he talks about potential market harm in the reduction of broadcast revenues by cutting out their retransmission fees upon which broadcasters rely more and more as advertising on traditional television decreases more and more.

He also said that you have to focus not on the transmission by each antenna, but on the original broadcast work itself as the work that was intended to be covered by the Copyright Act and within the definition of the Transmit Clause.

And last he said that "Courts should not 'look under the hood' as new technologies keep emerging, but focus on the function of a device/system, and whether it is intended to transmit copyrighted performances and display them to the public."

So on the heels of this there's been a plethora of lawsuits. And we're going to shift to the *AereoKiller/FilmOn* cases in a second.

In October of 2013 two cases were filed in federal court in Utah against Aereo by two groups of broadcasters.<sup>74</sup> One of the complaints alleged that "No amount of technological gimmickry by Aereo changes the fundamental principle of copyright law that those who wish to retransmit copyrighted broadcasts may do so only with the copyright owners' authority."

However, the district court of Massachusetts on October 8, 2013 rejected an application by stations and others for a preliminary injunction against Aereo, this case is also on appeal now to the First Circuit. The district court of Massachusetts sided with the Second Circuit's analysis to deny preliminary injunctive relief, and found that Aereo's interpretation of the Transmit Clause "is a better reading" because of the—and maybe we learned this in law school, I didn't remember it—"the cannon against surplusage," which requires a court—anybody ever hear of that before? Well, you teach at Georgetown, that's not fair—which "requires this Court to give meaning to every statutory term," to return every word in a statute "if possible." And the court further said that, "while the Transmit Clause is not a model of clarity," and I think we all can agree on that, probably, "the Court finds at this juncture that Aereo presents the more plausible interpretation."

So where is Aereo today? Pretty much everywhere in the Northeast, expanding in the Southern states, Midwest and West, pretty much everywhere where it hasn't been specifically enjoined, but its copycat service FilmOn/AereoKiller have.

Just interestingly, Aereo just closed its third round of major financing for another \$35 million. This is on the heels of two prior rounds of \$30 some odd and \$20 some

odd million and about four and a half million of seed money. So we're up somewhere around \$100 million dollars in capital financing.

Barry Diller is one of the leading entrepreneurs behind the funding of Aereo as well.

So let's look at FilmOn, formerly known as AereoKiller. This is Alki David, who hopefully will be joining us.

AereoKiller, which changed its name because of a trademark infringement claim by Aereo, is now called FilmOnX, so depending on which case you have that's been cited against it, its name as a defendant has changed. But from the California case that ruled against AereoKiller, we'll discuss in a second, this is AereoKiller's chart of its similar mini technology system. Very, very similar, at least in this chart, to the Aereo system. Individual antennas, similar service set up, etc.

Central District of California 2012 issued a very strong preliminary injunction against Aereo in this case, *Fox Television v. AereoKiller/FilmOn*. Fox Television verifies BarryDriller Content Systems.<sup>75</sup>

Now, this is another back story. Alki David's got a good sense of humor, and he had first called his company BarryDriller Content Systems as a dig on Barry Diller. That was the subject to another claim by Barry Diller, and he has since changed the name of the company to FilmOnX, LLC. This is real, not making this up.

This case is on appeal to the Ninth Circuit. And when the cert. petition was pending in *Aereo*, kind of everyone felt well, the Supreme Court's probably going to wait for the Ninth Circuit to rule, because if they rule opposite the Second, that would make the Supreme Court's life a lot easier, and easily justify its acceptance of cert., but it hasn't waited, which tells you something about the significance of the issue here from both the public interest perspective and the industry perspective.

So briefly, the California court clearly found this was a public performance. And very unlike the Southern District and Second Circuit, which said it does not talk about requiring a performance of a performance, the original broadcast is the performance, and that's what's being retransmitted, not the retransmission by individual antennas. You don't look at each of those transmissions as the performance; it rejected the Southern District's unique copy doctrine from *Aereo* and *Cablevision*. It looked at the legislative history as well to support its position. It also cited to Congress's rejection of the old CATV cases by enactment of the Transmit Clause in the '76 Act.

It also cited to the public interest, that while making TV broadcast more available is in the public interest that cuts both ways, and you must bend to Congress's intent.

And lastly it found that significant irreparable harm was shown by way of how this would affect retrans-

mission fees, new programming development and the incentive for developing new programming, "advertising revenues and broadcasters' own business models to expand Internet channels."

Now called FilmOnX, they were also sued, and a decision came down September by the D.C. court. And here, the court not only sided with the California court, but issued a nationwide preliminary injunction affecting every Circuit outside the Second Circuit.

Again, some strong language here. The court also cited to the very broad definitions in the Transmit Clause, applying to the performance of display of a work by any "device or process," and that the Transmit Clause definitions broadly encompass the new technology such as those involved here.

This is an actual screen capture from a few months ago, but I went on the other day and it's still very similar. If you log onto FilmOn.com, you'll get an interface actually without you needing to subscribe or enter any user information—you can click on a menu which you see on the left here, you can look at any PowerPoint, where you'll see in New York City right now, NBC, ABC, all the major broadcasts, and it's a little slow, but if you click on it, without putting in any information or paying for anything, you can get non-HD streaming live of all these stations with maybe a few second delay because of the servers and all of the technology. Six second delay, thank you.

Nevertheless, you can watch it all for free wherever you may be located. And I assume it probably works the same, depending on where your ISP address is coming from or whatever, in other parts of the country.

Now, to close out this presentation, on January 10th of this year, the Supreme Court granted cert., and the question presented by the broadcasters that is accepted by the Court is the following, very simple or it seems simple: "Whether a company 'publicly performs' a copyrighted television program when it retransmits a broadcast of that program to thousands of paid subscribers over the Internet."<sup>76</sup> I'll leave the rest for your own casual reading.

Another fascinating development, Aereo actually filed a brief supporting the petition, which was pretty unusual, but part of its rationale for doing that is because it, as FilmOn, is getting sued all over the country; in fact, it even cited to that, it wanted to stop it and have some finality one way or another, a risk, but nevertheless, important perhaps for their investors to have some finality here as well.

It even said in its brief to the Supreme Court, "Petitioners have signaled their intention to wage a war of attrition by relitigating this issue in every market to which Aereo expands its business."



And then it also cites to what it referred to as the essential bargain that the petitioner broadcasters made to obtain for free public spectrum worth billions of dollars. And that the bargain they made was once they broadcast their programming, consumers have a right to receive and view that, by putting up antennas and viewing and copying that program for their own personal use, harking back the *Sony Betamax* decision.

So whether you view it as the sun rising or setting on this national industry, we're now going to have our panel discussion.

So as we've seen, these cases really boil down to trying to decipher Congress's intent behind really very few words in the Transmit Clause. So Matt, let me start with you.

Do you think Congress missed the boat here when it was enacting the '76 Act or did it just not have the possible foresight to see where we are today with technology and the Internet?

**MATTHEW SCHRUEERS:** I don't think it's fair to say it missed the boat, because clearly Congress intended a broad construction of technologies to be covered here, but didn't really anticipate what the words it was using were going to mean. And actually, what struck me as interesting is the Abe Kaminstein quote that you used where he sort of decried the evils of patronage.

There happened to be a copyright hearing today in the Senate—the House Judiciary Committee on Fair Use, while our fair use panel is going on, so it was very timely. And there was another hearing, the House Judiciary is doing a series of hearings where they had a bunch of tech people come up and, a lot of folks, they had somebody from Indiegogo—a lot of artists have actually championed sort of new patronage-based models for sort of distributed fundraising.

And so here we have a quote from a Register in the '60s saying how horrible this is, and I was thinking, that doesn't really sort of mesh with the reality today where we've got people testifying before Congress saying how wonderful patronage is.

And so I was sort of taking that and comparing it here. And I think there's a similarity in the sense that Congress didn't really appreciate what it would mean to perform in the sense that it does today. Most of the Copyright Act was written in the 60s, and then it sort of—it probably would have passed a lot sooner had it not been hijacked by the *Fortnightly* and *Teleprompter* cases. The reform effort started, I think, in the late 50s. All the reports are now in the Copyright Office website if you want to go back and wade through the legislative history.

So they started this process and had a sense of what it meant to perform a work. And it was sort of a 1960s sense

of perform. So when we sort of like, what did Don Draper think—perform then, right.

So the word “perform” today has a very different meaning, and we actually perform through the Internet, through cloud-related services, a lot of works to ourselves, that sort of substantiated the *Cablevision* case. And as a result, I don't think that Congress got it wrong, but they really didn't appreciate what it would mean that we could perform works privately in a way that would be facilitated by commercial intermediates.

**BARRY WERBIN:** And we'll throw it off to anyone who wants to comment. I mean, Congress did have some foresight in defining the clause and its related words by using terms like “any device or process.” In other words, “now existing and hereafter,” it's the kind of language we put in contracts and licenses, right? So it did envision there would be change, right?

**MATTHEW SCHRUEERS:** That's true, but “all works now known or later developed” are still bound by the requirement that it be to the public. And so if you put something in a storage locker, if you store your music on a remote service, and it's only available to you, and you stream that back to yourself, content that you lawfully acquired that you bought on iTunes. This is one of the great fears about the broadcasters' approach to the case.

This isn't really a case about Aereo, it is a case about what it means to perform something. And if you, making your own content available to yourself—my notes here for today are on a server somewhere wherever Dropbox hosts their stuff. They're temporarily on this computer, but they're sort of being streamed to me over the Internet, and not just me, the world, and that's a common application now. And that could be at risk if we construe performance very broadly.

**BARRY WERBIN:** So Howard, let me just ask you. Is this as simple as Aereo says, and FilmOn says? It's the same as an individual going out and buying a digital antenna, putting it up, and you're now just moving it from your house or apartment building to a third party who's just essentially just doing the same thing for you and then allowing you to record in the cloud?

**HOWARD HOMONOFF:** Well, I think despite having, as you've pointed out, what seems relatively straightforward language, we have a pretty huge variety of opinions about this. I began my early career in politics, and I was counsel to the House of Representatives Subcommittee on Telecommunications and Finance. My boss was Ed Markey who is now a U.S. Senator. And Ed, quite famously, one of the first to ever use a broadcast television actually for a Congressional race commercial when he began 1976, and his famous commercial was he sort of—there was a famous episode in which he fought with a Majority Leader of the State Senate. They literally

took his desk and threw it out in the hall out of his office, and he decided, okay, I'll make my office in the hallway to make a point. And his commercial, he stares straight at the camera, and we jokingly would call this "the Clint Eastwood shot," and where he says, "they told me that I have to move from my office to the hallway." And he looks at the camera and he says, "They can tell me where to sit, but no one tells me where to stand." And he's now a U.S. Senator, so there you are.

But what I find about this case is going back, way way into the depths of my career to pull out that one, is that it really does depend so much on where you sit and how you view this case. And I think that for most of my career I've been on both sides of it. So I've been prosecutor and defense when it comes to the production and distribution of content, but if you look at it from the perspective of someone who is creating, owning, and licensing, or distributing content, the party, which is I think one of the big distinctions between an Aereo, and an FilmOnX, and Cablevision, is that notion of Cablevision operating subject to a license. And that I think it was—it's been referenced in opinions, we'll find out what the law of the land is, but that seemed to me at least from where I sit, a really critical distinction that this isn't the same, that transmission in this case was not determined by or authorized by the copyright holder.

**BARRY WERBIN:** Right. So Mary Ann, you've had a long history representing broadcasters. What do you think about what Howard said, and is that a critical distinction between Cablevision and these services?

**MARY ANN ZIMMER:** Well, I think that it's implicit in a way in the decision. Even though the court didn't originally make a big deal about the fact that Cablevision paid, but I think if Cablevision hadn't gotten a license they would not have decided the same way.

And the reason for the Aereo case is that *Cablevision* is a very strong precedent, and that the Second Circuit really was backed into a corner and it couldn't make any other decision in this case.

And one of the things also that's interesting about the *Cablevision* case, it does refer to people as "subscribers," not as viewers per se. So there is a recognition that there was a license there because they had to subscribe to something.

And also, another fact that I think is interesting is that even *Cablevision*, I believe it was before the Second Circuit, opposed Aereo.

**HOWARD HOMONOFF:** That's because Aereo is a competitor, so it shouldn't surprise you.

**MARY ANN ZIMMER:** If it's a competitor that doesn't pay anything—

**BARRY WERBIN:** Competitor on two sides of the same issue, I'm shocked, shocked. (laughter)

**HOWARD HOMONOFF:** They sort of came in after they won their case and they're trying to slam the door behind them. Actually, Barry, I wanted to say one word.

**BARRY WERBIN:** Sure.

**HOWARD HOMONOFF:** This sort of retransmission license thing is really important, because it makes a lot of intuitive sense. You think oh, okay, maybe we can distinguish the two on the basis that *Cablevision* has its license and Aereo doesn't. But remember the issue in Aereo is about whether or not an exercise of the right is happening. This is a question about the scope of the §106 performance right.

And so Aereo is more or less saying, this isn't an exercise of the public performance right, so therefore it's not infringement. And the broadcasters are saying it is. And we're saying, the presence of a license is dispositive towards what the scope of the performance right is. I mean that's just a very sort of a peculiar thing to say. Is it some—

**BARRY WERBIN:** It's a little backwards, you're saying. In other words, if it's not a public performance then there's no—

**HOWARD HOMONOFF:** No license is required.

**BARRY WERBIN:** There's no exclusive right on the broadcasters so you don't need the license.

**HOWARD HOMONOFF:** Precisely, yes.

**MARY ANN ZIMMER:** But I think if you're looking at the '76 Act, which didn't take a long time to become enacted, and you read the pretty much straightforward language.

What *Aereo*, in terms of what the Second Circuit has said, is that somehow or other even though Congress said, "any device, process now known or later developed," somehow or other—oh whoops, Congress made this loophole because they couldn't look into the future and see something like that. And that's where I think there is a problem, say it's sort of okay to have a loophole, and I don't think that that's what the legislative history suggests at all.

**BARRY WERBIN:** But we have the Second Circuit and the District Court of Massachusetts that seems to fairly easily find that that was the legislative history, and yet we have the California district court and D.C. court finding directly the opposite.

Howard goes back to its simplicity, but there's a lot lurking underneath that. So I'll address it to anybody. How do we have such heated divergence of opinion, even

looking at Judge Chin’s dissents here, and the extent and the language in a lot of the amicus briefs also, based on really one sentence in the statute—what’s going on here? Anybody want to address that?

**MATTHEW SCHRUERS:** I’m sure we all have our take on it, but I think one of the tensions going on is between understanding the trees in this new environment and, looking at Judge Chin—uses the forest and the trees analogy. And again, where you sit, you can have a different looking forest from the next person. But I think that ideally you would have a court looking at this from a forest perspective and looking at the grander implications of particular outcomes, particular potential decisions here. But look what kind of a battle we have within the Supreme Court on how you’re supposed to interpret not just the Constitution, but statutes.

And Justice Scalia, who more or less says legislative history is a joke, there’s no point in looking at it—you only look at the language at statute. Those of us who used to write Committee Reports, and Conference Reports on Capitol Hill, it’s kind of a disturbing notion—

**HOWARD HOMONOFF:** But being fair to someone who’s also done that. Neither of us have election certificates. So maybe he’s got a reason for saying that.

