

Entertainment, Arts and Sports Law Journal



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



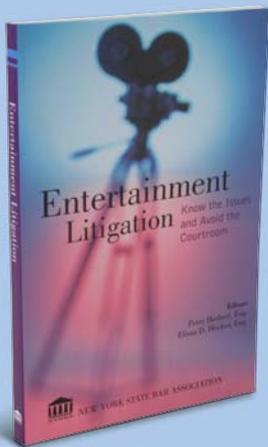
**Section Members
get 20% discount***
with coupon code
PUB1621N



Entertainment Litigation

Entertainment Litigation is a thorough exposition of the basics that manages to address in a simple, accessible way the pitfalls and the complexities of the field, so that artists, armed with that knowledge, and their representatives can best minimize the risk of litigation and avoid the courtroom.

Written by experts in the field, *Entertainment Litigation* is the manual for anyone practicing in this fast-paced, ever-changing area of law.



EDITORS

Peter Herbert, Esq.

Hinckley, Allen & Snyder LLP
Boston, MA

Elissa D. Hecker

Law Office of Elissa D. Hecker
Irvington, NY

PRODUCT INFO AND PRICES

2007 / 232 pp., softbound
PN: 4087

NYSBA Members	\$35
Non-members	\$55

\$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.

Contents

1. Contracts Without an Obligation
 2. Artist-Manager Conflicts
 3. Artist-Dealer Relations: Representing the Visual Artist
 4. Intellectual Property Overview: Right of Privacy / Publicity and the Lanham Act
 5. Anatomy of a Copyright Infringement Claim
 6. Digitalization of Libraries / Google Litigation
 7. Accrual of Copyright Infringement Claims
 8. The Safe Harbor Provisions of the Digital Millennium Copyright Act and "X."com
 9. Trademarks for Artists and Entertainers
 10. Internet: A Business Owner's Checklist for Avoiding Web Site Pitfalls
 11. Internet Legal Issues
 12. Litigating Domain Name Disputes
 13. Alternative Dispute Resolution
- Appendices

Co-sponsored by the New York State Bar Association's Entertainment, Arts and Sports Law Section and the Committee on Continuing Legal Education

*Discount good until December 31, 2012

Get the Information Edge

NEW YORK STATE BAR ASSOCIATION

1.800.582.2452 www.nysba.org/pubs

Mention Code: PUB1621N



Table of Contents

	Page
Remarks from the Chair..... (Rosemarie Tully)	4
Editor’s Note (Elissa D. Hecker)	6
NYSBA Guidelines for Obtaining MCLE Credit for Writing.....	7
Pro Bono Update.....	8
Law Student Initiative Writing Contest.....	12
The Phil Cowan Memorial/BMI Scholarship.....	13
Court Approves E-Book Antitrust Consent Decree Against Apple and Book Publishers (Joel L. Hecker)	15
Social Media and Litigation: A Marriage Made in Hyperspace..... (Andrew B. Delaney and Darren A. Heitner)	19
Counseling Statutory Successors Regarding Copyright Termination..... (Carrie Casselman)	26
Does Registering Multiple Works in a Single Application Limit Remedies for Copyright Infringement? (Steve Gordon)	33
Intellectual Property: A Two-Edged Sword (Cheryl Davis)	36
Of All the Lawsuits, in All the Courts, in All the World, They Had to Settle This One: What We Didn’t Learn About Rights of Publicity and Social Media from <i>Bogart v. Burberry</i> (Cassidy Merriam)	39
<i>Golan and Mayo</i> : Practical Tips for Intellectual Property Owners and Users..... (Theodore K. Cheng, Stephanie S. Spangler and Lee V. Pham)	43
Reselling Resale Royalties to America—A Path Forward for the Equality for Visual Artists Act?..... (Daniel Ilan and Megan Prunella)	49
Dollars and No Sense: The Disparate Impact of Student-Athlete Non-Payment on Minorities, and How <i>O’Bannon v. NCAA</i> Could Solve It..... (Amber J. Slattery)	56
Two Films, One Law: An Analysis of Social Deviance in Gender, Family, or the Home (Etudes 7)..... (Carmen M. Cusack)	62
Music Licensing for Film and Television in the Digital Age.....	76
Krell’s Korner: The Quiz Show Scandal: Real vs. Reel..... (David Krell)	77

Remarks from the Chair

Where does the time go? Summers are always too short, the fall season often seems to whiz by, and before you know it, it's the new year. This coming new year, however, will be one to savor for EASL as our Section turns 25. In the mid-1980s, a small group of lawyers formed the Committee on Entertainment Law of the New York State Bar Association. Led by Marc Jacobson, this legal community grew and was recognized by NYSBA as the Entertainment, Arts and Sports Law Section in 1988, and Marc became our first Chair. Now, with an average of 1,700 members and growing each year, EASL is a leader on many fronts, including pro bono services and diversity initiatives. We are fortunate to have several of our *founding members* continue guiding the Section into the future. Among them are Pamela Cathlyn Jones, Mary Ann Zimmer, and, of course, our Founding Chair, Marc Jacobson.



An early objective of the Committee was to provide a forum for thoughtful discussion and camaraderie among colleagues in the entertainment fields, as well as assess relevant legislation (current and proposed) and perhaps develop legislative proposals for consideration by our law-makers. While these objectives have remained constant over the past 25 years, those thoughtful discussion groups have evolved into a myriad of CLE programs addressing topics in the courts and trends in the industries, and we have become increasingly active in legislative review and comment. This year, thanks to our Membership Committee, co-chaired by Ethan Bordman, Jessica Thaler, and Rob Thony, we have also increased our real-time, real-life, in-person social networking opportunities, encouraging colleagues to spend some time getting to know each other over refreshments and noshes after selected CLE programs.

Here are some of the recent highlights:

The *EASL Summer Social*, organized by Ethan Bordman and Jessica Thaler, was held at the Banc Café in Manhattan on September 5th. There, we celebrated the end of summer and the beginning of EASL's fall season. This sold-out event attracted many new members to EASL, and Ethan Bordman, along with the able assistance of Mary Ann Zimmer and Diane Krausz, mingled through the crowd making introductions and ensuring that everyone felt connected. One and all enjoyed cocktails and light fare, but it was the synergy of personal interaction that encouraged many to remain beyond the scheduled conclusion.

Each year our Membership Committee collaborates with another of our committees to create a program that reaches beyond our usual focus. This year's collaboration with the Fine Arts Committee produced *Matters of Art Finance: Exploration of Art Loans & Art Investment Funds*. Program Chairs Judith Prowda and Jessica Thaler invited leaders in the fields of art and finance to discuss where the two worlds overlap and investment strategies for the global marketplace. Filled to capacity, the program, held at Herrick Feinstein LLP, attracted a broad audience of practitioners.

Moving ever forward, the same committee that introduced us to *Augmented Reality* last spring enlightened us on *Kickstarting the Next Generation of Video: Legal Challenges and Opportunities in the Gaming Landscape*. Copyright and Trademark Committee Co-Chairs Jay Kogan and Britton Payne organized this program focusing on the mobile gaming boom (think—Angry Birds) and the unexpected success of crowd-funding. Bringing together veteran video game lawyers and current game developers, Britton Payne moderated the discussion and focused on the new dynamic of legal representation in copyright and trademark law evolving with these developments.