**MATTHEW SCHRUERS:** Well, okay but I was only doing that subject at the authorization as an agent for—that’s sort of what an elective democracy or republic is, so it’s not a direct democracy.

Members delegate certain tasks, etc. that the public fill. So anyway, I didn’t really mean to get too far afield. I was a Political Science major, but that’s neither here nor there, but anyway.

My point is simply that we’ve got so many different ways of looking at different things that this—and maybe it’s the Court in some sense—the Supremes taking a look at this. And again, whichever way they come out, and who knows how many of us have been wrong about the Court’s coming out on things, but taking it maybe is a sense of there is a forest to be dealt with here. There are big implications if this isn’t addressed if it continues to play out.

I mean, we all tried to figure out well—all were surprised that the Court even took the case, maybe that’s part of the notion here.

**BARRY WERBIN:** So Mary Ann, do we go to the law school cannons of suppressive approach?

**MARY ANN ZIMMER:** No, actually it’s the cannons of construction, because I think if you look at how the Second Circuit interprets the Transmit Clause and *Cablevision* and *Aereo*, what happens is that it conflates or compares transmission and performance as being the same thing. And it doesn’t make any sense to read it that

way, because Congress very clearly intended—had a definitional framework for what “performance” meant and a definitional framework for what “transmission” meant. And if it was the same thing, they would have said so.

**BARRY WERBIN:** So we have some very smart judges here. I mean, is it just coincidental that *Aereo* has won two in New York and Massachusetts, and *FilmOn* has lost a few others?

**MATTHEW SCHRUERS:** Yeah, it is somewhat—initially it didn’t really seem that compelling, but now—because if *Aereo*, I think I’m correct in saying that *Aereo* has won all the motions that have been brought in the *Aereo* cases. And *FilmOn* has lost all the motions that have been brought.

So I don’t quite know how to read that. I mean it is true that *FilmOn* says “our technology is the same,” although there has not been any discovery in any of the *FilmOn* cases, there’s only been discovery in the *Aereo* cases.

Just a thought on how to read this. There’s this sort of the statutory framework, which is really sort of complicated. And then there’s the sort of the forest for the trees framework, right? Which is kind of industrial policy. And if you think about it from industrial policy, the argument is well, that really upsets the apple cart. *Aereo* upsets the apple cart. *FilmOn* upsets the apple cart. So if we look at the forest for the trees, maybe that should counsel a particular outcome.

**MARY ANN ZIMMER:** Yes, but the thing is the technical details, which is what *Aereo* is all about, or at least as the Second Circuit looks at it, trumps common sense.

And one thing to also notice, the small point though it is, when they talk about the personal antenna, it’s not dedicated to you personally. If the antenna isn’t in use and you want to get something, it’ll transfer from you to another person. And so it’s not a uniquely dedicated antenna to the extent that the one on top of your house is a uniquely dedicated antenna.

**MATTHEW SCHRUERS:** Although that is true, that multiple people will share the same hardware, but that argument applies with equal force to *Cablevision*. So that’s sort of the third framework is this analogy, right. We start with *Sony* and we say okay, home recording is okay. And then *Cablevision* says home recording at the end of a wire is okay.

**MARY ANN ZIMMER:** Still the problem is that the Copyright Act was meant to reward or protect owners of intellectual property, and ownership programs are intellectual property. And it’s ironic that it can charge the consumers for delivering the stuff to their computer, but they don’t have to license the programming from the people who actually control it, because what *Aereo* does is interfere with the broadcasters’ ability to develop



lawful markets and to control their own product. And so the loss of control for a copyright owner, I think, is a very serious situation.

**BARRY WERBIN:** But I mean there's a certain amount of loss of control. I mean again, the public unquestionably has a right in their own home, each of us, to receive over-the-air broadcast signals. No one—that's very well established. So what harm is being—if essentially that's the ultimate harm that you have to look at the end user, where is the user? We're going to talk about harm more extensively in a minute.

**HOWARD HOMONOFF:** The big distinction, and let's put aside for a moment whether it's a sufficient legal distinction, but just in terms of a business and the model is a massive difference between the owners of both the underlying copyright, the programming, as well as the broadcast through which it is, because the copyright owner licenses a broadcast network in this case or a station to broadcast, to take that intellectual property and deliver it via the airwaves. And it is an enterprise in this case, an Aereo and a FilmOnX that is taking that and then retransmitting or re-performing whatever, or again however we legally want to classify it, communicating. And remember transmit is to "communicate by any means," is in that language also.

It is as an enterprise, not simply as a—it's not a public park, nobody pays for it. It's a service, it's being provided for fees to subscribers based on the intellectual property and the transmission or the right of transmission by a broadcaster. Compared to an individual in their home who, I would argue, if that individual in the home then accumulated, whether on their hard drive or on their set top box and was able to reengineer things to resend those materials for others for a fee, you'd have a very different circumstance than somebody in their home for their own purposes simply watching a program.

And again, I think I'm focusing on what I see as a massive kind of business-practical difference. It doesn't necessarily answer the question on the legalities and the definition.

**BARRY WERBIN:** So let's look at the Supreme Court's decision to accept the case. Why do you think, and anybody who wants to answer this can, without there being a split in the Circuits, the Court did accept the case? Did it have something to do with Aereo going along and encouraging the Court to accept it, the number of amicus briefs, or just the significance of the issue for the industry and the country?

**MATTHEW SCHRUEERS:** So two thoughts on that. It is true that there's no Circuit split, although we did have two district courts going the other way.

**BARRY WERBIN:** And by the way, I should mention, I think yesterday it was announced that the D.C. Circuit,

which has the appeal from the District of Columbia on the decision we talked about, is suspending the appeal pending the Supreme Court.

Now, it may be we haven't heard from the Ninth Circuit. It may decide to do the same thing, so, which would make sense probably.

**MATTHEW SCHRUEERS:** Yes, although it wouldn't be the first time that a Circuit Court sort of decided a case pending a cert. grant in a related matter. So you could see the Ninth Circuit saying, well, we'll stake out our position on this. But we had cases—we also had cases in Utah. A Circuit split was inevitable.

So to sort of wait for that, they clearly had that argument, I mean the broadcasters, in their pocket when they were making the argument that there was disarray in the lower courts.

You know, a Circuit split doesn't have to be a sort of formalistic understanding. And then of course Aereo's, I'll call acquiescence, is quite telling. You don't often see—sometimes you'll see cross petitions for cert., that's not that uncommon. But to see a party say okay, well we want it in the lower court, but bring it on.

**BARRY WERBIN:** Now, your organization did file an amicus.

**MATTHEW SCHRUEERS:** Yes. Yes. So, I don't know if this is disclosure, but my Association's filed—Aereo is a member. Prior to Aereo's membership the Association—

**BARRY WERBIN:** Disclosure.

**MATTHEW SCHRUEERS:** Yes, has filed a number of briefs in support of Aereo, and also with a number of other entities in support of either party in the *FilmOn* cases, largely on issues going beyond television.

**BARRY WERBIN:** Which we'll discuss in a second. Mary Ann, do you think the Court can decide this whichever way it comes out without upsetting the *Cablevision* apple cart?

**MARY ANN ZIMMER:** Yes, because I think that if you read the petition for cert. closely, they only want a determination that the Second Circuit erred in the construction of the Transmit Clause. So that's a very narrow issue. They don't raise the issue of whether the Second Circuit properly construed it to, or how it should apply, rather, to remote storage DVRs. They're not asking the Court to overturn *Cablevision*, although theoretically the Court could do so.

**BARRY WERBIN:** And actually the District of Massachusetts, in its opinion, noted that this was still a significant issue that it may turn out in discovery that the Aereo system does not pass muster here. But again, as you noted earlier, Matt, the discovery hasn't commenced in these cases.

**MATTHEW SCHRUEERS:** Yes, so there was some initial discovery at the P.I. stage—

**BARRY WERBIN:** Limited, yes.

**MATTHEW SCHRUEERS:** But they did have expert testimony. And so the record as it's going to the court is sort of the record of the slide that you had up showing—

**BARRY WERBIN:** But as I recall in the Aereo district court opinion the court itself was somewhat flummoxed, and I'm just trying to understand it and even question the validity of some of the things it was hearing from the experts from Aereo's own people.

So let's talk about technological change. We go back to the Supreme Court's 1968 *Fortnightly*, that was novel radical technology in a sense in those days. And the Court actually said that the CATV systems in those cases did not perform copyrighted broadcasts in any conventional sense of the term, and that inquiry cannot be limited to ordinary meaning and legislative history for this statute, talking about the 1909 Act in 1968, was drafted long before the development of the electronic phenomena referring to television with which we deal here. We must read the statutory language of 60 years ago in light of drastic technological changes.

So we now have a '76 Act, which is over 37 years old. There's a lot of call for revamping it entirely now, considering that one of the original purposes of the Transmit Clause was to eliminate the CATV systems without licenses.

How do we deal with drastic technological change we keep experiencing? And we'll start with you.

**MARY ANN ZIMMER:** One of the questions though is, this is a change, but is it so drastic at least in terms if you're looking at the framework of the '09 Act to the '76 Act. And I think you can make an argument that the changes that we've seen are not as drastic as the *Fortnightly* case is referring.

**BARRY WERBIN:** Anybody else?

**MATTHEW SCHRUEERS:** Even if one sort of assumes for argument that it is drastic, that it sort of meets that standard, it's not really clear what that tells us, because *Fortnightly* largely punted. And so the Court has a long history of saying, well, there's huge upheaval, this is a question for the legislature.

So I don't know that—sort of making a value judgment of how—I don't want to say transformative, how transformational this is, necessarily counsels one particular outcome or the other.

**MARY ANN ZIMMER:** But Matt, one question I have—how do you resolve the meaning of how performance and the meaning of transmission in the way that

the Second Circuit did, because I think when I look at the statute they use two different words, and that talked about "any device or process now known or hereafter developed"? I don't understand how you can make transmission equal performance.

**MATTHEW SCHRUEERS:** Well, at the end, I think that the statutory construction argument comes down to what's to the public, and if the DVR at the other end of the wire is not to the public because there's unique copies, then adding an antenna onto that DVR does not make what was previously a private performance now a public performance. At least that's the sort of taking the Aereo fact—

**MARY ANN ZIMMER:** But Aereo's claiming that it should be the only one with the get out of jail free card in a certain way, because Aereo is the only one, outside of the what I would still think of as the individual antenna on your house, but otherwise, in every other respect it looks like and seems like retransmission.

**MATTHEW SCHRUEERS:** Well, I don't know if they're the only ones. Certainly, FilmOn is alleged to have the same technology. There might be a patent infringement litigation if they in fact do. But certainly all the cablecasters have commented that well, if this flies we might do this too.

So I don't know that Aereo's the only one, but maybe that's from sort of the industrial policy standpoint, that might cut in favor of the broadcasters, because a lot of people might do this.

**BARRY WERBIN:** Does the cloud computing industry have concerns? The people you've come in contact with, Matt? I don't know if you or anybody else?

**MATTHEW SCHRUEERS:** So this is actually a tech lawyer who works largely for Internet companies, and I don't do television. And broadcasting is not where I see our members most being interested. The concern here is very much about the interpretation of the performance right.

One of the greatest changes worked by the Internet is the eraser of distance and the rendering of place as irrelevant. So my notes are sort of everywhere, they're everywhere I am. And the same can be the case with one's media. And that all depends on the notion that when my content is made available to me anywhere, that that's not a public performance, all right. That has to be a private performance or all my access of my stuff will infringe.

So the construction of the performance—I should say the public performance right, in a way that subsumes a larger universe of performances that we, after *Cablevision*, thought were private, could have pretty significant consequences for a lot of things that we think of as cloud computing.

**BARRY WERBIN:** In its 1984 decision in the *Sony*, so called Betamax, case, the Supreme Court again was faced with what was the novel technology, the Betamax or the VCR. And in that context, the Court said that in cases where Congress has not plainly marked our course, we must be circumspect in construing the scope of rights created by a legislative enactment, which never contemplated such a calculus of interest.

Howard, as someone very familiar with the whole media industry, regardless of how the Supreme Court decides this, do you see Congress taking up this issue at some point in the near future?

**HOWARD HOMONOFF:** I think one of the difficulties and maybe greatest risks around this case is that it is the difficulty of getting anything to happen within Congress. We have a pretty long history of the courts and the legislature and independent agencies, sometimes on behalf of Congress, engaging in a dialogue. And courts make decisions, as in the *Fortnightly* case, right? I mean Congress steps in and says, “that’s not what we meant,” or “even if it was what we meant, it’s not what we mean anymore, and therefore for a policy reason we’re doing this.”

I think it’s frankly, no matter which way this decision comes out, is very unlikely that Congress steps in any particularly rapid fashion. This is the same Congress that—and I’ll betray my political bent here—but they couldn’t do anything about gun control after Newtown. So the notion that they’re going to step in and fix the Supreme Court decision on *Aereo* either way, I think, seems to me very unlikely.

I do think, and I’m not saying this just because Matt’s here, that the cloud computing industry participation in this, and not solely in filing an amicus brief, but if you even look at some of the press that *Aereo* is putting out about the case, it sort of links its future to the—and the implications for the cloud computing industry, and whether do I think you have to go there necessarily, no I don’t. I think there are distinctions to be made. But I think it’s fascinating to see that *Aereo* actually sort of trying to draw this bigger potential harm. The broadcasters certainly are doing that, but *Aereo* is doing the same thing.

I think it’s unfortunate, however, that I think the likelihood of it kind of getting fixed in some policy setting isn’t that great, so I think it just puts more pressure on what does the Court decide and how do the relevant actors then proceed from there.

**BARRY WERBIN:** Mary Ann, assuming Congress doesn’t act, or do you feel that maybe it’s not necessary for Congress to act, that the language is clear? As Denny Chin felt in his dissent, and some of the other courts, Transmit Clause and the intent is very clear as to what Congress intended here.

**MARY ANN ZIMMER:** I think that’s the case, because otherwise you have to read the Transmit like Congress screwed up and left the door open. And I think that—

**BARRY WERBIN:** That’s possible, isn’t it?

**MARY ANN ZIMMER:** Well, I don’t think they intentionally did it. That’s why—the other thing is, we’re talking about these unique copies. And the point has been made that if Congress intended the definition to turn on whether it’s a unique copy, it would have said so. And because the definition of copy is a material object, on which a work is fixed by any method now known or later developed, I think Congress would have said so.

**BARRY WERBIN:** So let’s talk then, this context about the public policy, which we’ve been struggling with for a couple hundred years here in copyright.

Also in *Sony*, the Supreme Court, in dealing with the time shifting technology, noted it yields societal benefits, and that there was a public interest, or it was at that time a public interest in making television broadcasting more available, but that that interest was not unlimited.

So in the *Aereo* and *FilmOn* cases, where is the public interest, and where do you find that balance that even the Founding Fathers were trying to find when they put this in the Constitution? Anybody wants to—

**HOWARD HOMONOFF:** Well, I’m going to go back to Ed Markey, where you stand depends a lot on where you sit, but why do we have a Copyright Act, right? Why do we have—copyright is in the Constitution. It’s not even a 50-year-old or a 100-year-old statute. We’re talking about a Constitutional concept here of the notion of preserving the right to control your intellectual property, and having a system of laws that ultimately protects that.

Now, that doesn’t answer the question, I fully recognize that. But I think if you do have to have to look at—and I guess I start from that perspective of that chain of ownership and control of intellectual property. And Matt referenced his notes, but of course, and taking his notes, his intellectual property, and having it, signing up with a cloud computing company or putting it on his hard drive, etc., is nevertheless someplace where he’s in his sphere of control. And if Matt has a website and he puts it up on his website, he’s now made it publicly available, it’s easy to access, it’s easy to get at. You can just hit select and copy and take that and send it someplace else. And if somebody else is doing that, certainly as part of a business enterprise, I think it raises a whole bunch of concerns for them. And what I want ultimately at the end of the day is a system where the creator is incentivized in whatever the medium may be to create a work of art that will, whether it’s notes, or whether it’s a video, or whether it’s a snapshot, whatever it may be, we want a system



ultimately that incentivizes people to create such works and to make them, yes, to make them available. To have a system where it makes sense to be able to put them into the stream of commerce without fear that you will then not be able to do it again or that you will not realize the benefits of that.

So I think that to me is the starting point. And again, I know it probably begs more rather than answers many questions, but we're talking about copyright. It seems to me the place that you've got to start.

**MATTHEW SCHRUEERS:** I concur.

**BARRY WERBIN:** They actually agree on something! That's great. Well, Matt, do you think—would this technology change the public policy? Or is it is what it is and always should be the sort of foundation focus here?

**MATTHEW SCHRUEERS:** So I don't really think that, no, the public policy remains the same. *Sony*, more recently *Grokster*, the Supreme Court repeatedly reminds us that copyright is an exercise in balancing incentive to the author with technological innovation. And sometimes it's a tough call.

The *Sony* case famously was held over from one term to the next, and records from—the Justices suggest that they quite nearly came out the other way.

It's sort of funny to think about what would the now be, the future in the '80s had the *Sony* case come out the other way. Had Stevens not managed to pick up another vote. We'd be living in a very different world.

And so I, some time ago sort of jokingly wrote a piece with a colleague titled, "Justice Stevens invented the Internet," because absent that change, we'd be in a very different place, and question whether or not we're sort of at the same inflection point around the scope of the performance right. And I don't disagree that there's a lot of anxiety about what consequences that could have, but there also was a lot of anxiety about the consequences of home video.

Jack Valenti<sup>77</sup> famously compared home video to the Boston strangler and a woman home alone, which was not only his—ridiculously insensitive, but it turned out to be wrong, right? So within 10 years home video was the movie industry's cash cow.

**MARY ANN ZIMMER:** Yes, but the Betamax case, regardless, is well established and I think that the Court's not going to readdress that, but—

**HOWARD HOMONOFF:** I was also going to say from a business perspective the difference is that Valenti, one of our more colorful participants of the public policy process, probably was accurately reflecting what a lot of people in the industry thought and turned out to be wrong. But remember the reason why it became

such a great business for Hollywood, was the decision of the people that created the films when they saw that when even films that either bombed at the box office or that never even made it to the box office, have a life in people's homes. And people paid to own VHS tapes, ultimately DVDs. And if they didn't own, they rented. And ultimately even if they didn't want the physical copy, they watched it on VOD, they leased it and were willing to pay something to watch it in another medium. But all of those were under—those are all still a continuum under the initial sort of start of the waterfall from the creator of the content, as opposed to the potential here, which is somebody outside of the system standing up and saying, I can go take this.

And again, I don't want to make my language determinative, but that without any permission in the system that something can start on a different stream. And I think that seems to me just almost a greater, potentially greater danger on that side.

**BARRY WERBIN:** But don't broadcasters, as really as a condition of their public spectrum licenses, have an obligation to use those licenses for the public interest?

**HOWARD HOMONOFF:** Absolutely. And I think it's one of the big public policy issues here, particularly that I think is implicated not just in this decision, but the entire battle over retransmission consent. And I don't know if anybody here has lived in a home when a few years ago, the first 15 minutes of the Oscars didn't show up if you lived in a Cablevision system, because Cablevision and ABC, which carries the Oscars, were battling Time Warner Cable in New York City and did not have the right to carry CBS stations, including its most popular programming for several weeks earlier last year. Those battles, and the broadcasters, are using the public spectrum to carry their programming and many are arguing that it's misusing the spectrum to be able to deny it from people that way.

On the other hand, and I sound a little like Tevya, on the other hand, the fact is that Congress gave, in 1992, granted broadcasters this right of retransmission consent. Now, whether you think—

**BARRY WERBIN:** We're talking about—it's a long war, but it's the Cable Television Consumer Protection and Competition Act.

**MATTHEW SCHRUEERS:** Of 1992—

**BARRY WERBIN:** Right.

**MATTHEW SCHRUEERS:** Which has been tweaked mostly in a regulatory fashion, not much in a legislative fashion since, but there's a very legitimate public policy point as to whether the public gets enough of a benefit from this notion of retransmission consent. And if you want to say to the broadcasters if they get free spectrum, shouldn't have a system that's subsidized and gets retrans-

mission consent, you can certainly argue that. The small problem is there is a law that says they get to do that.

So you've got to recalibrate, but you've got to recalibrate what it means to be a re-broadcaster in the public interest if you want to change that.

**MARY ANN ZIMMER:** One of the things to keep in mind, though, when we're talking about retransmission consent at the time the '92 Cable Act was enacted, all broadcasters wanted just to make sure that cable systems had to carry them, and they were happy because they were going to get even more viewers, because the cable distribution of cable systems typically enhanced the broadcasters' audience. And there are a number of reasons that that situation began to change in about 2000, and it had to do a lot with the fact that the networks were taking more compensation or paying less compensation to their local stations. And the local stations needed more money.

So the local stations decided that, you know, people are paying cable, like Disney gets almost a dollar—why don't we say that we should get the same amount or more because the cable audience almost exclusively is smaller than the typical broadcast audience?

And so the broadcasters realized that they had an opportunity to improve their finances. And interestingly, retransmission consent fees in 2012 were about \$2.4 million dollars. And that's roughly 24% of CBS's income, for example.

**BARRY WERBIN:** Can't be—a billion I think.

**MARY ANN ZIMMER:** Billion, I'm sorry. Billion. By 2018, it's going to be \$6 billion. So you can see, and that's why the Time Warner—

**BARRY WERBIN:** Well, I think there are a lot of numbers thrown out. The NFL and MLB, Major League Baseball, filed an amicus to support the petition to the Supreme Court. And in their brief they said last year the combined retransmission fee is worth \$300 million, of which one-third of that is allocated to sports programming, which I think we all agree, that's where all the tremendous value is here.

But let's talk about retransmission fees, because they are—whatever the number is, a billion, \$300 million, they're enormous. Has the value of those fees really trumped the public interest here? Go ahead.

**MATTHEW SCHRUEERS:** I've taken to polling students about how many of them have cable subscriptions. And I find every year that gets smaller. And then when you ask them why they have cable subscriptions, it's almost invariably because of sports. So sports is the only thing that's really keeping people on cable. And cable is the only thing that's really keeping up the, I think—well, cable is making a substantial contribution to broadcasters.

So this—I think the sports brief says a lot about what's really going on here. Although high minded arguments about authors' rights and the public performance, this is really about retrans fees.

The only thing again, this is that over the top sort of broadcasting argument to an extent, and digital versus traditional media. The thing I point out, though is, that we're still in a world where while technological change is there, the business realities today are \$70 billion of media that's spent on broadcasting and cable networks. That's not all—sports is huge, it's not all sports.

The Grammys the other night had 28.5 million people when they had 200 different channels to watch, thousands, if not millions, of different websites to be on, a variety of social media to participate in, Facebook, etc., and talking, and using media for communications. 28.5 million people at one time were watching one program on one network for which advertisers paid a tremendous amount of money for the privilege of having those commercials because it was live. Live is similar to sports, but even in a DVR'd environment, the fact is that there is a huge amount of consumption of video, what we'd still call linear video content.

Nielsen last year said that the average American watches 150 hours of television every month. I realize everybody in this room is probably thinking "I watch like two hours a month"; if that's all true, there's like a bunch of people in the Midwest watching 28 hours a day of TV. But the reality is there's a tremendous amount of consumption of traditional media in the mass market, there are a lot of huge amount of changes, transformative changes going on around all of that, but at its heart, there is a tremendous business eco-system that content creators, distributors, advertisers, etc., participate in.

**HOWARD HOMONOFF:** So if the Supreme Court affirms the Second Circuit and this essentially business model is affirmed by the other Circuits as a result, is there a different business model that the broadcasters might go to?

We already see—we're in the midst of a huge shift to Internet TV. It was just announced that Verizon is purchasing the Intel TV System. We have tremendous growth in platforms like Netflix, Hulu, and Amazon. Isn't this where the industry and the broadcast industry is going anyway?

**MARY ANN ZIMMER:** Right now when you think about it, or what's going on when you talk about Hulu—Hulu is a joint venture of NBC, Fox, and Disney/ABC. Netflix, the same. And so I see the industry itself is open to—but it still wants to control its own intellectual property. So they're doing stuff to use all the new technologies, but they want to be able to control all their own program catalogs.

**MATTHEW SCHRUERS:** I think it's certainly true that increasingly the industry is moving in a direction away from the traditional cable bundle. And a generation from now, the notion of the cable package will be gone and probably regarded as quaint. But how exactly that happens is certainly up for grabs.

And I certainly think the point about the salience of real time events because of new media, social media, emerging technologies, making them a much more communal activity, means that there's always going to be a demand for broadcast content. Indeed I think it's a greater broadcast demand for the content. Advertising rates will probably go up.

The notion that the whole broadcast industry is going to fall apart if retrans fees were gone—we started a broadcast industry without retrans fees. And it's true that that's sort of become the prime revenue stream in many cases.

**MARY ANN ZIMMER:** Well, I'd say 20%, not the prime revenue stream for broadcasters. I mean, CBS, I think is actually 19% of the total CBS income is from retrans fees.

**BARRY WERBIN:** So what other harm other than retrans fees—what other potential harm do you foresee here? I know it's been briefed a lot. Howard, you want to?

**HOWARD HOMONOFF:** The reason that broadcasters have gone from seeking retransmission consent fees is because in a world of more and more choice it's more and more difficult to generate the kinds of audiences, and therefore, the kinds of advertising dollars.

I pointed to the example of the Grammys, terrific huge audience. Thursday nights on NBC, which when I worked at NBC, anybody remember "Must See TV"? It's hardly must see TV now. And I don't mean—I'm not making judgment about its quality, but the audience on it for NBC for Thursday night is a tiny fraction of what it used to be 20 years ago.

**MARY ANN ZIMMER:** It wasn't unusual 20 years ago or 30 years ago for a hit program to have a 40 share.

**HOWARD HOMONOFF:** Yes, so and today—so the model that really works around television that has existed now most successfully for 30-plus years is a dual revenue stream.

Initially, broadcasters were perfectly happy to just take advertising, because the best job in the world was to sell advertising for a television network. Absolutely the best job in the world, because you just sat there and waited for the phone to ring. And what you have had over the last 30 years is the need for two revenue streams—the subscribers paying part of the bill and the advertisers paying part of the bill.

If you take away one of the legs of the stool, and the subscribers don't have to pay for something, and if that is

the answer from a sort of technological perspective, that for broadcast television you should not have to pay anything such as retransmission consent, because there's this other opportunity. You have to force the people that make the programming to develop other means of supporting themselves in different combinations.

**MARY ANN ZIMMER:** Yes. And that's why there's been real discussion about networks as we know them migrating to cable. And for that matter, I think a lot of people believe let things continue as they would pursuant to *Aereo*, that all sporting events will go to cable.

**BARRY WERBIN:** Well, will Congress step—and again, if the Supreme Court supports this platform and affirms, will Congress do something? The whole public spectrum licensing scheme has a public interest factor to it. Will Congress do something and say you can't just terminate over-the-air broadcast TV? Because there's still plenty of people, senior citizens, like rural neighborhoods, where people don't subscribe to cable. They can't get this, that and the other kind of service.

**MATTHEW SCHRUERS:** There's the vast majority of households have cable, but there's still a significant portion that doesn't. And that particularly happens to focus in certain communities too. So it has more distributional impact some places than others.

**MARY ANN ZIMMER:** But if a broadcaster as we know it now gave it—

**MATTHEW SCHRUERS:** License—

**MARY ANN ZIMMER:** No, not its license, its airways—

**MATTHEW SCHRUERS:** Spectrum.

**MARY ANN ZIMMER:** Gave its spectrum back to the FCC and said, "Here, do with it whatever you want," I don't think there's any prohibition against a network doing that.

**MATTHEW SCHRUERS:** No, and in fact I think a lot of people—so when this all started to break, the broadcasters started to say, "well, we might move to cable." And at least some folks I know in Washington said, "great, we could use those airways," right? We have a huge spectrum crunch in this country. And there's a lot of other applications we could put airways to.

If the notion is well, we could just as easily do this on a cable channel, I think there's a lot of people—I'm not taking this position, but there's a lot of people who think that that would be—

**HOWARD HOMONOFF:** I think that it's probably a bit—I would suspect unless forced to—unless the decision goes against the broadcasters, to me, I view it as an empty threat. The fact is there are roughly 117 million television households in the country. Roughly 104, 100



to 104 that have multi-channel video. That is a big delta when you talk about an audience.

So if that CBS broadcast that had 28.5 million watching it, which over 117 million homes is only available, even if the most widely distributed cable network you can possibly have is a little over 100, that's a big chunk. And again, it's a loss on the margin.

**BARRY WERBIN:** How many consumers do you think actually will ditch cable to go with these services like Aereo and FilmOn, which have a very limited number of station offerings? And Aereo has been extremely guarded in not releasing actual data. Is it really a threat?

**MATTHEW SCHRUEERS:** If I'm a broadcaster, the thing I'd be more afraid of, much more afraid of, is not Aereo, which could be the canary in the coal mine, tip of the sword, whatever analogy you want to use. But if that decision comes down and if I'm a cable operator or a satellite company, you go, "Wait a minute, why am I paying retransmission consent fees? Why am I going through this really expensive process if it's this public good that people should be able to get for free?" I'll send people to Aereo or I'll develop my own Aereo-type of—now again, there may be people who think that's a good outcome. I'm just saying that if you're the broadcaster, the biggest fear is—I don't think it's just that Aereo takes over the world, I think it's that everybody else who is right now a much more critical part of the broadcasting ecosystem says, "Why should I be?" And then you really do have a world probably where it makes sense for a broadcaster to say, I'm even with losing 17 million subscribers, I'm out of broadcasting.

**MARY ANN ZIMMER:** One of the things that the broadcasters, certainly the points they've made is, that there is real harm that can happen over a period of time, whether less advertising money, because they're not delivering as many eyeballs, and it's harder to measure them, and once the horse is out of the barn, it's hard to get the horse back in.

So I think that once the process of lower measured ratings would take place, by the time it really got big it would be—you'd have a serious problem, I think in the broadcasters' ability to continue to be viable.

**BARRY WERBIN:** Well, should the broadcasters maybe take a lesson from what happened in the music industry where for years and years we had battle after battle, going after everything from Limewire to mothers and students? Should the broadcasters be a little more proactive and maybe sit down with disruptive technologies and try to work out a compromise?

**MARY ANN ZIMMER:** That's what I think they've been doing in terms of TV everywhere and Hulu and all of their other activities, to be online as well.