In addition to EASL Section programs, in September we joined forces with the NYSBA Committee on Continuing Legal Education to produce an association-wide program titled *Introduction to Sports Law*. Co-sponsoring the event was our Section's Sports Committee, Co-Chaired by Ayala Deutsch, Matthew D. Pace, and Kathleen Wu. The lineup of panelists, coordinated by Program Chair Matthew D. Pace, answered the questions: *What does it mean to practice sports law?* and *In what capacities do sports lawyers operate?* As always, good questions lead to more questions, and, as a result, our Sports Committee presented a sequel CLE on *Emerging Issues in Sports* in November.

An increasingly important element to our practices is that of mediation, and we are very appreciative that EASL's Alternative Dispute Resolution Committee is mindful of the need to maintain proficiency in this area. On October 3rd, this committee offered an instructive program, *Effective Representation in a Mediation*. Program Chair (and EASL Immediate Past Chair) Judith Prowda invited Simeon H. Baum to guide the audience through the steps of a mediation with a view toward making the most of an opportunity to resolve client disputes in this fashion. This program was a quick sellout and well received by all participants.

Continuing the EASL adventure, this year we re-partnered with the CMJ Music Marathon, and, thanks to the herculean efforts of our NYSBA liaison, Beth Gould, and our Music and Recording Industry Committee Co-Chairs,

Christine Pepe and Keenan Popwell, EASL members enjoyed breakfast, lunch, and a full day of CLE focusing on diverse and edgy topics in the music and entertainment industries—all at a significantly discounted, members-only price. Several of our members were featured panelists for the *CMJ/EASL Entertainment Business Law Seminar*, including Pery Krinsky, Paul LiCalsi, and Stanley Pierre-Louis. This popular seminar took place during the week-long, New York City-wide CMJ Music Marathon (October 16-20). A special thanks to former EASL Chair Alan Barson for introducing us to CMJ.

Also in October, EASL's Pro Bono Steering Committee organized another of its incredibly successful *Pro Bono Clinics* in conjunction with the IP Section and the New York Foundation for the Arts (NYFA). As in prior efforts, the October 23rd Clinic, coordinated by committee Co-Chairs Elissa Hecker and Kathy Kim, matched veteran attorneys with those newly admitted and in transition, who together offered legal advice to NYFA registrants, pro bono. Law students are also invited to participate, gaining invaluable practical experience. It is always a win-win for those involved.

Wrapping up the EASL fall season was our Annual Fall Meeting, which was held this year on November 15th at The Cornell Club. In response to our members' requests, the program reprised discussions on e-book rights and bankruptcy introduced at our 2012 Annual Meeting program. As has become popular among our members, this Fall Meeting CLE presentation was followed by a reception/social. Our program planners developed two panels: *E-Book Rights, The Sequel* (Program Chairs—Judith Bass and Kenneth Swezey) and *Bankruptcy and Entertainment Assets* (Program Chairs—Daniel Marotta, Andrew Seiden, Barry Skidelsky, Eric Stenshoel, and Carol Steinberg).

On legislative issues, EASL's voice was front and center. Under the leadership of EASL's Immediate Past Chair, Judith Prowda, EASL helped shape an amendment to the Arts and Cultural Affairs Law (NYSCAL) relative to consignments of works of art to art merchants by artists, their heirs and personal representatives (the *Arts Consignment Law*). The revised statutes, Articles 11 and 12 of the

NYSCAL, serve to strengthen pre-existing trust property and trust fund provisions, fortifying the rights of consignors (and their heirs), which rights otherwise may have been lost. This legislation was passed, signed into law by the Governor, and was effective as of November 7th.

EASL also reviewed and supported amendments to the General Business Law and the Arts and Cultural Affairs Law in relation to theatrical employment agencies (the *Talent Agency Law Revisions*). Founding Chair Marc Jacobson spearheaded EASL's working group on this issue. Among the changes, the amendments add a definition for "artist," adjust the writing requirement for agency contracts, and deal with agency fees relative to negotiation or renegotiation on original or pre-existing contracts. In sum, the revisions clarify and create consistency in the regulation of theatrical employment agencies. This legislation was passed and signed into law by the Governor on October 3rd.

Currently under review are proposals by the New York State Department of Labor establishing rules and regulations relating to the employment of child performers in furtherance of *The Child Performer and Education Trust Act of 2003*. EASL Second Vice Chair Diane Krausz has undertaken this effort.

Over the past 25 years, it has been clear to me that EASL has remained true to its roots, and, in its evolution, has become part of the fabric of our professional lives. I am hoping that you will join us throughout 2013 in celebrating the rich history of EASL and become an integral part of shaping its future. Our commemorative event will take place in Manhattan beginning on Sunday, May 5, 2013, with informal theatre and dining opportunities. EASL's Anniversary Gala will be Monday, May 6, 2013, starting with a sprinkling of CLE programs before and after a Section luncheon, and continuing into the evening with an elegant dinner and cabaret performance.

For this, our 25th Anniversary, we celebrate you the member and invite you to savor all that EASL has to offer.

Rosemarie Tully

Editor's Note

We're on the cusp of cold nights and naked trees, when hopefully you are reading this issue of the *EASL Journal* wrapped in your warm blanket by the fireside, and cozy on your couch. I promise you a wide selection of timely and interesting articles.

EASL's next book, *In the Arena*, which focuses on sports law topics, will be published soon. Stay tuned for news on how to acquire your own copy in 2013.

Our next issue will be the 25th Anniversary issue, celebrating EASL over the past quarter century. If you are interested in submitting an article for that special Spring issue, please do so by **Friday, December 28th**. Any articles received after that date will be held until the Summer issue.

As always, I look forward to hearing from you.



Elissa

The next *EASL Journal* deadline is Friday, December 28, 2012

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 and 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/NYC, 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 Super Lawyers Rising Star, the recipient of the CSUSA's first ever 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 EHeckerEsq@eheckeresq.com, or through her website at EHECKERESQ.com.



Entertainment, Arts and Sports Law Section Blog

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

The blog acts as a new 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

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 (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

Check out our Blog at <http://nysbar.com/blogs/EASL>

Pro Bono Update

Pro Bono Steering Committee:

Clinics: Elissa D. Hecker, Kathy Kim

Speakers Bureau: Carol Steinberg

NYFA: Elissa D. Hecker, Carol Steinberg

Litigations: Irina Tarsis



Over the summer, EASL partnered with NYFA to provide speakers and group leaders for its Boot Camp for Performing Artists, which was held at NYU. EASL has on many occasions provided speakers for the Boot Camp, whose purpose is to provide entrepreneurial training for

artists. The intense curriculum concentrates on Strategic Planning, Finance, Law, Selling and Promoting Work, and Fundraising.

Carol Steinberg and Jason Aylesworth provided the keynote talk for the legal section on Copyright and

Contracts for Performing Artists. In addition, EASL members Diane Krausz, Ning Wu, Corey Greenberg, and David Davoli led break-out groups in theatre, dance, film, and music to discuss how the concepts described in the lecture applied to their artistic disciplines.

We have received great feedback from NYFA and the participants on how much they benefited from the presentations and group discussions.

The photos that appear on pp. 8 and 9 are from the Summer Boot Camp.





**DO THE
PUBLIC
GOOD**
VOLUNTEER
FOR PRO BONO

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 are coordinating walk-in legal clinics with various organizations.

Elissa D. Hecker, eheckeresq@eheckeresq.com
Kathy Kim, kathykimesq@gmail.com

Speakers Bureau

Carol Steinberg is coordinating Speakers Bureau programs and events.
Carol Steinberg, elizabethcjs@gmail.com

Litigations

Irina Tarsis is coordinating pro bono litigations.
Irina Tarsis, tarsis@gmail.com



More Pro Bono

On October 23rd, the EASL and IP Sections held a Pro Bono Clinic at NYFA's offices in Brooklyn. As always, it was a resounding success, with 30 wonderful attorney and law student volunteers helping 25 artists with their legal issues.

Thank you to:

Richard C. Agins	Meghan Moroney
Laura Brooks	Judy Naamat
Alesha Brown	Madeline M. Nichols
Caroline Camp	Michelle Ozog
Tudor F. Capusan	Aditi Puri
Antonia Carew-Watts	Robert Seidenberg
Julia Cheng	Jennifer Newman Sharpe
Eric W. Fries	Tiffani M. Simmons
Stacia Harrison	Brooke Smarsh
Elissa D. Hecker	Justin Strock
Fawn M. Horvath	Ashley Tan
Anish Jain	Vivian Tseng
Kathy Kim	Shane Wax
Roberto Ledesma	Penny M. Williams
Jason Lunardi	Genan Zilkha



The photos that appear on pp. 10-11 are from the Fall Pro Bono Clinic..

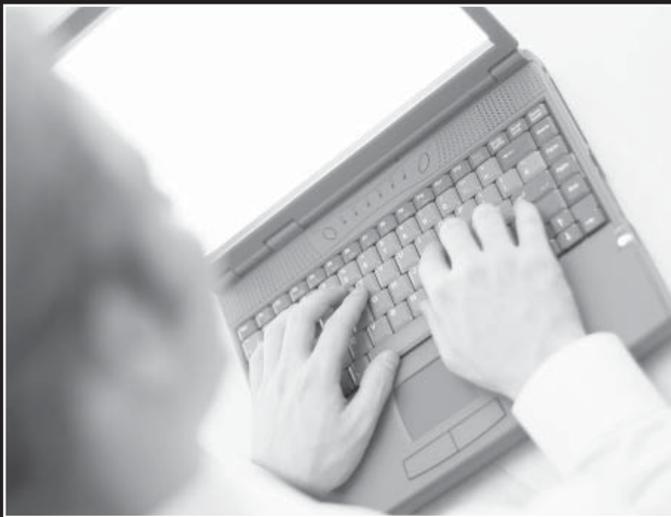




**DO THE
PUBLIC
GOOD**
**VOLUNTEER
FOR PRO BONO**



A Pro Bono Opportunities Guide For Lawyers in New York State *Online!*



Looking to volunteer? This easy-to-use guide will help you find the right opportunity. You can search by county, by subject area, and by population served. A collaborative project of the New York City Bar Fund, New York State Bar Association, Pro Bono Net, and Volunteers of Legal Service.

powered by **probono.net**

You can find the Opportunities Guide on the Pro Bono Net Web site at www.probono.net/NY/volunteer, through the New York State Bar Association Web site at www.nysba.org/volunteer, through the Association of the New York City Bar Web site at www.abcny.org/volunteer, and through the Volunteers of Legal Service Web site at www.volsprobono.org/volunteer.



VOLS
Volunteers of
Legal Service



NEW YORK
STATE BAR
ASSOCIATION

Law Student Initiative Writing Contest

Congratulations to LSI winner:

Cassidy Merriam of Brooklyn Law School, for her article entitled:

**“Of All the Lawsuits, in All the Courts, in All the World, They Had to Settle This One:
What We Didn’t Learn About Rights of Publicity and Social Media from *Bogart v. Burberry*”**

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 **Friday, December 28, 2012**

Submissions: Articles must be submitted via a Word email attachment to 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.

**Next *EASL Journal* Submission Deadline:
Friday, December 28, 2012**

The Phil Cowan Memorial/BMI Scholarship

Law students, take note of this publishing and scholarship opportunity: The Entertainment, Arts and 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. All law schools will screen the papers and submit the three best to EASL's Phil Cowan Memorial/BMI Scholarship Committee. The Committee will read the papers submitted and will select the Scholarship recipient(s).

Eligibility

The Competition is open to all students 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 10 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

membership in EASL (with all the benefits of an EASL member) for a one-year period.

Yearly Deadlines

December 12th: Law School Faculty liaison submits 3 best papers 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, all former EASL Chairs who are still active in the Section, all 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 to the EASL website. 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 350,000 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 approximately 4.5 million compositions are then distributed as royalties to BMI-member writers, composers and copyright holders.

About the New York State Bar Association / EASL

The 77,000-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 1876, 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*.

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** to learn about pro bono opportunities.



Court Approves E-Book Antitrust Consent Decree Against Apple and Book Publishers

By Joel L. Hecker

Introduction

I previously wrote in the Summer 2012 issue of this *Journal*¹ that on April 11, 2012, the United States of America commenced a civil antitrust litigation in the United States District Court for the Southern District of New York against five of the six major book publishers in the United States as well as Apple, Inc. (Apple).² I reported that the complaint alleged that the defendants conspired to raise the price of electronic books (e-books) over a period of time in response to the practice by Amazon.com, Inc. (Amazon) of selling e-books for \$9.99. Simultaneously with the filing, the plaintiff also filed a Stipulation of Settlement and Consent Decree³ and Competitive Impact Statement⁴ in connection with its settlement of the action with three of the five publishers. This article updates my prior article, as Judge Denise Cote approved the Consent Decree on September 5th and granted the Government's motion for a final judgment.⁵

There were also companion cases brought by an eventual total of 49 states and five territories against the defendants on behalf of the citizens of their respective states seeking restitution to consumers for overcharges, damages and injunctive relief as a result of the alleged price-fixing scheme. Subsequent to the filing of these suits, they were consolidated before Judge Cote. That consolidated action has now been settled, with the defendants agreeing to pay \$70.28 million in compensation to consumers who purchased e-books from the settling defendants.⁶

In order to report on Judge Cote's decision, it is necessary to explore the background for these actions, the Government's complaint and the now court approved Consent Decree.

The Parties Involved

The plaintiff in this action was the United States of America, represented by the Department of Justice (the DOJ). The defendants are Apple; Hachette Book Group, Inc. (Hachette); HarperCollins Publishers L.L.C. (HarperCollins); Verlagsgruppe Georg Von Holtzbrinck GMBH, Holtzbrinck Publishers, LLC d/b/a Macmillan (Macmillan); The Penguin Group, a Division of Pearson PLC, Penguin Group (USA), Inc. (Penguin); and Simon & Schuster, Inc. (Simon & Schuster). After extensive negotiations prior to the filing of the complaint, a pre-arranged settlement was agreed to among the DOJ and Hachette, HarperCollins, and Simon & Schuster (collectively the Settling Defendants). Apple, Macmillan and Penguin refused to settle and the action continues against them with a trial presently scheduled before Judge Cote for June 2013.

Summary of the Government's Claims

The complaint alleged that the publisher defendants, concerned by Amazon's pricing of newly released and bestselling e-books at \$9.99 or less, agreed among themselves and with Apple to raise the retail prices of e-books by taking control of e-book pricing from retailers. The effect of this agreement was to increase the price consumers paid for e-books, end price competition among e-book retailers, constrain innovation among e-book retailers, and entrench incumbent publishers' favorable position in the sale and distribution of print books by slowing the migration from print books to e-books. The complaint sought injunctive relief to enjoin continuance and prevent recurrence of the violation.