**MATTHEW SCHRUEERS:** Right, that's certainly the case. I think a lot of people have learned from the recording industry experience that the "Just Say No" approach didn't work.

To some extent, honestly probably the gaming industry is the best. Video gaming has very rapidly changed to embrace cloud and networks based services. Television delivery with things like HBO To Go and On Demand is sort of there, but is still not designed in a way that is attractive to cord cutters, because generally speaking, all this functionality comes only once you pay for the subscription that you don't want.

**MARY ANN ZIMMER:** But one of the things that's interesting about cord cutting, though from a couple of studies that I've seen, is that indeed, a lot of young people are using Netflix and they're not subscribing to cable. However, once they start making more money, because cable's gotten expensive, all of a sudden, they're 30 years old and making money and they sign up for cable. And that's been demonstrated.

**HOWARD HOMONOFF:** Yes, I would say, and this is anecdotal, I can't point to an econometric study of this, but anybody who knows anybody who knows perhaps someone who is in their teens or 20s who uses their parents' password to use HBO Go? So at some point, what is it that those young people are watching? They're watching "linear" programming, sitcoms, comedies, dramas, movies, events, documentaries, etc., provided by a traditional old fashioned motion picture and television and production studio.

So again, I think the models evolved, but the notion that sort of the cord cutters too, in fact, I think if you look at the music business, I think they're learning from the television business, not the reverse. The newest models that are beginning that really hold the hope for the future of the music business, if you ask the people in the music business, are the subscription services.

So it's this notion that what didn't work in music was the album, right. The album or the disc was the consumer saw when they had a chance to get out of that, that's a lousy deal. I only like two songs—why do I have to spend \$15.99 to buy 12 songs, I only like two of them? And we've gone through an evolution.

There is iTunes, of course, which began the revolution, but now where we really are, and for the people that are creating the content, what they see as their future is pay \$9.99 a month and be a subscriber to Spotify, or Pandora without commercials, or Slacker, or Rhapsody, whatever it may be, and these are very small numbers now, tiny compared to the people that subscribe to cable television. But it's a very interesting development in the music business.

**BARRY WERBIN:** Folks, we have to get Alki David on. Ten seconds anybody? We do have a Q & A at the end.

**MATTHEW SCHRUEERS:** All I want to say is, I am always wary when somebody tells me that Millennials are going to consume things the same way Boomers have.

**MARY ANN ZIMMER:** Didn't say that, but it turns out that once they have more money, I mean because it's—

**HOWARD HOMONOFF:** We're not going to be here for them to use our passwords at some point. So I would say that.

**BARRY WERBIN:** All right, let's see if this works. Alki, how are you? Welcome. Let me just—can you see us?

**ALKI DAVID:** Hi Barry.

**BARRY WERBIN:** We really appreciate your participation. We did this once before with Alki a few months ago, but something significant has happened of course since, Alki, and that is the Supreme Court, as you know, has accepted the appeal on the Second Circuit's *Aereo* case. If the Supreme Court reverses the Second Circuit, is that the end of your business model?

**ALKI DAVID:** No. Our business relies less than 3% on free to air television. Most of our business relies on content that we've licensed and aggregated, and the whole social video part of the platform as well as the solutions businesses that we offer to third parties for providing over the top services. So it's really irrelevant to us from a business standpoint. But from the point of view of being a vanguard of the B to B business, it's important.

**BARRY WERBIN:** But if it's only a tiny 3%, why are the broadcasters fighting you so hard?

**ALKI DAVID:** Well, I mean the ramifications from the point of view of what it means to the old Nielsen scam is huge. The entire television industry as we know it relies, or certainly the major broadcasters and the major channels rely, on Nielsen rating systems to sort of fund their businesses. Without that advertisers don't have a currency, right? And that's what's going to get challenged ultimately by transparent analytics.

**BARRY WERBIN:** Yesterday, your company FilmOn moved to intervene in the *Aereo* Supreme Court case. What is your primary argument to the Supreme Court?

**ALKI DAVID:** Well, we haven't finished all of our submissions. We're also going to submit that we want to be heard separately. We're going to submit that probably tomorrow. It takes a couple of days to process, because they first have to accept the application, then the application has to be made, and then they have to decide whether they want to hear us or hear us separately, because we are fundamentally different in the sense of we offer

the free-to-ad television for free, as opposed to charge a subscription fee, which *Aereo* does.

**BARRY WERBIN:** But don't you charge a fee to receive HD transmissions from FilmOn?

**ALKI DAVID:** We do, but that is a more of a function of the DVR and the high bandwidth services. To watch standard definition signals, it's entirely free. And the quality of that standard signal is the same as the *Aereo*'s basic offering.

**BARRY WERBIN:** So what motivated you to pump tons of capital into a business model that essentially hinged on a legal interpretation of one sentence in this Transmit Clause under the Copyright Act?

**ALKI DAVID:** Look, Barry, it's not one sentence. The reality of it is that broadcasters get their license to be broadcasters and to have the spectrum that they have on the basis that they offer a free public service. The argument is far more complicated than the networks would have you think.

The levels of truth have been completely obscured, or the facts have been obscured, should I say, because these facts are based on principles of community service. They're based on the spectrum being owned by the people, not by the networks, and these are things that are forgotten. Organizations like Electronic Frontier Foundation and others like them make that very clear. And the Court doesn't really hear that. They do in amicus briefs but not as evidence or as extrapolated argument, right?

**BARRY WERBIN:** How do you respond to strong comments such as those that Judge Denny Chin made in the *Aereo* case and his dissents where he referred to yours and the *Aereo* kinds of systems as being "shams," or "Rube Goldberg" devices, just to avoid liability?

**ALKI DAVID:** I mean, like any new technology is going to require a great deal of thinking and application to understand.

I would say that Judge Chin is like many other judges that we've certainly come across, have been predisposed to having their opinions already—their minds already made up before even going into the courtroom.

To call a technology a "Rube Goldberg" or whatever it was that he called it, is not really talking into account that it's a technology that's a legal technology. It's not a loophole, it's legal, and to say that it's a loophole is to really denigrate the First Amendment, which is the rights to the inventor. I think the words are—the word used is inventor. And you must take that into consideration.

When VHS first appeared, people were up in arms. When satellite first appeared, people were up in arms. Eventually, everybody learned to cooperate and work with each other. But a fundamental difference with all of

this is that transparency of viewing statistics is now out of the box.

When you've got these viewing statistics held within the box of say, Dish, or any of the interactive types of networks, that can be contained, particularly when it's an old-school cable system.

So my point is that it's fear of technology and also it's lower court judges are—I was talking to a judge quite recently from South Carolina and he said, being a judge is just an opinion, and that opinion is politically motivated for the most part. These judges are political appointees, right?

**BARRY WERBIN:** Do you think services like yours and Aereo's will inevitably, if they're not already, push the broadcast industry into aggressively rolling out their own Internet delivery systems?

**ALKI DAVID:** They already are—certainly CBS and CBS Interactive have made an attempt to, in partnership with all the majors except FOX, to roll out a torrent-based distribution system, which somewhat backfired because of the piracy and the pornography that came with it. But they're still trying.

TV.com, or CNET, or NBC, they all have their own very developed online platforms. I think it's just old school, new school, one hand doesn't know what the other is doing, that whole—but I mean, there are a lot of people within each organization, each major organization which embrace the new frontiers of television distribution. And there are the older ones who don't want to embrace it, or the older thinking ones that don't want to embrace it, because it means a change in business model.

**BARRY WERBIN:** So let me ask you, if a broadcaster came to you today to sit down and try to negotiate a fair license for what FilmOn is doing, would you sit down?

**ALKI DAVID:** Without a doubt. We've always—you know, from 2010, when we first got into a fight with the networks, we went in asking to pay retrans fees. And we've been beaten so many times by unfair play, by corruption, by a whole host of things that have been done to me personally, and to the company, a lot of that is from individuals as opposed to the organization.

So absolutely. To answer you, absolutely, but only what is fair. You know, I was in Las Vegas recently, I did the Keynote speech at the TelkomVision, which is for the small and medium sized multisystem operators, you know, the telephone, Internet and TV. And the guy that was hosting the panel said, who here out of the three or four hundred men and woman who are representing all these companies, said who here is making money from television? And how many hands do you think went up, Barry? Not a single hand went up out of all of the small and medium cable operators, nobody is making money

from television. It's a loss leader for everything else, and even that has gotten even more—so when you lose five, 10, 15% off your bottom line, you're out of your business. All these guys are losing 50, 60, 70% off their bottom line.

So it's more than just about Aereo and FilmOn, it's about a whole industry that's imploding for many reasons, mostly because of hikes in retrans fees and done in such a way that you have to bundle into all this other stuff, right.

**BARRY WERBIN:** What kind of consumer demand are you seeing for your services and perhaps for Aereo as well?

**ALKI DAVID:** I can't really speak for Aereo. I think we probably serve different customers, because our main audience is made up of males between 18 and 40. And the average age of a television audience or network television audience is 50-plus.

So we—you know, the network television—I'll tell you what is interesting, though, is the independent television broadcasters. We are actually going to be rolling out a new technology within the next week. We'll be making an announcement about a new technology that sits on top of the micro-antenna technology, which will give independent broadcasters a whole new world of distribution worldwide based on what we're doing. And this will take the micro-antenna technology to a whole new dimension.

**BARRY WERBIN:** Let me ask, and the audience doesn't know this, but in 2012 you joined with a group of songwriters in suing CBS Interactive and CNET in California for distributing LimeWire and other filesharing software under a theory of contributory infringement. While you argued that CBS and CNET were knowingly distributing software to the public that enabled infringement of copyrighted content, what are you doing now that's different?

**ALKI DAVID:** Well, remember that what we are doing is we're not tampering with—there are a number of layers to my answer, but to answer what I think you want to hear first is this, that we don't tamper with content. We don't take out the advertising. All we do is offer something that is already freely available.

You know, you can't steal—I've said this before, you cannot steal something that is given away for free. And this is freely available in the public airways by the mandate of Congress, right?

We're not taking Bravo, or NFL Network, or any other pay, or privately held content. We're just offering in the same way as a TV manufacturer has a TV tuner available on their devices, and distributes them worldwide. We have tuners built in and available in our network.

**BARRY WERBIN:** And so you obviously feel that what FilmOn is doing in this day and age is fair and



consistent with I guess Congress's view about copyright's place in serving the public interest?

**ALKI DAVID:** Yes, of course I believe it's fair and bone fide, and so on. But the reason why I'm so stubborn about staying in this is because it's necessary. It's absolutely necessary that free to air television is made available to our consumer, our audience, but the consumer at large to every individual out there must have—I'll tell you something very interesting. There is a writer who has always written very negatively about FilmOn who was in Washington D.C. during the shootings. And I was on the phone to him at that moment in time, and we were discussing, and then he suddenly said, oh my God, people are shooting. And I set up for him a channel there and then that he could watch his local FOX news on his mobile phone so he could know what was happening, because there was no other way for him to—this is a very extreme example, but there are so many applications of it.

During the New York storms, we had many emails sent to us thanking us for the service being made freely available so that people—these are very emergency-based examples, but there are so many different applications that you can conceive of.

The freedom of information and public information and public services have to be made available, particularly at a time when people spend more time watching connected devices than they are television.

**BARRY WERBIN:** Well, I assume that you intend to go to the Supreme Court argument?

**ALKI DAVID:** Oh yes. As I've said, we've already filed for our own argument, but I'll be there for the argument for sure.

**BARRY WERBIN:** You'll have to give us a follow-up report from your perspective. We're going to have to turn to audience Q & A. So first I want to really thank you for your participation.

**ALKI DAVID:** Sure.

**BARRY WERBIN:** So with that, if anybody has questions, please step up to the mic. Pamela.

**PAMELA JONES:** Hi, I have a question. Yes. It has to do with there's been no reference to §119 or §111 under the Copyright Act, which provides for copyright royalties for retransmission to the copyright owners, which I would like to hear whether that offers a potential structure and framework to address the concerns of the copyright owners, and that perhaps coupled with the retrans fees paid to the networks could provide a structure for the integration of new technology while preserving our prior cases?

**ALKI DAVID:** Yes, I think so. I understand the question to be basically—what about retrans fees?

**BARRY WERBIN:** Well, in the context of payments going to copyright owners and not the networks.

**ALKI DAVID:** Oh yes. Well, look I mean our whole platform is built—I mean, I originally started FilmOn because I was fed up of getting ripped off by film distributors and I was creating a platform to distribute films B to B, and make the collections ourselves. And our whole back end—all of our vendors, all of our distribution partners, all of our affiliates all get transparent accountancy in real time of everything that is viewed, and every ad that's served, every subscription that is made, and they get their fair share of it, their agreed share on it.

And so to answer you, absolutely. If the networks were to say, or if the copyright holders, because for the most part what the networks are distributing is not their copyright. If they were to come to us, and they have many times, I mean, if you look at the FilmOn platform you'll see many channels that are available on cable either on the pay section of FilmOn or, for most of the content is free, in the free section of FilmOn.

We absolutely pay our copyright owner partners, which we call vendors, a very generous share of the revenues, as well as our distribution partners.

So yes, absolutely. The model isn't necessarily the traditional retrans model, it's based on the amount of content viewed and time by audiences. And we also do, in some cases, pay the traditional base agreed retrans fee, but this is only for some of our anchor partners.

**BARRY WERBIN:** All right. Some of our panelists want to chime in on this. Matt.

**MATTHEW SCHRUEERS:** All I was going to say is, it's not like our compulsory licenses and the Copyright Act are open to all comers, that it's a free market that anyone can show up, pay the money, and launch a service, right.

All the compulsory licenses are these arduous painful to get through even for a lawyer, regulatory apparatuses, that protect particular constituents who showed up at the time. If you were at the table, you got access. If you weren't at the table, you're not on the menu. And the result is, is that if you're not one of those guys in most cases, you can't qualify for these.

So iVi showed up—we were talking about iVi earlier, they showed up and said, "we'd like to pay," and they were told "no."

**ALKI DAVID:** As did we back in 2010. It was iVi and FilmOn. We recognized what iVi was doing by breaking up the DMA business, the designated market business, and we jumped in and said, we can do the same thing, we can also do it on mobile, because we had been offering content, different content that we had licensed since 2006

in the U.S. And we jumped in and we said, we'll do the same, we'll pay retrans fees.

And the Copyright Act, §111, which was the argument at the time, was any pay system that has subscribers, over 50 subscribers automatically becomes a cable system. And the whole argument at the time was whether FilmOn and iVi were cable systems or not. And Judge Naomi Reice Buchwald said that we were not a cable system because we didn't have cables—if she would come to our data center she'd see all the kilometers of cable that we have—that was the only reason why she said that we were not a cable system, because we didn't have cables running directly to the consumer, but our argument was we do have cables running directly to the consumer.

Organizations such as Verizon Fios, AT&T U-verse, they all work on exactly the same principle. They do not own the cables that are delivered to the end user.

Even today, cable companies are using the same methods we use, but we were not recognized as a cable system then, that was the reason why we were estranged at the time.

**BARRY WERBIN:** But Alki, I'll say that I think every court that's addressed Internet delivery of content has ruled where this issue has come up that Internet delivery is not a cable system. I don't think we have that kind of dissent among the courts here.