Evidence of Conspiracy as Alleged in the Complaint

Until the alleged conspiracy took effect, publishers sold e-books under a model that had prevailed for decades in the sale of print books, called the wholesale model. Under this model, publishers typically sold copies of each title to retailers at a discount off the list price. Retailers, who became the owner of these books, were free to determine at what price they would sell the books to consumers. Thus, publishers would recommend prices, but retailers could and frequently did compete for business at discounted prices, which obviously benefited consumers.

In 2007, Amazon launched its Kindle e-reader service which permitted consumers to read e-books on the Kindle. Amazon offered a portion of its e-book catalogue, which primarily consisted of newly released and *New York Times* bestselling e-books, for \$9.99. To compete with Amazon, other e-book retailers felt that they had to, and therefore often matched, this \$9.99 price. As a result, alleged the DOJ, consumers benefited from Amazon's low prices.

The complaint alleged that the publisher defendants feared that this \$9.99 price would lead over time to the erosion of hardcover book prices and a corresponding decline in revenue, and thus significantly threaten their long-term profits. The complaint further alleged that executives of the publisher defendants met among themselves, assured each other that they had this common "\$9.99 problem," and that this was a perceived threat to the publishing industry. At the same time, each publisher defendant feared that if it unilaterally attempted to challenge Amazon, Amazon would resist and such publishing defendant would lose market share. Accordingly, the

publisher defendants agreed to act collectively to raise retail e-book prices.

Apple's entry into the e-book business, through its decision to sell e-books via its new iBookstore in conjunction with its new iPad device, changed the entire situation. The publisher defendants and Apple realized that they could work together to counter the "\$9.99 problem." They eventually began to consider and adopted what is now called the "agency model" whereby the publishers would set the prices of e-books sold, Apple would take a 30% commission as the selling agent, and the retailers would be prohibited from discounting the list price for the e-books.

Through frequent in-person meetings, phone calls, and electronic communications, the defendants assured each other of their mutual intents to reach an agreement. As a result, the publisher defendants each entered into an agreement with Apple (the Apple Agency Agreements) within a three-day span in January 2010. Immediately after, Apple announced its iPad at a launch event.

The Apple Agency Agreement contained two primary features that enabled the publisher defendants to take control of pricing and raise e-book retail prices.

First, Apple insisted on including a Most Favored Nation clause (MFN) that required each publisher to guarantee that no other retailer could undersell Apple. This not only protected Apple from having to compete on price, it also required the publisher defendants to prohibit other e-book retailers from being able to discount prices, even if such discount would have come out of the retailer's own profit margins (otherwise, the MFN would kick in causing Apple to drop its prices, thereby reducing revenues to the publisher defendants, resulting in the defeat of the very purpose of the conspiracy, which was to raise retail prices across the board). Second, the Apple Agency Agreement contained pricing tiers that almost uniformly set e-book prices to the maximum price levels allowed by each tier (for example, e-books would be priced at \$12.99, \$14.99 or \$16.99, depending upon the range of the hard cover list price for the same book).

Upon execution of the Apple Agency Agreements and the launch of the iPad, the publisher defendants all then acted quickly to "complete the scheme" by imposing agency agreements on all of their other retailers. As a direct result, those retailers lost their ability to compete on price, including offering e-books for sale at \$9.99.

Amazon, after initial attempts to resist the higher e-book prices, capitulated and publicly announced that it had no choice but to accept the agency model. As a result, alleged the DOJ, retail price competition on the e-book had been eliminated and the retail price of e-books had increased, to the detriment of consumers.

Requirements for a Consent Decree

The Settling Defendants entered into a Consent Decree with the DOJ, which provided for a final judgment to be entered against them once the provisions of the Antitrust Procedures and Penalties Act (the APPA) were complied with. The APPA requires that the Proposed Final Judgment and Competitive Impact Statement be published in the Federal Register and in certain newspapers at least 60 days prior to entry of the Proposed Final Judgment. This period is to inform members of the public that they may submit comments about the Proposed Final Judgment, which will also be published, along with the DOJ's responses. At the end of the applicable time periods, the DOJ is required to file with the court these comments and the DOJ's responses, and either ask the court to enter the Final Judgment (as revised if appropriate), or withdraw its consent, all as provided in the proposed Stipulation and Order.

In sum, this procedure permits public response to the terms of the proposed Final Judgment and the DOJ and the court to consider non-party input into the process. As set forth below, the DOJ followed this process, and Judge Cote considered numerous comments from the public and from *amici curiae* as part of her decision-making process.

Summary of Actual Consent Decree

The Consent Decree, entered into by the DOJ and Hachette, HarperCollins and Simon & Schuster, provides that the court may enter the Proposed Final Judgment after compliance with the APPA procedures set forth above. The parties stipulated that a final judgment would be entered, which in fact occurred after Judge Cote approved it. The following are some of the more pertinent provisions.

1. The Settling Defendants will immediately terminate their Apple Agency Agreements as well as their contracts with e-book retailers that contain either a restriction on the e-book retailer's ability to set the retail price of any e-book or an MFN clause. This would not prohibit e-book retailers, including Apple, from negotiating new contracts with any Settling Defendant. It will, however, prohibit the Settling Defendants, for at least two years, from including prohibitions on retailer discounting in any new agreements with them. Additionally, any retailer would be able to stagger the termination dates of its contracts with the Settling Defendants to ensure that it would not be required to negotiate with them all at the same time. This should inhibit and avoid joint conduct, which could lead to a return to the conspiratorial conduct.
2. Each Settling Defendant will be required to notify the DOJ before forming or modifying any joint venture between it and another publisher in rela-

tion to e-books. This will permit the DOJ to evaluate any potential anti-competitive effects of joint activity at a sufficiently early stage to presumably prevent harm to competition.

3. Settling Defendants will be required to provide the DOJ with each e-book agreement into which it enters with any e-book retailer on or after January 1, 2012 on a quarterly basis.
4. The Settling Defendants are prohibited from enforcing existing agreements with or entering into new agreements containing a ban on retailer discounting or providing for MFNs. The DOJ presumes that with these provisions most retailers will soon be able to discount e-book prices in order to compete for market share. In an interesting disclosure, the DOJ indicated its belief that this two-year period is sufficient to allow competition to return to the market because, in light of current industry dynamics, including rapid innovation, the e-book world will be drastically changed during that time. Judge Cote agreed that this presumption was fair.
5. The Settling Defendants are broadly prohibited from agreeing with each other or any other e-book publishers from raising or setting e-book prices. In effect, this bans the kind of agreements that led to the anticompetitive increase in e-book prices.
6. The Settling Defendants are prohibited from directly or indirectly conveying confidential or competitively sensitive information to any other e-book publisher. This would eliminate conduct that led directly to the collusive agreement alleged in the complaint. This ban applies equally well to the parent companies and their officers.
7. The Settling Defendants are permitted to compensate e-book retailers for services that the retailers provide to publishers or consumers and help promote or sell books. For example, they can support brick and mortar retailers by directly paying for promotion and marketing efforts in the retailers' stores.
8. The Settling Defendants have the right to enter into one-year agency agreements that would, in effect, prevent e-book retailers from cumulatively selling that Settling Defendant's e-books at a loss over the period of the contract. This will, for example, permit a "buy one, get one free" offer so long as the aggregate amount of discounts or other promotions did not exceed the retailer's full commission over that period. In other words, this clause permits a Settling Defendant from preventing a retailer from selling its entire catalogue at a sustained loss.

Summary of Court Decision Approving Settlement

As part of the Consent Decree, Judge Cote, after viewing the evidence before her as well as 868 comments from the public which were timely submitted, and *amici curiae* replies by non-parties Barnes & Noble, American Booksellers Association, Inc., The Authors Guild, Inc., Bob Kohn, and others, approved the settlement in a decision dated September 5th. The court accepted the legal and factual position of the DOJ and rejected those of the objectors. The court found that "the proposed judgment secures a remedy that is closely related to the violations alleged in the complaint.... [T]he proposed final judgment appears reasonably calculated to restore retail price competition for the market for trade e-books, to return prices to their competitive level, and to benefit e-book consumers and the public generally, at least as to the competitive harms alleged in the complaint."⁷

The most important substantive concern raised against the Consent Decree was that the proposed final judgment would actively harm third party stakeholders, such as brick-and-mortar bookstores, e-book retailers, independent publishing houses, and authors by permitting Amazon to reintroduce its policy of selling e-books at \$9.99 per copy, which was alleged to be below Amazon's cost. The court rejected these and the other arguments presented, stating that the purpose of the Federal Sherman Antitrust Act is not to protect businesses from the working of the marketplace, rather it is to protect the public from the failure of the market. In a nutshell, since the settlement was addressed to the allegations concerning collusion between the publishing houses and Apple, which was intended to, and did, eliminate price competition in the e-book marketplace to the detriment and harm of the consumer, the fact that Amazon might reduce its prices as a side result was not a reason to reject the settlement.

Conclusion

This settlement, which was the result of discussions between the DOJ and defendants that lasted months, and its subsequent approval by the court, would appear to be a significant benefit to consumers, at least initially, as a result of the decrease in pricing structures. However, only time will tell whether Amazon will be able to reassert its dominant position in the e-market industry (which at one point accounted for around 90% of sales). After all, Amazon certainly would have the ability to unilaterally raise its price from \$9.99 in the future and thereby set a new minimum standard within the industry. The DOJ, and the court in its approval, seem to be betting on the fact that consumer demand will result in competitive pricing and that technological advances will supersede the existing e-book models, thereby altering or diminishing Amazon's dominant e-book position. Whether this competitive

e-book pricing scheme will materially impact upon the publishers' ability to maintain traditional prices for hard-cover or trade books remains to be seen.

In October 2012, Bob Kohn, an *amicus curiae*, filed a Notice of Appeal to the Second Circuit Court of Appeals, seeking reversal of Judge Cote's Opinion and Order. Therefore, we have certainly not heard the last of this matter.

Endnotes

1. To fully understand the reasons given by Judge Cote when she approved the Consent Decree, it is necessary to retrace portions of my prior article. See Joel L. Hecker, *EBook Antitrust Suits Against Apple and Book Publishers*, Entertainment, Arts and Sports Law Journal, Summer, 2012, 20. For those readers who read my prior article, please consider those portions as a refresher.
2. USA v. Apple, Inc., et al., Civ. Action No. 12 Civ. 2826 (DLC) (S.D.N.Y., Apr. 11, 2012).
3. The Stipulation of Settlement and Proposed Consent Decree were filed in the case as docket Document 4 on Apr. 11, 2012.
4. The Competitive Impact Statement pursuant to the APAA, Section 2(b) was filed in the case as docket Document 5 on Apr. 11, 2012.
5. USA v. Apple, Inc., et al., 2012 WL 3865135 (S.D.N.Y. 2012).
6. *Id.* at 5-6.
7. In re Electronic Books Antitrust Lit., No. 11-MD-2293 (DLC) (S.D.N.Y. June 27, 2012).

Joel L. Hecker, Of Counsel to Russo & Burke, 600 Third Avenue, New York, NY 10016, practices in every aspect of photography and visual arts law, as well as copyright, licensing, publishing, contracts, privacy rights, and other intellectual property issues. He acts as general counsel to the hundreds of professional photographers, stock photo agencies, graphic artists and other photography and content-related businesses he represents nationwide and abroad. He also lectures and writes extensively on issues of concern to these industries, including his monthly column *You And The Law* in *PhotoStockNotes*. He is past Chair of the Copyright and Literary Property Committee of the Association of the Bar of the City of New York, a long-time member and past Trustee of the Copyright Society of the U.S.A., and an EASL member. He has also been designated as a New York Super Lawyer.

He can be reached at (212) 557-9600, fax (212) 557-9610, website www.RussoandBurke.com, or via email: HeckerEsq@aol.com. Specific references to his articles and lectures may be located through internet search engines under the keywords: "Joel L. Hecker."

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



Social Media and Litigation: A Marriage Made in Hyperspace

By Andrew B. Delaney and Darren A. Heitner

Editor's Note: The discussion surrounding issues raised in this article may continue with the authors on the EASL Blog. Please send comments pertaining to social media and litigation to me at ehckeresq@ehckeresq.com, and I will add these to the dialogue.

Introduction

Almost half of America is using social media and that number is rising rapidly.¹ It permeates our daily lives. As of 2009, over 70% of lawyers had accounts on social-media networks.² Over 85% of “younger” lawyers use social media.³ The person who lacks at least one social-media profile will soon become the exception rather than the rule. As a litigator, this social media provides a wealth of information available at one’s fingertips—information that just a few years ago required the hiring of a personal investigator to obtain. Though this immense wealth of information exists, its presence is not without pitfalls.

This article will:

- Dispense background information about the various types of social media;
- Discuss how social media can be used, both in the courtroom and for other legal purposes;
- Provide strategies for introducing information obtained through social media into evidence;
- Examine the ethical and legal concerns raised by social media and its uses; and
- Present suggestions for further study.

Types of Social Media

This section covers the more common forms of social media one might encounter in a legal practice. It will briefly focus on the various social media sites that lawyers are most likely to come across when delving into social media based research.

Facebook

Facebook is the most popular social media platform. Facebook started as a hobby,⁴ which is now arguably one of the most successful businesses launched in recent history.

In 2004, Mark Zuckerberg, while a student at Harvard, started “thefacebook” with some financial help from Edward Saverin. Originally, membership was limited to Harvard students.⁵ Access to the social network soon

expanded to Stanford and Yale. By August 2006, membership was open to 30,000+ “recognized schools, colleges, universities, organizations, and companies within the U.S., Canada, and other English speaking nations.”⁶ That September, Facebook ended its strict exclusivity rules and became open to everyone.⁷

The rest, as they say, is history. As of this writing, Facebook reports that it has more than one billion users who log in at least once per month,⁸ half of which will log in to Facebook any given day.⁹ People share immeasurable amounts of information on Facebook, including status updates, pictures, videos, and links to stories published on third-party websites, and Facebook stores a great deal of information about its users. One recent article reports that Facebook stores up to 800 pages of personal information *on each user*.¹⁰

That wealth of information can be a valuable resource for the litigator. Depending on the applicable privacy settings, a quick check on Facebook could provide information that could make or break a case. Certain users allow anyone browsing the Internet, with or without a Facebook account, to access information posted on their profile pages. As will be discussed below, even information that may at first appear unavailable can later be accessed through discovery, subpoena, and court order.