**ALKI DAVID:** Well, why then do so many IP legal IPTV systems exist that deliver to a device, a specific device, it's not based on the actual cable run, it's based on the device? If there are some 30 or 40 businesses out there that offer IPTV-based delivery for their cable services, the only difference with us is that we were offering it in a browser technology. But the argument was made that we didn't own the cable, the physical cable, so it makes no sense. There is no real understanding of the technologies in question.

When a federal judge makes a decision on technology that they have no real understanding or have spent very little time to understand, that's problematic when you're dealing with a technology-based issue.

**BARRY WERBIN:** Alki, we're going to have wrap it up. Any final word from anybody up here? Okay, no more questions.

Well, we want to thank you. I want to especially extend a tremendous gratitude to Howard, Matt, Mary Ann and Alki for participating.

And for those of you are coming to the EASL reception, we look forward to hanging out and having a good time.

Alki, thank you so much, and good luck.

**ALKI DAVID:** Thank you so much.

## Endnotes

1. See p. 37.
2. See p. 65.
3. *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013).
4. The Copyright Law of the United States, 17 U.S.C.
5. *Folsom v. Marsh*, 9 F.Cas. 342 (C.C.D. Mass. 1941) (No. 4901).
6. *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541 (2d Cir. 1964).
7. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985).
8. *Campbell v. Acuff-Rose Music*, 510 U.S. 569 (1994).
9. *Emerson v. Davies*, 8 F.Cas. 615, 619 (No. 4,436) (CCD Mass. 1845).
10. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903).
11. *Greenfield v. Pankey*, filed Dec. 20, 2013, S.D.N.Y.
12. Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105 (1990).
13. In March, the parties settled for undisclosed terms.
14. *Supra* note 3.
15. *Id.*
16. *Supra* note 12.
17. *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992).
18. *Liebovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1997).
19. *Mattel, Inc. v. Pitt*, 229 F. Supp. 2d 315 (S.D.N.Y. 2002), *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792 (9th Cir. 2003).
20. *Blanch v. Koons*, 467 F.3d 244 (2d Cir. 2006).
21. *Gaylord v. U.S.*, 595 F.3d 1364 (2010).
22. *Morris v. Guetta*, 2013 WL 440127.
23. *Seltzer v. Green Day*, 11-56573 (9th Cir. Aug. 7, 2013).
24. The parties settled.
25. Bresler, Judith, *Begged, Borrowed or Stolen: Whose Art is It, Anyway—An Alternative Solution of Fine Art Licensing*. J. Copyright Soc'y USA 50 (2002): 15.
26. *Supra* note 8.
27. *Swatch Group v. Bloomberg*, Docket No. 12-2412-cv (L) (2d Cir. 2014).
28. *Supra* note 8.
29. *Dr. Suess Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997).
30. *Supra* note 3.
31. *Authors Guild, Inc. v. Google Inc.*, 2013 U.S. Dist. LEXIS 162198 (S.D.N.Y. Nov. 14, 2013).
32. *The Authors Guild, Inc., et al. v. Hathitrust, et al.*, 902 F. Supp. 2d 445 (S.D.N.Y. 2012).
33. *Monster Communications, Inc. v. Turner Broadcasting System, Inc.*, 935 F. Supp. 490 (S.D.N.Y. 1996).
34. *Hofheinz v. A&E Television Networks*, 146 F. Supp. 2d 442 (S.D.N.Y. 2001), *aff'd w/o opinion*, No. 12-1501, 2013 U.S. LEXIS 5502 (U.S. Oct. 7, 2013).
35. *BillGraham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir. 2006).
36. *SOFA Entertainment v. Dodger Products*, 709 F.3d 1273 (9th Cir. 2013).
37. *Elvis Presley Enters., Inc. v. Passport Video*, 347 F.3d 622 (9th Cir. 2003).
38. *Elsmere Music, Inc v. National Broadcasting Company, Inc.*, 482 F. Supp. 741 (S.D.N.Y. 1980), *aff'd*, 623 F.2d 252 (2d Cir. 1980).

39. *Brownmark Films, LLC v. Comedy Partners*, 682 F.3d 687 (7th Cir. 2012).
40. *MCA, Inc. v. Wilson*, 677 F.2d 180 (2d Cir. 1981).
41. *Supra* note 8.
42. *Amsinck v. Columbia Pictures*, 862 F. Supp. 1044 (S.D.N.Y. 1994).
43. *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70 (2d Cir. 1997).
44. *Sandoval v. New Line Cinema*, 147 F.3d 215 (2d Cir. 1998).
45. *Seltzer v. Green Day, Inc.*, 11-56573 (9th Cir. Aug. 7, 2013).
46. *Metro-Goldwyn-Mayer, Inc. v. Showcase Atlanta Cooperative Productions, Inc.*, 479 F. Supp. 351 (N.D. Ga. 1979).
47. *Bourne Co. v. Twentieth Century Fox Film Corporation, et al.*, 602 F. Supp. 2d 499 (2009).
48. *Supra* note 35.
49. *Capitol Records, Inc. v. Naxos of America, Inc.*, 372 F.3d 471 (2004).
50. *Grand Upright Music Limited v. Warner Brothers Records, Inc., et al.*, 780 F. Supp. 182 (1991).
51. *Bridgeport Music v. Dimension Films*, 410 F.3d 792 (2005).
52. "I heard that if I change one note out of every five, my work won't infringe the original. Is this true?"
53. *Supra* note 46.
54. *VMG Salsoul, LLC v. Madonna Louise Ciccone, et al.*, CV 12-05967 BRO (CWx), Nov. 18, 2013.
55. *WNET v. Aereo, Inc.*, 712 F.3d 676 (2d Cir. 2013), *Community Television of Utah, LLC v. Aereo, Inc.* (Complaint filed Oct. 7, 2013, D. Utah), *Nexstar Broad. v. Aereo, Inc.* (D. Utah filed Oct. 24, 2013), *Hearst Stations Inc. v. Aereo, Inc.*, 213 WL 5604284 (D. Mass. Oct. 8, 2013), on appeal to 1st Circuit, *Aereo En Banc* petition denied (Summary Order), 722 F.3d 500 (2d Cir. 2013).
56. *The Cartoon Network LP, LLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008).
57. *Capitol Records, LLC. v. ReDIGI Inc.*, 934 F. Supp. 2d 640 (2013).
58. *Perfect 10 v. Google, Inc., et al.*, 416 F. Supp. 2d 828 (C.D. Cal. 2006).
59. *Supra* note 3.
60. *Paramount Pictures Corp. v. Carol Publishing Group*, 97 Civ. 8500, 1998 WL 357337, at \*9 (S.D.N.Y. June 1, 1998).
61. *Supra* note 55.
62. *Lenz v. Universal Music Corp.*, 2013 WL 271673 (N.D. Cal. Jan. 24, 2013).
63. *Sony Corp. of Amer. v. Universal Studios, Inc.*, 464 U.S. 417 (1984).
64. *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).
65. *Supra* note 62.
66. *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (2001).
67. *Supra* note 62.
68. *Supra* note 54.
69. *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390 (1968).
70. *Teleprompter Corp. v. Columbia Broadcasting*, 415 U.S. 394 (1974).
71. *Supra* note 55.
72. *Warner Bros. Entertainment Inc. v. WTV Systems, Inc.*, 824 F. Supp. 2d 1003 (C.D. Cal. 2011).
73. *WPIX, Inc. v. ivi, Inc.*, 765 F. Supp. 2d 594 (S.D.N.Y. 2011), now 691 F.3d 275 (2d Cir. 2012).
74. *Community Television of Utah, LLC v. Aereo, Inc.* (complaint filed Oct. 7, 2013, D. Utah), *Nexstar Broad. v. Aereo, Inc.* (D. Utah filed Oct. 24, 2013).
75. *FOX Television Stations, Inc. v. BarryDriller Content Systems PLC*, 915 F. Supp. 2d 1138 (C.D. Cal. 2012), 9th Cir. Appeal pending.
76. Pending Aereo Sup. Ct. Petition for *Cert.* (filed 10/11/2013).
77. Jack Valenti NYT obituary, <http://www.nytimes.com/2007/04/27/movies/27valenti.html?pagewanted=all&r=0>.



**ENTERTAINMENT, ARTS AND SPORTS LAW SECTION**

**Visit us on the Web at [www.nysba.org/EASL](http://www.nysba.org/EASL)**

**Check out our Blog at <http://nysbar.com/blogs/EASL>**



# Once Upon a Time... A Brief Memoir and Life Tips

By Michael A. Feit

Revelations are like great sex. Special moments are memorable. One of my biggest ones came in the summer of 1962 on an assembly line at the Pepsi Cola Bottling Company in Syracuse, New York. Having barely survived my first year at the University of Chicago Law School, I began to sense glowing potential for a career in the law beginning to fade. Staring at a belt conveying bottles of Schweppes Tonic toward a robotic hand which slapped glued labels onto clear glass was mesmerizing. Horror films of Count Dracula inducing a trance flashed in my brain. I had to resist.

So, the next day, I quit and responded to a classified ad promising great pay. I lasted about 30 minutes hawking *Time* and *Life* magazines over the telephone. Now what? The light bulb was dim, but bright enough to lead me across the street and into the Onondaga County Courthouse. I found the District Attorney's Office. "I need a job." The reply was "Sorry, we have nothing in the budget."

**Tip # 1—Sometimes, in the face of insurmountable odds, you must proceed with a brilliant and unexpected tactic.**

Two months later I was on my way back to Chicago. The District Attorney's Office issued a press release—"Payless Law Student Ends Job." The office sent the article to Edward Levi, Dean of the University of Chicago Law School. He sent a copy to me with a nice note, but I sensed that indifference to criminal law at the University was not about to change.

So, even without a resume or transcript of my grades, I was told to report to Police Court that very day.

**Tip # 2—Learn that less can often be more. Playing fields are not level. Over dogs usually win. I recommend golf shoes, not roller skates.**

Thoreau once said something like "Stone walls do not a prison make, nor iron bars a cage." Obviously, he had never been in the lock-up shared by the Police Station and Police Court. I was assigned to work with Assistant District Attorney J. Richard Sardino, who survived the South Pacific in World War II with most of his arm.

First order of business every day, I watched drunks stagger in to be arraigned by recent appointee Judge Rocco Regitano. Back in the day Public Intoxication was an arrestable offense. The Judge bore a striking resemblance to the comic strip character "The Little King." He did not want to offend anyone until the November election was in the bag.

The dreary limestone building also housed Traffic Court on the first floor. What I remember best about the flow of miscreants filing into that courtroom was how snarky the judge acted towards *pro se* defendants and how effusive he was in praise of learned counsel who per-

sued him to reduce a speeding ticket to something else. Whether the judge got a kickback or just acted out of obedience to unwritten fraternal law, I never knew.

**Tip # 3—Reflect on whether your client needs to learn how good you are from the judge. I have always avoided being obsequious (ass-kissing, brown-nosing). I prefer the high road—effective advocacy. Returning the favor always troubled me.**

Mornings in Police Court were largely filled with arraignments and motion practice. The afternoons were reserved for trials. In the summer of 1962, an important case was coming to trial. *The People of the State of New York v. Marguerite Fritch, Alan Hammerle, and John E. Armstrong*,<sup>1</sup> was the prosecution of three upstanding citizens employed by the Economy Bookstore for selling and possessing copies of Henry Miller's novel *Tropic of Cancer*.

**Tip # 4—This is a big one. How does a lawyer decide whether to take on a case, a client? Why did I not just say: Are you kidding? How can I participate in the prosecution of anyone selling a book? Lofty ideals can be almost as important as a substantial fee.** At the time, I discarded the ideals and the money, since I was not getting paid. Curiosity and the notoriety drew me in. I am not suggesting that lawyers are ever influenced by public attention. I was only a student at the time. It has been years since I ran home to catch a sound bite on the evening news.

A gentleman named Dick, as he insisted I call him, told me that several months earlier, a bus driver confiscated a book from a group of high school kids who were annoying other passengers by laughing and screaming over the contents of a paperback book. Someone went to the police and the wheels of (in)justice began to spin.

An undercover detective was briefed. He entered the bookstore, the largest in Upstate New York, and made a buy from Mrs. Fritch, a cute grandmother in her 70s, whose eyes always twinkled. From the account I heard, it was unclear whether a SWAT team repelled down the sides of the building to take down Mr. Hammerle and Mr. Armstrong, the president and treasurer of the corporation that owned the bookstore. I do not believe that evidence from dogs trained to detect obscene material was then admissible under *Frye* standards. I might be mistaken.

The defense case was to be undertaken by the law firm who did Economy Bookstore's corporate work. They probably would have preferred to be on the other side. Lead counsel was to be a recently hired blond ex-FBI agent who had never before tried a case. He was assisted by a large man whose face was pitted and gnarled from decades of drinking and/or some congenital affliction. His enormously bulbous nose was home to a giant purple growth almost

as large as the host. I sat across counsel table from him during the entire trial, which lasted two weeks of afternoons. He could not have been wiser, more considerate, or kinder to me. Had he been lead counsel, the prosecution would have had a battle on its hands.

**Tip # 5—Appearances can be misleading.** Driving in an unfamiliar neighborhood, seeking directions, who should you ask—the starlet, the hulk, or the kid on his bicycle delivering newspapers? “Rome wasn’t built in a day.” “Slow and steady wins the race.” “A rolling stone gathers no moss.” A cliché is not likely to provide the answer. **Patience is more than a virtue. Pacing, like movements in a symphony, is essential.**

Preparation for the prosecution’s case began with conversations between Dick and me, usually over lunch. He always picked up the check. Dick had four daughters, and maybe I was the son he always wanted. I was Jewish. He was half-Italian and half-Irish. He had thinning red hair and a wife. For a long time, I never knew about his red-headed girlfriend, Jean. She was the first person I met the day I dropped in at the District Attorney’s Office. I thought they were both wonderful. When I found out about the relationship, two years later, I bestowed my blessing (in my mind) retroactively.

Dick was a tough ex-marine. What he lacked in sophistication he made up for with perseverance. He was a damn good lawyer and always wanted to win. Acquainting me with the legal standard, the *Roth* test, at that time, was where we began.<sup>2</sup> To fall within the Constitutional protection of the First Amendment, the work had to lack the elements of being obscene, which were that the dominant theme of the work was without redeeming social value when judged by contemporary community standards, and appealed to the prurient interest. The *mens rea* element, a term I had never heard before, and rarely heard since, was “scienter”: All the prosecution had to do was prove beyond a reasonable doubt that the defendants knew the book was obscene the day it arrived at the store. Our discussions were brief. Dick, more or less, conceded that we could never meet our burden on scienter, but hoped that a jury might not care if everything else fell into place.

One of my responsibilities was to read every review of the book I could find. Today, with Google, I could manage the job in a little. Then, I camped out in the public library for several days. I dug up about 100 reviews. Many were written in 1934, or thereabouts, when the book was first published in Paris and the rest around ’61 or ’62 when U.S. Customs began to allow the book to be imported into the U.S. Incredibly, reviewers were split down the middle. Half thought it was a great book and the others found it to be shocking drivel. So, prospects with a jury looked like a toss-up on artistic or literary merit.

We had a good deal of conversation over the “dominant theme” element. Somehow, a few convictions, in other states (*Tropic of Cancer* was the subject of prosecution in 40

or more jurisdictions ) had been overturned because juries did not read beyond the first few filthy pages, a dilemma I personally encountered plodding through my copy. We agreed that the only way to insure that the jury got every word was for Dick to read the entire book out loud to the jury in the courtroom. His rendition lasted for almost three afternoons. Everyone was grateful that the book was not longer.