LinkedIn

LinkedIn is geared toward professional networking, though it shares attributes with other social-networking sites. For example, users can update statuses, add connections, join groups, and network. LinkedIn, however, is specifically geared toward business networking, and users will not find in-site game applications. Nor does LinkedIn boast a chat feature like Facebook’s. However, users can post their educational and work histories, request testimonials from their connections, and supply information about their specialties and publications.

LinkedIn reports that it “started out in the living room of co-founder Reid Hoffman in 2002.”¹¹ It officially launched in May 2003, and by the end of its first month, had 4,500 members. As of this writing, LinkedIn reports that it has 175 million members in over 200 countries.¹² It is also a publicly traded company on the New York Stock Exchange with the ticker symbol LNKD.

Although LinkedIn is not as ubiquitous as Facebook, it is still useful to the litigator. LinkedIn provides information about employment, friends, and connections. One interesting feature on LinkedIn is the “recommenda-

tions" feature. In a sense, LinkedIn seeks to enhance the traditional résumé with a more-accessible and interactive electronic version.¹³

LinkedIn may indeed be useful to the litigator in its intended use. While some lawyers might be hesitant to create a Facebook-style social media profile, LinkedIn provides a more-reserved alternative for the legal professional. LinkedIn boasts several law-oriented groups, as well as other networking opportunities.

Twitter

One might say that Twitter took the "status update" from Facebook and refined it. Users are limited to 140-character "Tweets," which update "followers" on their activities and other items of interest. Twitter also appears to be premised on the "Do one thing and do it well" UNIX philosophy.¹⁴

Theoretically, Twitter is the product of a failed podcasting platform.¹⁵ Some controversy exists around its founding. It was a project that started out slowly. During its beginning stages, the platform had fewer than 5,000 users after two months, and the CEO of its parent company bought back investors' stock for an estimated five million dollars. The company is now estimated to be worth in the neighborhood of five billion dollars.¹⁶

Twitter's value to the litigator lies in the real-time status updates that potential litigants may post. Twitter archives are searchable and largely public. Indeed, the Library of Congress hosts an entire Twitter archive that is continuously updated.¹⁷

Other Sites

Although only three social media sites have been discussed in detail, there are myriad others devoted to social networking. Google+ is a new entrant to the scene that at least one person describes as a "throwback to Facebook 2004."¹⁸ MySpace is still around, although it no longer enjoys the level of traffic it did in 2006, when it was still more popular than Facebook.¹⁹ Further, MySpace has shifted its focus to content instead of pure social networking, and has attempted to become "the social network for music."²⁰

This article has focused on Facebook, LinkedIn, and Twitter because these sites are currently the most popular social networking sites. It remains to be seen what new developments will bring.

When considering social media, one must keep in mind that none of the "top three" are even a decade old. Social media is ever evolving. At any point in time, a new social networking site may sprout from the depths of the unknown and become a popular destination for individuals to post content that is shared amongst the online community. Litigators must stay on top of the latest developments.²¹

Uses of Social Media

Social media is helpful to lawyers in researching claims, preparing defenses, trial preparation, and litigation. These uses are discussed below in turn.

Research

Social media can provide an invaluable tool for initial evaluation of a claim. For example, one might be able to use Facebook and LinkedIn to learn where a potential defendant works, what kind of assets that person might have, content uploaded regarding the future claim, and how that person sees himself or herself in the context of the potential case. Performing this research can help one to be more informed prior to filing suit. In some cases, this research might help a litigator to avoid bringing a claim that sounds great on the surface but breaks down under scrutiny. In other instances, a plaintiff's attorney may uncover valuable information that can be inserted into a complaint's general allegations and perhaps added as exhibits to bolster the plaintiff's count(s).

If one is particularly fortunate, there may be an admission on a social media profile that will go a long way toward building one's case. Lawyers are certainly permitted to conduct research on social-media networks. "Obtaining information about a party available in a [public] Facebook or MySpace profile is similar to obtaining information that is available in publicly accessible online or print media, or through a subscription research service such as Nexis or Factiva, and that is plainly permitted."²²

On Facebook, any person, Facebook user or not, has access to content that is published on someone's Facebook profile (subject to the Facebook user's Privacy settings). The Privacy setting may be changed by the subject to restrict access, by blocking others from "subscribing" to one's updates and changing other permissions. However, no privacy setting will completely restrict a party in a lawsuit from access to published Facebook content. Within Facebook's Privacy Policy in a section titled, "Some other things you need to know," is the following statement:

We may access, preserve and share your information in response to a legal request (like a search warrant, court order or subpoena) if we have a good faith belief that the law requires us to do so. This may include responding to legal requests from jurisdictions outside of the United States where we have a good faith belief that the response is required by law in that jurisdiction, affects users in that jurisdiction, and is consistent with internationally recognized standards. We may also access, preserve and share information when we have a good faith belief it is

necessary to: detect, prevent and address fraud and other illegal activity; to protect ourselves, you and others, including as part of investigations; and to prevent death or imminent bodily harm. Information we receive about you, including financial transaction data related to purchases made with Facebook Credits, may be accessed, processed and retained for an extended period of time when it is the subject of a legal request or obligation, governmental investigation, or investigations concerning possible violations of our terms or policies, or otherwise to prevent harm.²³

Similarly, all content published on Twitter may be available for consumption by the general public. While users are given the option to block their Tweets from anyone who has not been admitted as a follower, those same Tweets may be re-published by permitted followers many times over, reaching a much larger audience than intended by the publisher. Further, Twitter has its own "Law and Harm" policy, which states:

Notwithstanding anything to the contrary in this Policy, we may preserve or disclose your information if we believe that it is reasonably necessary to comply with a law, regulation or legal request; to protect the safety of any person; to address fraud, security or technical issues; or to protect Twitter's rights or property. However, nothing in this Privacy Policy is intended to limit any legal defenses or objections that you may have to a third party's, including a government's, request to disclose your information.²⁴

In 2010, a New York court addressed the protection of a Facebook user's posted content in a case involving a driver injured in a car accident.²⁵ The defendant, Harleysville Insurance Company of New York (Harleysville Insurance), did not believe that the plaintiff, Kara McCann, had sustained serious injuries, and made a request for the production of photographs from McCann's Facebook account as a means of verification.²⁶ The trial court denied (which the Appellate Court affirmed) Harleysville Insurance's motion to compel discovery, finding that the motion was overbroad, along with an apparent lack of proof regarding the relevancy of the Facebook photos.²⁷

Parties do not have the ability force the production of all content published on Facebook. In order to require a party to produce published Facebook content, one must be specific in its demand and demonstrate the relevancy of the requested information. The court stated that Harleysville Insurance "essentially sought permission to

conduct a 'fishing expedition' into Plaintiff's Facebook account based on the mere hope of finding relevant evidence."²⁸ The court did not concern itself with the type of privacy setting the plaintiff attributed to her Facebook content; instead it denied the motion to compel discovery because the defendant did not make a clear showing of the relevance of the evidence.

However, in another 2010 case in New York, the court found the evidence to be relevant, and the party seeking to compel discovery requests was permitted to receive not only current and historical Facebook content, but also pages that had been deleted by the user.²⁹ The key question is whether the evidence is *material and necessary*. The court stated that disclosure of "any facts bearing on the controversy which will assist preparation for trial by sharpening the issues and reducing delay and prolixity" is required.³⁰ The court also stated that preventing access to *private postings* would be "in direct contravention to the liberal disclosure policy in New York State."³¹

Defense

Occasionally, a person may claim one set of facts in public, but in the so-called "privacy" of his or her online network, an entirely different set of facts will come to light. In this situation, the litigator has a unique opportunity to defend against a claim that might otherwise seem unwinnable.