**Tip # 6—To me, trial attorneys have two vital functions: (1) Organizing and appreciating their case, and (2) Analyzing and appreciating their adversary’s case. Jurors are like movie goers. They react to what they see and hear. Objections and motions in limine shape the product.**

In poker, winning is everything. Rarely are participants assuaged by platitudes such as “Nice try,” or “You almost won.” Chances of winning are improved with skill. Mathematics, the law of probability, often dictates whether to stay or fold. Although bluffing and reading tells are as helpful in the courtroom as in the casino, ultimately it is the person with the best hand who usually wins. That summer in 1962, the fate of the defendants was decided the minute the final juror took the oath.

Inexperience and ineptitude by actor Tab Hunter’s alter ego posing as lead counsel cooked the defendants’ goose. Misdemeanors are tried before a jury of six persons. Lead counsel used his three peremptory challenges before a Catholic juror took a seat in the jury box. Mr. FBI did not know how to get her excused, even when she pronounced herself a member in good standing of the “Legion of Decency.” For some reason, he accepted the last guy who, I later learned, was Dick’s second cousin.

**Tip # 7—Sizing up jurors is a lot like picking out underwear. A pair might look good on a mannequin, even after the first day, but as time, and trial, go on, whether boxer or panty, they stretch or shrink out of shape. They just do not prove to be what you expected. The value of information about jurors cannot be underestimated.** In federal court, lawyers do not get to ask any questions. In state court, 15 or 20 minutes are stingily granted to explore the values and opinions of those entrusted with your client’s fate. You want a worthy cause? **Rise up and insist on *voir dire* reform.**

Late one morning, during the beginning of the second week of trial, a clerk stuck her head out the doorway of a back room and shouted: Judge, Mrs. Fritch’s sister just died in Buffalo.” Sound traveled far enough for me to turn and see Mrs. Fritch’s head buried in tears. She was excused for the remainder of the trial.

An English professor from Syracuse University praised the book, but none of the jurors made me believe that they agreed. The jury found all three defendants guilty. A week or so later, I was on my way back to Chicago, but I kept in touch.

An appeal was taken to the County Court. Judge Orenstein reversed the convictions in an 11-page decision. Except for the first paragraph, the entire opinion was a quotation.

“Let sleeping dogs lie” is a phrase and philosophy not coined by prosecutors. Whether righteous indignation or just one more turn at bat inspired the choice, a direct appeal was filed with the New York State Court of Appeals.

A few changes, I learned, had taken place since my return to Chicago. For me, attempts to grasp and fathom the heart and soul of American jurisprudence remained no less daunting. However, for *The Tropic of Cancer* case, a significant change had been made. The defendants, now Respondents, lifted their starter and turned to the bullpen. “The Sandman” had yet to be born, but a player no less imposing than Mariano was striding onto the mound.

To be perfectly honest,...

**Tip # 9**—Now, there’s a phrase we’ve all heard a million times. When uttered by my client, my witness, I smack my forehead and dive under the table. When proclaimed by an adverse witness, I smile, nod my head, and rub my hands together. Actually, I do not make any of those moves. I am a trained trial lawyer, after all. Right? **I only let the jury know what I want them to know. I cringe or jump for joy in my mind, not in the courtroom. Remember, they cannot see my underwear either.**

...this type of insight is rarely revealed. The Respondents did not have very much to do with the entrance of their new champion. Charles Rembar, Esq. was one of a number of prominent attorneys garnering hefty fees and headlines litigating obscenity cases. He actually became the owner of Grove Press, the *avant garde* publisher of the day, and the house that published *Tropic of Cancer*.

The Onandaga County District Attorney’s Office played into Rembar’s hands by appealing the County Court decision. Rembar wanted a crack at the Court of Appeals. I was told that during a colloquy with Chief Judge Desmond during oral argument, he tried to convince the Court to grant license to any recognized author; that such a person, because of his or her stature, could write anything and be immunized from the bane of obscenity. Dick Sardino, who argued the case for the People, told me that the Chief Judge leaned towards Rembar and asked: “Is that what you want this Court to do?”

Chief Judge Desmond was the swing vote in the Court’s 4-3 decision reversing the County Court and reinstating the obscenity conviction. Whether out of whim or jurisprudential reasoning, the Court of Appeals tossed Respondents a bone, by remanding the case for re-trial on the issue of scienter.

As it turned out, for a number of reasons, sleeping dogs were left to lie. Perhaps, after serious discussions among the District Attorney’s staff, the matter was deemed

best put to rest. I was not consulted. Maybe, the choice to go no farther had to do with the District Attorney, Joe Ryan, leaving his wife and seven children to run off with his First Assistant, Helen Norem, who had left her husband and six children. They headed to Hawaii and set up a private detective agency until they could be admitted to the bar. Jack Lord bore an uncanny resemblance to ex-DA Ryan. I wonder if that’s how “Hawaii 5-0” got started.

Upon my actual graduation (to the surprise of many, not the least of which was me) from law school, I spent a few months in Syracuse working with J. Richard Sardino before heading east down the Thruway toward Albany. We grabbed lunch frequently. He still insisted on picking up the tab. In the years that followed, Dick was elected to City Court, a bench from which he was unceremoniously removed on complaints of mistreatment of minority defendants who came before him. In sports, statistics are everything. Fans focus on base hits, shrewd analysts on outs. Of the 35 complaints lodged against Dick, 34 were sustained. The only charge that did not hold water was based upon a letter to Dick from a man expressing gratitude for his nephew’s criminal charges being dismissed. Of course, Dick was aware of the investigation and suspected a City Court colleague, Judge Falco, of leaking information to the Commission on Judicial Conduct. Not a relative of Edie, but the enmity between them could have been bottled or scripted for a two-part episode on “The Sopranos.”

One may recall that Dick’s brother, Tom, was a cop. At the time of the vendetta, he had become Chief. A dummy file was rigged and left in the top desk drawer of Dick’s chambers. The motion-activated infrared video camera captured Judge Falco making a clandestine entrance into the locked office late at night. Pyrric victories lack the satisfaction of the real thing. Dick was kicked off the bench. Judge Falco was indicted for burglary, official misconduct, *inter alia*. Syracuse was always so full of political intrigue.

The Economy Bookstore eventually went out of business. Whether suburban malls, a decaying downtown, or bad publicity was the cause, I never knew.

I had always hoped to write about the case, but kept convincing myself that other matters deserved my attention. In 1999, I found myself in the New York State Law Library where, because of fiscal exigency, many shelves were depleted. They still had what I wanted. The record from the Court of Appeals filled in some blanks about events and personalities. My plan, if I were to do a book, was to include interviewing any of the participants who were still alive. I reached for the *Lawyers Diary*, and under “Rembar, Charles,” found an entry. Some years earlier, Rembar had written a book *The End of Obscenity*. When it was published, I bought a copy. When I considered the project, I read it.

I recall dialing the number on the Mickey Mouse rotary telephone I keep in my office at home. The sound of the dial reaching, then recoiling, reminds me of the past. A



receptionist connected me to Rembar's secretary. According to her, he came to the office every day. She would have him call me. He did the next day. I sensed his musing as he vividly recalled a time when he had taken up the cudgel for slimy characters he had represented with passion and dignity. His words brought me back as well. Monumental cases of my own, once again, distracted me from memorializing the *Tropic of Cancer* case. When I Googled Rembar, I learned he had died shortly after we had spoken at the age of 85.

Rembar's prediction in *The End of Obscenity* came true. The premise was that obscenity prosecutions would become as rare as hen's teeth. *People v. Fritch*,<sup>3</sup> was effectively overturned the following year in *Larkin v. G.P. Putnam's Sons*,<sup>4</sup> There has not been a significant obscenity case reported for more than 30 years since.

Practitioners of the law read for information and insight when it is available. Nostradamus would have done well on the horse racing channel or in Vegas. Prediction of future events is best achieved by paying attention to present ones.

Is decency a virtue? A necessity? We have become a society of hypocrites. Back pages of newspapers pander for sex. Where are the adult bookstores? Adult cinemas? There are probably a few peepshows, more than a few gentlemen's clubs, but sleaze now comes to the consumer. That sex sells is not new, but the mode of delivery is new and changing every day. Is there a difference between bringing home a copy of *Tropic of Cancer* to read in your bedroom from dialing up the same imagery on the Internet. "What's past is prologue." Who are we trying to protect, and why?

There was a time when entertainment, art, and sports were secondary to religion, school, and employment. Universal education did not become a reality because a groundswell of concern for children existed. Keeping kids in school until they were 16 kept them out of the labor market. When Henry Miller captured the tawdry milieu of the back streets of Paris 80 years ago, he probably put pen to paper. Maybe he had a typewriter. Today, there are surveillance cameras on almost every corner. Everyone carrying a cellphone can be located and tracked. Smart phones record whatever, wherever, their lenses are pointed. Obscenity laws haven't left us. Article 235 of the Penal Law covers obscenity and related offenses. Article 245 covers Offenses against Public Sensibilities, and public lewdness. Adultery—two people, one or both married, but not to the other, having sex—is still a crime. Surprise!

A most disturbing trend in recent years is the increasing number of prosecutions of persons who download pornography from the Internet to their computers. I wonder how many sports fans were permanently scarred when they picked up "Debby Does Dallas," thinking it was about the Dallas Cowboys. Locking people up for years because their propinquity is erotic just does not seem right. Now, the problem becomes a lot more complicated when one fac-

tors kiddie porn into the equation. Forward your solution to this problem and win a dozen golf balls.

Clearly, different standards exist for different media. Networks are mandated to censor indecency, profanity, and obscenity. For cable, only obscenity must be excluded. Yet who makes the decision? It is comforting to know that most, if not all, radio talk shows are subject to an eight second delay. I can hardly imagine the permanently profound impact that profanity might have on my psyche. Most television shows are pre-recorded or taped, not to mention enhanced with a laugh track. I like the ones where offending language is obscured by the "bleep." For someone who remembers when one had to get out of one's chair to change a television channel, the "bleep" makes me want to know what they're trying to eliminate. Usually, a viewer can tell what was said from lip reading, context, or just bad "bleeping." For me, the remote control serves the same function. The device takes me away from something I do not want to see or hear. The only difference is that I am the one who decides.

Prediction of the future, and how deeply society, government, and corporations will act to eliminate certain forms of expression, is way beyond the scope of this writing. What will television producers come up with when they run out of women in scanty tops tackling wild hogs, swamp denizens slaughtering alligators, and flimsy costuming at Super Bowls? Can we look forward to "The Housewives of Outer Mongolia"?

We attorneys have largely been reactive. For many years, my practice has been heavily rooted in the defense of persons accused of crimes. I have been a member of the EASL Section for a few years, but have yet to contribute time or ideas. I believe that there are interlocking interests between this Section and criminal law practitioners. I volunteer to join with others to explore the issues. Now I can truly say that I gave at the office.

## Endnotes

1. *The People of the State of New York v. Marguerite Fritch, Alan Hammerle, and John E. Armstrong*, 13 N.Y.2d 119 (1963).
2. *Roth v. United States*, 354 U.S. 476 (1957).
3. See *supra* note 1.
4. *Larkin v G.P. Putnam's Sons*, 14 N.Y.2d 399.

**Michael A. Feit, Esq., reached his peak as President of his graduating class at P.S. #20 in Paterson, New Jersey. Leaving the most famous high school in the United States—Eastside High, made famous by the movie "Lean on Me"—wasn't easy. It was all downhill after graduating from Syracuse University, the University of Chicago Law School, and picking up a master's degree from the School of Criminal Justice, University at Albany. For the past 15 years he has styled himself "The Lawyer in the Hood." Drop by anytime. His office is in that part of Albany known as Arbor Hill, not Beverly Hills. Escaping from his day job these past five years "Ace," his stage name, has appeared in more than a dozen plays.**

# Not Everyone Smiles on Candid Camera

By Nima Daivari

Candid Camera, Punk'd, Betty White's Off Their Rockers, Buzzkill, To Catch A Predator, Totally Hidden Video...these are just some examples of a popular and enduring genre of television known as the hidden camera show. Allen Funt's Candid Camera is often cited as the grandfather of hidden camera shows. In fact, Candid Camera began its life as Candid Microphone, a series of short films released theatrically in the 1940s. For those who are unfamiliar with the series, Candid Camera revolved around playing practical jokes on unsuspecting people (a/k/a "marks"), while secretly recording the marks, who tended to respond to the practical jokes in ways that audiences found humorous.

While hidden camera shows have proven to be popular amongst audiences, the ubiquitous nature of the genre should not undermine the real legal implications that arise with secretly recording another. Generally speaking, surreptitiously recording another individual can open a producer up to many different forms of criminal and civil liability, ranging from personality rights and privacy rights, to claims for false light or defamation. On the criminal side, secret recordings can break laws, like those enacted to prevent wiretapping. The legal issues that come with secret recordings are yet another example of why obtaining informed consent from television show participants is imperative. In the last column we reviewed a few of the many participant issues that can surface when working in unscripted television, but did not address secret recordings, which will be discussed here.

In the United States, under 18 U.S.C. § 5211(2)(d), it is legal for a person "...to intercept a wire, oral, or electronic communication where such person is a **party to the communication** or where one of the parties to the communication has given **prior consent** to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the Constitution or laws of the United States or of any State." A wire communication is any voice communication transmitted by a wire (e.g., telephone lines), an oral communication is done in person (e.g., a face-to-face conversation) and an electronic communication is any non-voice communication (e.g., an email or text message). An interception is the acquisition of the contents of a wire, oral, or electronic communication by another. While the language of the provision was drafted for audio recordings, modern courts have interpreted the statute to include video with synchronized sound (i.e., recordings generally used for television production). Video

recording a conversation between two people without their consent could be considered an interception of an oral communication and would thus violate this statute... unless one of the two people consented to the recording.

When one of the parties agrees to a recording taking place, it is colloquially referred to as "one-party consent." When one of the parties to a conversation is aware that a recording is taking place, such recording does not run afoul of the federal statute. Since the producers are engaging the participants (thereby making the producers or their representatives one of the parties to the conversation) and since the producers are aware the recording is taking place, the criminal liability is eradicated and the concerns fall to getting all the rights needed to put the mark on television. However, if all of those rights are obtained, is one then truly safe?

If only we could end there, but there is more. There is always more.

Twelve of the 50 states have enacted laws that are more stringent than the aforementioned federal law. Those 12 with more onerous laws are known as "all party consent" states, which means that every person who is being recorded must be made aware that the recording is taking place. The all party consent states are California, Connecticut, Florida, Hawaii, Illinois, Maryland, Massachusetts, Montana, Nevada, New Hampshire, Pennsylvania, and Washington. The long and short of it is that when filming in any of these states, the permission of all parties being recorded is needed, and it would be wise to consult with local counsel who is well versed in the matter.

It is important to note that the illegality occurs when the recording is made. Even if it's never disseminated, the act of making the recording is against the law. As such, it is imperative that producers become versed with the state laws governing secret recordings in the state(s) where the series is being produced.

One of the big caveats with secret recordings has to do with recording individuals in public spaces where there is no reasonable expectation of privacy. It is hard for an individual to raise a claim citing a breach of his or her privacy when there was no initial expectation of such. Public places like parks, beaches, or out on streets are given significantly less protection, because the reasonable person should not have an expectation of privacy in such areas. When assessing a show, attorneys would do well to ask themselves if there was a reasonable expectation of

privacy in the public area. If two people are whispering to one another in an isolated area of a beach, there may be a reasonable expectation of privacy, so it is up to the attorney to make an assessment of the situation.

Once all of the issues surrounding the actual recording are sorted out, there is also the issue of obtaining all the rights, representations, and agreements the show needs to exhibit the people recorded. Does/do the person(s) agree to appear on the show? In which territories will the show air? For what length of time does the producer need the rights? What's the medium of choice? Are there other potential media? Were any third party materials involved? As demonstrated, there are quite a range of issues that can arise, so a thorough vetting of all steps involved with secret recordings is necessary before moving forward with a hidden camera series.

**Nima Daivari is Counsel, Business and Legal Affairs for ITV Studios. Prior to ITV Nima was Counsel, Business and Legal Affairs at Telepictures, the syndicated television division of Warner Bros. and he began his legal career at the Emmy-award winning production company MRB Productions. Nima has a B.A. in Film from USC, his J.D. from New York Law School and is licensed to practice law in both New York and California.**

This column is intended for informational purposes only and does not constitute legal advice. The views and opinions in this column are those of the author and do not necessarily reflect the policies or opinions of the author's employers, past or present.

NEW YORK STATE BAR ASSOCIATION

**SAVE THE DATE**

**ENTERTAINMENT, ARTS AND SPORTS LAW  
SECTION**

**SPRING MEETING**

**Wednesday, May 21, 2014**

**3:00 - 7:00 p.m.**

**Herrick, Feinstein LLP**

**2 Park Avenue, New York, NY 10016**

**The Publicity, Privacy and Media Committee and the Motion Pictures Committee will present panels, followed by a cocktail reception.**



## A Funny Thing Happened on the Way to McDonaldland

By David Krell

Snap, Crackle, and Pop. The Michelin Man. The Aflac Duck. The Geiko Gecko. The Energizer Bunny. The Kool Aide Man. The Keebler Elves. Morris the Cat. The Pillsbury Dough Boy. Mr. Peanut. Spuds MacKenzie. Ronald McDonald.

Fictional characters increase brand recognition, a once novel idea that evolved into a commonplace strategy in twentieth century advertising. McDonald's expanded beyond its corporate mascot, Ronald McDonald, to create a fictional world called McDonaldland. Governed by Mayor McCheese, and with inhabitants including Grimace and the Hamburglar, McDonaldland revolved around songs, stories, and bright colors to lure fast food patrons—particularly children.

In the 1970s, it became the subject of a lawsuit in the Ninth Circuit Court of Appeals by television producers Sid and Marty Krofft, who claimed that the McDonaldland lawsuit violated their copyright to *H.R. Pufnstuf*, a children's television show.<sup>1</sup> The Kroffts created *H.R. Pufnstuf* for NBC's Saturday morning lineup. Their own show was a graduation after creating characters for Hanna Barbera's *The Banana Splits*.<sup>2</sup> Premiering in September 1969, *H.R. Pufnstuf* featured "several fanciful costumed characters, as well as a boy named Jimmy, who lived in a fantasyland called 'Living Island,' which was inhabited by moving trees and talking books."<sup>3</sup>

The popularity of *H.R. Pufnstuf* caught the attention of Needham, Harper & Steers, an advertising agency targeting McDonald's for its stable of clients. After a Needham executive contacted Marty Krofft about using the *H.R. Pufnstuf* characters for a McDonald's advertising campaign, the agency and the Kroffts "were in contact by telephone six or seven more times."<sup>4</sup>

Needham presented its McDonaldland idea to McDonald's on June 24, 1970; five days later—on June 29, 1970—it won the McDonald's advertising account. Meetings ensued about logistics. "In July, three representatives of Needham came to the Kroffts' office in Los Angeles to discuss the design and engineering work that would be required to produce the McDonaldland commercials."<sup>5</sup>

On August 31, 1970, Needham sent a letter expressing its obligations "to pay the Kroffts a fee for preparing artistic designs and engineering plans."<sup>6</sup> The letter also

stated that the *H.R. Pufnstuf* idea was "going forward."<sup>7</sup> The Kroffts therefore had every indication to believe that their characters would be featured in a national advertising campaign for one of America's biggest corporations.

Yet that was not the case.

Needham went ahead with its own McDonaldland plans featuring different characters, beginning with hiring people knowledgeable about the Krofft approach. "Former employees of the Kroffts were hired to design and construct the costumes and sets for McDonaldland. Needham also hired the same voice expert who supplied all of the voices for the *Pufnstuf* characters to supply some of the voices for the McDonaldland characters."<sup>8</sup>

The Ninth Circuit Court of Appeals found Needham's actions to be deceitful. "It is evident, therefore, that Needham was deceiving the Kroffts in their contacts after the June 29 contract."<sup>9</sup> Needham's actions, according to the court, impacted the Kroffts' licensing activities for items featuring *H.R. Pufnstuf* characters. These included the usual items geared for children—toys, games, lunch boxes, comic books—and appearances in Kellogg's cereal commercials and the *Ice Capades*. "After the McDonaldland campaign, which included the distribution of toys and games, plaintiffs were unable to obtain new licensing arrangements or extend existing ones."<sup>10</sup>

In September 1971, the Kroffts sued for copyright infringement in the United States District Court for the Central District of California. They sought \$250,000, an accounting of profits from the infringements or statutory damages. A three-week jury trial in November and December 1973 ended in a verdict for the Kroffts and damages of \$50,000. The district court denied the Kroffts' claims for infringement profits or statutory damages.<sup>11</sup> The Kroffts appealed to the Ninth Circuit. Needham and McDonald's cross-appealed, arguing that, as a matter of law, no infringement occurred.

The defendants acknowledged taking the idea of "a fantasyland filled with diverse and fanciful characters in action."<sup>12</sup> Yet they argued that the expression of McDonaldland differed from Living Island on *H.R. Pufnstuf*. Thus, it claimed, no infringement occurred.

Scrutinizing the differences between *H.R. Pufnstuf* and McDonaldland was for naught, according to the Ninth

Circuit. “So not only do defendants remove the characters from the setting, but dissect further to analyze the clothing, colors, features, and mannerisms of each character. We do not believe that the ordinary reasonable person, let alone a child, viewing these works will even notice that Pufnstuf is wearing a cummerbund while Mayor Mc-Cheese is wearing a diplomat’s sash.”<sup>13</sup>

The Ninth Circuit relied on the precept that a work need not be a mirror copy to be an infringement. Quoting *Universal Pictures Co., Inc. v. Harold Lloyd Corp.*—a Ninth Circuit case in 1947—the court stated, “[A]n infringement is not confined to literal and exact repetition or reproduction; it includes also the various modes in which the matter of any work may be adopted, imitated, transferred, or reproduced, with more or less colorable alterations to disguise the piracy.”<sup>14</sup>

After screening “representative samples” of the McDonald’s commercials and the *H.R. Pufnstuf* show, the court ruled that: “It is clear to us that defendants’ works are substantially similar to plaintiffs’. They have captured the ‘total concept and feel’ of the Pufnstuf show.”<sup>15</sup>

The defendants argued that the First Amendment protected their creative works. The Ninth Circuit did not find this argument convincing. “So too the defendants in this case had many ways to express the idea of a fantasyland with characters, but chose to copy the expression of plaintiffs’. The [F]irst [A]mendment will not protect such imitation.”<sup>16</sup>

Regarding damages, the court reversed the district court’s denial of the Kroffts’ motion for an accounting. It followed the precept that a plaintiff is entitled to the greater of damages or profits, rather than damages plus profits. Recalling the precedent of the *Universal* case, the Ninth Circuit found that it “expressly adopted the alternative recovery, and we are constrained to follow that decision here.”<sup>17</sup> It remanded the case for an accounting, stating that “the district court may, in its discretion, award statutory ‘in lieu’ damages.”<sup>18</sup> The trial court was unable to determine the sales numbers based solely on the advertisements and therefore could not calculate any profits. The court instead calculated statutory damages by using each commercial or promotional item as a single infringe-

ment (rather than each airing of a commercial or each sale of an item as an infringement) and then computed the number of copyrights and the number of infringements. This led to an award for the Kroffts of \$1,044,000.<sup>19</sup>

## Endnotes

1. Sid & Marty Krofft Television v. McDonald’s Corp., 562 F.2d 1157, 1160 (9th Cir. 1977).
2. *Id.* at 1161 n.1.
3. *Id.* at 1161.
4. *Id.*
5. *Id.* at n.2.
6. Sid & Marty Krofft Television v. McDonald’s Corp., 562 F.2d at 1161.
7. *Id.*
8. *Id.*
9. *Id.* at n.2.
10. *Id.* at 1162.
11. Sid & Marty Krofft Television v. McDonald’s Corp., 562 F.2d at 1162.
12. *Id.* at 1165.
13. *Id.* at 1166-67.
14. *Id.* at 1167, quoting *Universal Pictures Co., Inc. v. Harold Lloyd Corp.*, 162 F.2d 354, 360 (9th Cir. 1947).
15. *Sid & Marty Krofft*, 562 F.2d at 1167.
16. *Id.* at 1171.
17. *Id.* at 1176.
18. *Id.* at 1179.
19. Wikipedia, [http://en.wikipedia.org/wiki/Sid\\_%26\\_Marty\\_Krofft\\_Television\\_Productions\\_Inc.\\_v.\\_McDonald's\\_Corp.](http://en.wikipedia.org/wiki/Sid_%26_Marty_Krofft_Television_Productions_Inc._v._McDonald's_Corp.), referencing Weil, Frank & Hughes, *Litigation Services Handbook: The Role of the Financial Expert*, 2007, p. 20, 23.

David Krell is the baseball historian for the website [TheSportsPost.com](http://TheSportsPost.com). He is also writing a book about the Brooklyn Dodgers. It will be published in 2015 by McFarland. David is the Co-Editor of the NYSBA’s sports law book *In The Arena* and authored the chapter about mascots. David is a member of the bars in New York, New Jersey, and Pennsylvania. He blogs about popular culture history at his web site, [www.davidkrell.com](http://www.davidkrell.com).

**Get CLE Credit:  
Write for the *EASL Journal*!**

**Next *EASL Journal* Submission Deadline: Wednesday, April 30, 2014**

# The Entertainment, Arts and Sports Law Section Welcomes New Members

Stephen M. Ahron	Stephen Dixon	Shelina Kurwa	Francisco Ruso
Gina R. Alfano	Dovid Abraham Duchman	Jennifer Kwon	John William Rybicki
Roosevelt Allen	Michelle Rebecca Eduardo	Donna J. Lanzetta	Yasuhiro Sakai
Beth Hope Alter	Danielle Efros	Alexander A. LaSala	Omar Augusto Sandoval
Salvo Arena	Luke Z. Fenchel	Alice Lee	Danielle Orly Schiffman
Nona Atoyan	Keith Maxwell Ferguson	Andrew L. Lee	Joel M. Schoenfeld
Rocco G. Avallone	Jon R. Fetterolf	Sheldon Leibenstern	Joshua Erik Seidman
Evan John Balmer	John B. Fowles	Joel S. Lever	Amee Viren Shah
Caroline Davina Barnard	Matthew Fox	Yanting Li	Tulsi Patel Shah
Jessica Berkey	Matthew Scott Frank	Daria Rafi Licausi	Andrew Laurence Shapiro
MarKeinen E. Bland	Rebecca Anne Frank	Brett Lichtman	Yehuda Ben Sherman
Damien M. Bosco	Elana S. Freeman	Jeff Liebenson	Laura J. Siegel Puhala
Dena Ann Bouchard	Martin Frenzel	Elizabeth Lin	Michael J. Sinder
Victoria Loraine Bourke	Feyi O. Gaji	Benjamin Little	Jeffrey Redding Smith
Richard David Boyd	Danielle Garrod	Anibal Andres Luque	Nikkisha Smith
Daniel Marc Boyle	Talia Kristin Gee	Heather Victoria Lynch	Innes Smolansky
Patrick A. Bradford	Jennifer Geiling	Anthony A. Lyons	Matthew John Somma
Heather C. Briccetti	Sandra Gillot	Robin Mangaser	Lesley Sotolongo
Amanda Mackenzie Brown	Hamutal Ginsburg	Bernard Alexander Mantel	Craig M. Spierer
David Charles Brown	Andrew Kala Gonsalves	Jose Antonio Masini-Torres	Alana Chantel St. Aude
Lauren Janelle Brown	Samuel Gregory Goss	Zachary William Mazin	Shane St. Hill
Timothy J. Buckley	Mark Steven Granger	Krystil McDowall	George Elias
David Camacho	Andrea Abra Green	Nicole Monique Medham	Stephanopoulos
Stacie Eileen Cameron	William Grieshober	Louis Melendez	Jill Sharon Streja
Marylyn Rita Carabello	Keith Griffin	Philip J. Melville	Matthew Strong
Adam Drew Caviezel	Dori Ann Hanswirth	Henry T. Meyer	Ashley Tan
David Marc Chaise	Mirna Hariz	Brette G. Meyers	Javier R. Tapia
Winnie Yee Chau	Antti Harmanmaa	Yoshiyuki Miyashita	Samuel L. Taylor
Charles Chen	Sarah Cha Hong	Monica Corrine Moran	Lacey Elizabeth Tucker
Pei-Shian Chen	Matthew Thomas Howes	Abdulwali Muhammad	J. Alex Vargas
Sharon A. Cherry	Kai-Wen Hsieh	Bradley James Mullins	Allison Venuti
Franck R. Chintoya	Ronald L. Israel	Natalia Nastaskin	Maximillian Steven Verrelli
Aristargos Christodoulou	Shingo Iwachido	Suzanne Cullen Nebesky	Rachel Suzanne Vigneaux
Joshua Nathaniel Cohen	Phillip Eugene Jackman	Michael F. Newton	Adam Vitabile
Lisa Connolly	Glenn I. Jackson	Alexander Novotny	Lynette Shant'ay Wade
Marcela Lina Cuadrado	Andrew David Jacobs	Nadia Grace Oviedo	Jacquelin Renee Walker
Himamshu Ravi Dabir	Jeremy Jacobsen	Austin David Padgett	Joshua Patrick Warrum
Jeffrey S. Dahlman	Benjamin Evan Jaffe	Lauren Nicole Page	Shane D. Wax
Gordon M. Daniell	Raymond K. Javdan	Douglas Panero	Jason M. Weltman
Steven John Darson	Jared S. Kalmanson	Lulu Pantin	Samantha Wetzel
Dina L. Davalle	Herman Victor Kamrowski	Maria Patente	Felix Winckler
Bejide Analeah Davis	Matthew Adam Kaplan	Leslie Ann Polizzotto	Kenneth N. Wolf
Govinda M. Davis	Samantha J. Katze	Velly B. Polycarpe	Kirsten Marie Wolf
Terressa Maacha Davis	James John Kenny	Stephanie Helene Pottick	Jonathan Yellin
Lisa Grant DeGraffenreidt	Cormac Joseph Kerins	Simone R. Procas	Sherli Yeroushalmi
Karlene A. Dennis	Andrew Brandon	Riadh Quadir	David E. Yolkut
Farah Desvarieux	Koussevitzky	Shrutih Ramlochan-Tewarie	Amelia A. Zalcman
Christine M. Dicrocco	Amy Massengale	Annie Rian	F. Ellen Zeifer
Justin Johnson Director	Kouznetsov	Samantha Rothaus	



# Section Committees and Chairpersons

The Entertainment, Arts and Sports Law Section encourages members to participate in its programs and to contact the Section Officers or the Committee Chairs or Co-Chairs for further information.