By effectively using social media to prepare a defense, one can realize a great advantage in preparedness. In one case, a University of Kentucky student sued a nightclub in federal court after she slipped and fell while dancing on a bar at the nightclub. She was injured and alleged that the bar was slippery and wet, and that the nightclub should have done more to prevent the accident. The defendant nightclub sought access to the plaintiff's and a witness's private Facebook pages. At one point, in a unique twist on in camera review, the magistrate judge overseeing the case offered to create a Facebook profile and "friend" witnesses "for the sole purpose of reviewing photographs and related comments."³² The witnesses, however, never responded to the judge's "friend" requests.³³

Though the judge ordered Facebook "to produce photographs, messages, wall posts and other information on the profiles of the injured patron and a friend who witnessed the accident," Facebook was able to successfully argue that the Stored Communications Act prohibited disclosure of members' information.³⁴ Eventually, the plaintiff's profile was reviewed in camera pursuant to the plaintiff's consent, and some content was presumably disclosed to the defense. The case settled on the proverbial courthouse steps, one day before it was scheduled to go to trial.³⁵ One can only speculate as to the motivation for the settlement, but the potential social media evidence may have been a significant factor.

Once information is available on social media sites, removal can be difficult—and in certain cases, disastrous. A recent wrongful death action from Virginia graphically illustrates this point.³⁶ In that case, the plaintiff had potentially damaging material posted on his Facebook profile. His attorney advised the plaintiff to “clean it up,” and deactivate the account. Although the plaintiff received a substantial jury verdict, the amount was cut post-trial due to the plaintiff’s and counsel’s behavior, and both were ordered to pay significant sanctions, including the defense attorney’s fees and costs.³⁷ In addition to over \$500,000 in sanctions, the attorney was fired from his firm, allegedly no longer practices law, and faces possible further sanctions from the state bar association.³⁸

Trial Preparation

If a claim appears headed to litigation, then social media provides an invaluable tool for trial preparation. If the percentages mentioned above hold true, then roughly half the witnesses will have a social media profile. An obvious advantage to gleaning information from social media profiles is that one can be much better prepared for cross-examination of adverse witnesses—social media can provide ideas for questions that will keep the adverse witnesses off balance. A lawyer can give the impression that he or she knows things about the witnesses that the other side does not. This kind of information can provide an insurmountable tactical advantage. The jury will notice.

Another, more subtle advantage to gleaning information from social media profiles is the corollary to the above-mentioned ability to be disconcerting. The more one knows about one’s witnesses, the better prepared one can be when the other side tries to put one off balance.

The key to being prepared is to prepare. Such a statement might sound less than profound, but its beauty is its simplicity. The more one prepares for trial, the better one comes across to a jury. Being prepared brings with it a sense of confidence that cannot be feigned. Social media provides an excellent source of preparation.

Litigation

While social media provides a source of preparation for trial, how can it be used in the courtroom? After all, are not most statements made on a social media site the very definition of hearsay?

Authentication

There are no hard and fast rules when it comes to authenticating social media-based evidence. For example, in a recent Connecticut criminal law case, a defendant sought to impeach a prosecution witness with Facebook printouts from her account. The court refused to allow the evidence. It held that “it was incumbent on the defendant, as the proponent, to advance other foundational proof to authenticate that the proffered messages did, in fact, come

from [the prosecution witness] and not simply from her Facebook account.”³⁹

A recent whitepaper from an e-discovery processing firm notes the problem of authenticating social media based evidence. How, exactly, does one make the jump from the computer screen to the courtroom? The author explains:

Under US Federal Rule of Evidence 901(a), a proponent of evidence at trial must offer “evidence sufficient to support a finding that the matter in question is what its proponent claims.” Unless uncontroverted and cooperative witness testimony is available, the proponent must rely on other means to establish a proper foundation. A party can authenticate electronically stored information (“ESI”) per Rule 901(b)(4) with circumstantial evidence that reflects the “contents, substance, internal patterns, or other distinctive characteristics” of the evidence. Many courts have applied Rule 901(b)(4) by ruling that metadata and file level hash values associated with ESI can be sufficient circumstantial evidence to establish its authenticity.⁴⁰

As the paper further explains, metadata and file level hash values are not easy to preserve when collecting social-media-based evidence. Indeed, the author’s corporation is in the business of collecting and preserving social media based evidence.⁴¹ Preservation and authentication of ESI is a highly technical and specialized field.

One option to help ensure eventual authentication of social media based evidence is then, of course, to hire a professional engaged in the business of preserving this data. Another option is to educate oneself to the point of expertise in the field.⁴²

Although it may be expensive to hire an e-discovery expert, the initial expense is likely to be outweighed by the future benefit. If one is attempting to keep the cost of litigation manageable, it may make sense to have an investigator or paralegal perform the initial research. One can then follow up with a professional if appropriate.

Admission by Party Opponent

The most natural use for social media in the courtroom is the admission by a party opponent. The admission by a party opponent is not an exception to the hearsay rule, but is actually considered non-hearsay under the Federal Rules.⁴³

New York recognizes the same exception.⁴⁴ Accordingly, one of the first places one should look for possible

evidence is the opposing party's or parties' social media profiles. There could very well be something out there in hyperspace that could be highly relevant to a claim or defense.

Impeachment

Social media might be used to impeach a witness. A lawyer representing his or her client in litigation may access and review the other party's published social media contact to search for potential impeachment material.⁴⁵

As an example, in the previously mentioned Connecticut criminal case, the defendant likely could have introduced the contradictory Facebook printouts for impeachment purposes had the evidence been authenticated properly. Social media can provide fertile ground for impeachment evidence.

Effect on the Listener

One of the broader exceptions to the hearsay rule is the effect it has on the listener. For example, if one's client saw a Facebook post that infuriated him or her, then the attorney might be able to inquire as to how a certain post made the client feel. It can help to give context or to explain why a client acted in a certain way in a given situation.

There is also an additional benefit to the effect-on-the-listener exception. One should keep in mind that it is "hard to unring the bell, once that bell has been rung." As a practical matter, evidence introduced for the effect it has on the listener—although not offered for its truth—still gets before the jury. As another saying goes, "If you throw a skunk into the jury box, you can't instruct the jury not to smell it." We certainly do not advocate using this tactic indiscriminately, but on occasion, it may be one's best bet for getting effective and relevant—yet technically inadmissible—evidence before the finder of fact.

Independent Legal Significance

If a statement has independent legal significance, then it is admissible, even though it might otherwise be considered hearsay. Contracts can be created online through social media. Libel, slander, and threats can all be expressed via social media. It only matters that the thing of independent legal significance was said, not that it is true.

Courtroom Closing Notes

There are certainly other uses of social media based evidence, and ways to introduce it. This article has sought to provide some of the more common methods one might employ for introducing social media into evidence. This is not an exhaustive list. One could make an argument, for example, that Facebook postings are business records. Ultimately, whether or not one is allowed to use social media based evidence in a courtroom setting will depend on the trial judge, the other litigants, and one's creativity.