## Alternative Dispute Resolution

Jason Aylesworth  
Sendroff & Baruch, LLP  
1500 Broadway, Ste. 2201  
New York, NY 10036  
jaylesworth@sendroffbaruch.com

Judith B. Prowda  
Sotheby's Institute of Art  
570 Lexington Avenue  
New York, NY 10022  
judith.prowda@gmail.com

## Copyright and Trademark

John Britton Payne  
20 Clinton 6D  
New York, NY 10002  
payne.britton@gmail.com

Jay Kogan  
DC Comics  
1700 Broadway  
New York, NY 10019  
jay.kogan@dcentertainment.com

## Digital Media

Jason Aylesworth  
Sendroff & Baruch, LLP  
1500 Broadway, Ste. 2201  
New York, NY 10036  
jaylesworth@sendroffbaruch.com

Andrew Howard Seiden  
Curtis, Mallet-Prevost, Colt  
& Mosle LLP  
101 Park Avenue, Ste. 3500  
New York, NY 10178-0061  
aseiden@curtis.com

Megan Laurel Maxwell  
7 Park Avenue  
New York, NY 10016  
megan.maxwell@gmail.com

## Diversity

Cheryl L. Davis  
Menaker & Herrmann LLP  
10 East 40th Street, 43rd Fl.  
New York, NY 10016  
cdavis@mhjur.com

Anne S. Atkinson  
Pryor Cashman LLP  
7 Times Square  
New York, NY 10036-6569  
aatkinson@pryorcashman.com

## Ethics

Pery D. Krinsky  
Krinsky, PLLC  
160 Broadway, Ste. 603  
New York, NY 10038  
pkrinsky@krinskypllc.com

## Fashion Law

Lisa Marie Willis  
Cowan, Liebowitz & Latman, P.C.  
Kilpatrick Townsend & Stockton LLP  
1114 Avenue of the Americas  
New York, NY 10036  
lmw@cll.com

Kathryne Elisabeth Badura.  
International Trademark Association  
655 Third Avenue  
10th Floor  
New York, NY 10017  
Kathryne.e.badura@gmail.com

## Fine Arts

Judith B. Prowda  
Sotheby's Institute of Art  
570 Lexington Avenue  
New York, NY 10022  
judith.prowda@gmail.com

## International

Eric Jon Stenshoel  
Curtis, Mallet-Prevost, Colt  
& Mosle LLP  
101 Park Avenue  
New York, NY 10178-0061  
estenshoel@curtis.com

Brian D. Wynn  
Gardiner Roberts LLP  
40 King Street, West, Ste. 3100  
Toronto, ON M5H 3Y2  
CANADA  
bwynn@gardiner-roberts.com

## Law Student Liaisons

Jason Aylesworth  
Sendroff & Baruch, LLP  
1500 Broadway, Ste. 2201  
New York, NY 10036  
jaylesworth@sendroffbaruch.com

## Legislation

Steven H. Richman  
Board of Elections, City of New York  
32 Broadway, 7th Fl.  
New York, NY 10004-1609  
srichman@boe.nyc.ny.us

## Literary Works and Related Rights

Kenneth N. Swezey  
Cowan, DeBaets, Abrahams  
& Sheppard LLP  
41 Madison Avenue, 34th Fl.  
New York, NY 10010  
kswezey@cdas.com

Judith B. Bass  
Law Offices of Judith B. Bass  
1325 Avenue of the Americas, 27th Fl.  
New York, NY 10019  
jbb@jbbasslaw.com

## Litigation

Stanley Pierre-Louis  
Viacom Inc.  
Intellectual Property & Content  
Protect.  
1515 Broadway  
New York, NY 10036  
stanley.pierre-louis@viacom.com

Paul V. LiCalsi  
Robins, Kaplan, Miller & Ciresi L.L.P.  
601 Lexington Avenue, 34th Floor  
New York, NY 10022  
pvlicalsi@rkmc.com

## **Membership**

Joyce Sydnee Dollinger  
Dollinger, Fonski and Grossman  
1 Old Country Road, Ste. 102  
Carle Place, NY 11514  
jdollinger@dggloffices.com

Robert Louis Thony  
605 E. 38th Street  
Brooklyn, NY 11203-5612  
robert.thony1@gmail.com

## **Motion Pictures**

Mary Ann Zimmer  
Law Office of Mary Ann Zimmer  
401 East 74th Street  
New York, NY 10021  
mazimmer74@aol.com

Stephen B. Rodner  
Pryor Cashman LLP  
7 Times Square  
New York, NY 10036-6569  
srodner@pryorcashman.com

## **Music and Recording Industry**

Christine A. Pepe  
American Society of Composers  
Authors and Publishers  
One Lincoln Plaza, 6th Fl.  
New York, NY 10023  
cpepe@ascap.com

Keenan R. Popwell  
SESAC  
152 W 57th St., 57th Fl.  
New York, NY 10019  
kpopwell@sesac.com

## **Phil Cowan Memorial Scholarship**

Judith A. Bresler  
Withers Bergman LLP  
430 Park Avenue, 9th Fl.  
New York, NY 10022  
JudithABresler@gmail.com

Barbara Jaffe  
Supreme Court of the State of New York  
60 Centre Street  
New York, NY 10013-4306  
bjaffe@courts.state.ny.us

Richard A. Garza  
Broadcast Music, Inc. (BMI)  
250 Greenwich Street  
7 World Trade Center  
New York, NY 10019  
rgarza@bmi.com

## **Pro Bono Steering**

Kathy Kim  
48 East End Avenue  
New York, NY 10028-7976  
KathyKim2007@gmail.com

Elissa D. Hecker  
Law Office of Elissa D. Hecker  
64 Butterwood Lane East  
Irvington, NY 10533  
eheckeresq@eheckeresq.com

Carol J. Steinberg  
Law Firm of Carol J. Steinberg  
74 E. 7th St., 3rd Fl.  
New York, NY 10003  
elizabethcjs@gmail.com

Irina Tarsis  
1115 Prospect Avenue  
Brooklyn, NY 11218-1152  
tarsis@gmail.com

## **Publications**

Elissa D. Hecker  
Law Office of Elissa D. Hecker  
64 Butterwood Lane East  
Irvington, NY 10533  
eheckeresq@eheckeresq.com

## **Publicity, Privacy and Media**

Barry Werbin  
Herrick Feinstein LLP  
2 Park Avenue  
New York, NY 10016-5603  
bwerbin@herrick.com

Edward H. Rosenthal  
Frankfurt Kurnit Klein & Selz, P.C.  
488 Madison Avenue, 10th Fl.  
New York, NY 10022-5702  
erosenthal@fkks.com

## **Sports**

Kathleen J. Wu  
Andrews Kurth LLP  
1717 Main Street, Ste. 3700  
Dallas, TX 75201  
kwu@akllp.com

Ayala Deutsch  
NBA Properties Inc.  
645 Fifth Avenue, 16th Fl.  
New York, NY 10022  
adeutsch@nba.com

## **Television and Radio**

Pamela Cathlyn Jones  
Law Offices of Pamela Jones  
P.O. Box 222  
Fairfield, CT 06824  
pamelajonesesq@aol.com

Barry Skidelsky  
185 East 85th Street, 23d  
New York, NY 10028  
bskidelsky@mindspring.com

## **Theatre and Performing Arts**

Diane F. Krausz  
D. Krausz & Associates,  
Attorneys At Law  
33 West 19th St., 4th Fl.  
New York, NY 10011  
DKrausz@dianekrausz.com

Jason P. Baruch  
Sendroff & Baruch, LLP  
1500 Broadway, Ste.2201  
New York, NY 10036-4052  
jbaruch@sendroffbaruch.com

## **Website**

Jennifer Meredith Liebman  
New York State Division  
of Human Rights  
1 Fordham Plz., 4th Fl.  
Bronx, NY 10458-5871  
jenniferm Liebman@gmail.com

## **Young Entertainment Lawyers**

Ethan Bordman  
244 Godwin Avenue  
Ridgewood, NJ 07450  
ethan@ethanbordman.com

Ezgi Kaya  
110 Horatio Street  
New York, NY 10014  
ezgivkaya@gmail.com

Kibum Kim  
57 Thames Street  
Brooklyn, NY 11237  
kim.kibum@gmail.com

## Publication of Articles

The *Journal* welcomes the submission of articles of timely interest to members of the Section. Articles should be submitted with biographical information via e-mail in Microsoft Word format. Please submit articles to:

Elissa D. Hecker  
Editor, *EASL Journal*  
eheckeresq@eheckeresq.com



This *Journal* is published three times a year for members of the Entertainment, Arts and Sports Law Section of the New York State Bar Association. Members of the Section receive the *Journal* without charge. The views expressed in articles published in this *Journal* represent those of the authors only, and not necessarily the views of the Editor, the Entertainment, Arts and Sports Law Section or the New York State Bar Association.

We reserve the right to reject any advertisement. The New York State Bar Association is not responsible for typographical or other errors in advertisements.

### Accommodations for Persons with Disabilities:

NYSBA welcomes participation by individuals with disabilities. NYSBA is committed to complying with all applicable laws that prohibit discrimination against individuals on the basis of disability in the full and equal enjoyment of its goods, services, programs, activities, facilities, privileges, advantages, or accommodations. To request auxiliary aids or services or if you have any questions regarding accessibility, please contact the Bar Center at (518) 463-3200.

©2014 by the New York State Bar Association.  
ISSN 1090-8730 (print) ISSN 1933-8546 (online)

## Entertainment, Arts and Sports Law Journal

### Editor

Elissa D. Hecker  
Law Office of Elissa D. Hecker  
eheckeresq@eheckeresq.com

### Citation Editors

Mary Canter (marycanter@ccdc-law.com)  
Eric Lanter (ericjlanter@gmail.com)

### Section Officers

#### Chair

Stephen B. Rodner  
Pryor Cashman LLP  
7 Times Square, 40th Floor  
(between 41st and 42nd Streets)  
New York, NY 10036-6569  
srodner@pryorcashman.com

#### First Vice-Chair

Diane F. Krausz  
D. Krausz & Associates  
Attorneys At Law  
33 West 19th St., 4th Floor  
New York, NY 10011  
DKrausz@dianekrausz.com

#### Second Vice-Chair

Jason P. Baruch  
Sendroff & Baruch, LLP  
1500 Broadway, Suite 2201  
New York, NY 10036-4052  
jbaruch@sendroffbaruch.com

#### Secretary

Anne S. Atkinson  
Pryor Cashman LLP  
7 Times Square  
New York, NY 10036-6569  
aatkinson@pryorcashman.com

#### Assistant Secretary

Jay Kogan  
DC Comics  
1700 Broadway  
New York, NY 10019  
jay.kogan@dcentertainment.com

#### Treasurer

Richard A. Garza  
1080 Kennedy Boulevard  
Bayonne, NJ 07002-2066  
rgarza@bmi.com

#### Assistant Treasurer

Carol J. Steinberg  
74 East 7th Street  
New York, NY 10003  
elizabethcjs@gmail.com



From the NYSBA Book Store >

# Counseling Content Providers in the Digital Age

## *A Handbook for Lawyers*

For as long as there have been printing presses, there have been accusations of libel, invasion of privacy, intellectual property infringements and a variety of other torts. Now that much of the content reaching the public is distributed over the Internet, television (including cable and satellite), radio and film as well as in print, the field of pre-publication review has become more complicated and more important. *Counseling Content Providers in the Digital Age* provides an overview of the issues content reviewers face repeatedly.

*Counseling Content Providers in the Digital Age* was written and edited by experienced media law attorneys from California and New York. This book is invaluable to anyone entering the field of pre-publication review as well as anyone responsible for vetting the content of a client's or a firm's Web site.

### Table of Contents

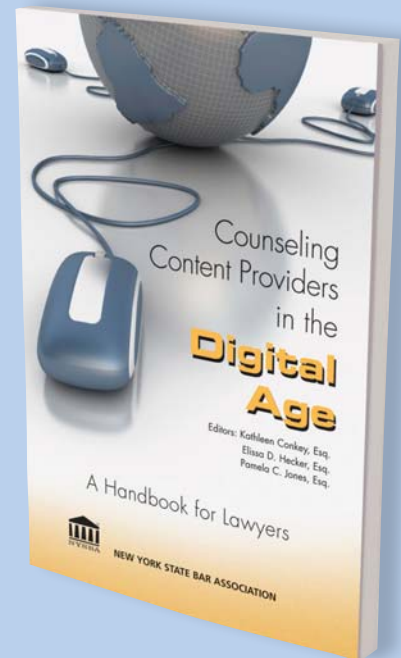
Introduction; Defamation; The Invasion of Privacy Torts; Right of Publicity; Other News-gathering Torts; Copyright Infringement; Trademark Infringement; Rights and Clearances; Errors and Omissions Insurance; Contracting with Minors; Television Standards and Practices; Reality Television Pranks and Sensitive Subject Matter; Miscellaneous Steps in Pre-Broadcast Review.

## Get the Information Edge

1.800.582.2452    [www.nysba.org/pubs](http://www.nysba.org/pubs)

Mention Code: PUB2141N

Section  
Members get  
20% discount\*  
with coupon code  
PUB2141N



### EDITORS

Kathleen Conkey, Esq.  
Elissa D. Hecker, Esq.  
Pamela C. Jones, Esq.

### PRODUCT INFO AND PRICES

2010 / approx. 480 pages,  
softbound / PN: 4063

**\$55 NYSBA Members**  
\$70 Nonmembers

\$5.95 shipping and handling within the continental U.S. The cost for shipping and handling outside the continental U.S. will be based on destination and added to your order. Prices do not include applicable sales tax.

\*Discount good until May 23, 2014





NEW YORK STATE BAR ASSOCIATION  
**ENTERTAINMENT, ARTS AND SPORTS LAW SECTION**  
 One Elk Street, Albany, New York 12207-1002

NON PROFIT ORG.  
 U.S. POSTAGE  
**PAID**  
 ALBANY, N.Y.  
 PERMIT No. 155

**ADDRESS SERVICE REQUESTED**



**fastcase**<sup>®</sup>

Smarter legal research.

Log in at [www.nysba.org](http://www.nysba.org)



**Free to members of the NYSBA.**

Members of the New York State Bar Association now have access to Fastcase's New York libraries for free. Unlimited search using Fastcase's smarter legal research tools, unlimited printing, and unlimited reference support, all free to active members of the NYSBA. Log in at [www.nysba.org](http://www.nysba.org) and click the Fastcase logo. And don't forget that Fastcase's free apps for iPhone, Android and iPad connect to your bar account automatically by Mobile Sync. All free as a benefit of membership in the NYSBA.

Turn the page on write-downs and write-offs

...of the search  
 ...occur over time, how  
 ...terms, how many times each  
 ...by all other cases, and how many times  
 ...by the super-relevant cases within the search  
 ...search results). The visual map provides volumes more  
 ...than any list of search results – you have to see it to believe it!