Pitfalls

No matter how enticing the information one might glean from social media profiles, it must always be viewed with a healthy dose of skepticism. It would be foolhardy to suggest that glancing at a few social media profiles will prepare one for a trial. People lie. One can never be absolutely sure that the person behind the profile is the same person he or she purports to be. Content may be posted on someone's social media profile by a third party without the owner's permission and/or knowledge. Social media's greatest value lies in providing a starting point. It should never be regarded as a substitute for further research.

Social media profiles are not, as a rule, overly easy to access. Various privacy controls can prevent a member of the general public from viewing a person's personal profile. In most cases, the lawyer using social media to investigate a claim, prepare a defense, or prepare for trial will fall into the member-of-the-general-public category. In addition, at least one ethics opinion has held that it is unethical for an attorney to "friend" an adverse party or potential witness in a case without disclosing the purpose for the friend request.⁴⁶

The New York State Bar Association, however, has clearly held that publicly available Facebook and MySpace postings are fair game.⁴⁷ That said, various jurisdictions have stated that social network information must be discovered ethically, and that lawyers are prohibited from using deception to gain access to such material.⁴⁸

Ultimately, one will have to vet social media based evidence using the same criteria that one would use for any other type of evidence. This is an exciting and developing area of the law, but attorneys must exercise professional judgment in using social media in the courtroom and otherwise.

Suggestions for Further Study

The Electronic Discovery Reference Model is a group created in 2005 "to address the lack of standards and guidelines in the electronic discovery (e-discovery) market."⁴⁹ The group, in conjunction with FindLaw, provides an "Interactive Guide to Electronic Discovery," which is a helpful resource for understanding the e-discovery process and best practices.⁵⁰

Regarding the ethical considerations associated with use of social media, a recent *Delaware Law Review* article argues that competency and diligence require attorneys to account for social media in investigation and discovery.⁵¹

Another recent *Duke Law Journal* article explores sanctions for e-discovery violations and ESI, and identifies "230 sanction awards in 401 federal cases."⁵² This article

provides an excellent overview of the issue of pitfalls in preservation of ESI and sanctions.

There are many blogs devoted to e-discovery and social media as it relates to the practice of law. One such blog that was very helpful in writing this article is the Next Generation eDiscovery Law & Tech Blog.⁵³ E-discovery and the use of social media in litigation are fast-developing—perhaps the *fastest* developing—areas in the practice of law. New resources become available every day and the potential for innovation is wide open. We encourage readers to continue the discussion on the EASL Blog.

Endnotes

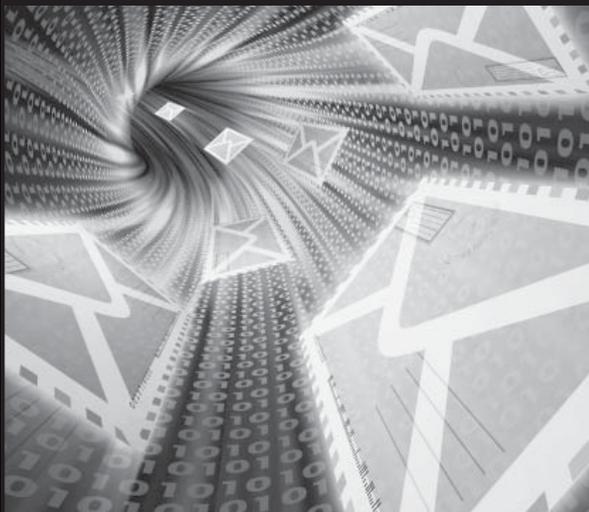
1. See Nadine R. Weiskopf, Tweets and Status Updates Meet the Courtroom: How Social Media Continues to be a Challenge for E-Discovery in 2011, 2 (2011) (citing a study by Arbitron Inc., which finds that 48% of Americans age 12 or older have a profile on one social networking site—a 100% increase from 2008).
2. Survey Reveals Substantial Growth in Online Social Networking by Lawyers Over the Past Year, MARTINDALE.COM, Sept. 18, 2009, <http://www.lexisnexis.com/community/lexishub/blogs/legaltechnologyandsocialmedia/archive/2009/09/18/survey-reveals-substantial-growth-in-online-social-networking-by-lawyers-over-the-past-year.aspx>.
3. Merri A. Baldwin, Ethical and Liability Risks Posed by Lawyers' Use of Social Media, AMERICAN BAR ASSOCIATION, July 28, 2011, <http://apps.americanbar.org/litigation/committees/professional/articles/summer2011-liability-social-media.html>.
4. Sid Yadav, Facebook—The Complete Biography, MASHABLE.COM, Aug. 25, 2006, <http://mashable.com/2006/08/25/facebook-profile/>.
5. Nicholas Carlson, At Last—The Full Story Of How Facebook Was Founded, BUS. INSIDER, Mar. 5, 2010, <http://www.businessinsider.com/how-facebook-was-founded-2010-3>.
6. Yadav, *supra* note 4.
7. Michael Arrington, Facebook Just Launched Open Registrations, TECHCRUNCH.COM, Sept. 26, 2006, <http://techcrunch.com/2006/09/26/facebook-just-launched-open-registrations/>.
8. Somini Sengupta and Nick Bilton, A Billion Users Raise Stakes at Facebook for Revenue, NY Times, Oct. 4, 2012, <http://bits.blogs.nytimes.com/2012/10/04/facebook-passes-1-billion-active-users/>.
9. FACEBOOK, *Statistics*, available at <http://www.facebook.com/press/info.php?statistics>.
10. Matthew Humphries, Facebook Stores up to 800 Pages of Personal Data per User Account, GEEK.COM, Sept. 28, 2011, <http://www.geek.com/articles/geek-pick/facebook-stores-up-to-800-pages-of-personal-data-per-user-account-20110928/>.
11. LinkedIn, *About Us*, <http://press.linkedin.com/about>.
12. George Anders, *Why You Suddenly Can't Resist Updating Your LinkedIn Profile*, Forbes, Oct. 12, 2012, <http://www.forbes.com/sites/georgeanders/2012/10/12/why-you-suddenly-cant-resist-updating-your-linkedin-profile/>.
13. Indeed, one of the features of LinkedIn is that users are encouraged to upload a traditional “paper” résumé in order to complete their profile.
14. See Scott Merrill, *Do One Thing, and Do It Well: 40 Years of UNIX*, TECHCRUNCH.COM, Aug 21, 2009, [http://techcrunch.com/2009/08/21/do-one-thing-and-do-it-well-40-years-of-unix/\(explaining UNIX's underlying philosophy\)](http://techcrunch.com/2009/08/21/do-one-thing-and-do-it-well-40-years-of-unix/(explaining%20UNIX's%20underlying%20philosophy)).
15. Or so the story goes. See Nicholas Carlson, *The Real History Of Twitter*, BUS. INSIDER, April 13, 2011, http://articles.businessinsider.com/2011-04-13/tech/29957143_1_jack-dorsey-twitter-podcasting (explaining that Twitter evolved from the failure—or unfeasibility—of the Odeo podcasting platform, which was intended originally to be used with Apple products).
16. *Id.*
17. Matthew Raymond, *How Tweet It Is!: Library Acquires Entire Twitter Archive*, LIB. OF CONG. BLOG, Apr. 14, 2011, <http://blogs.loc.gov/loc/2010/04/how-tweet-it-is-library-acquires-entire-twitter-archive/>.
18. Charlene Madson, *Status Update on Google+*, GOOGLE+, July 8, 2011 (“I like this...it's like a throwback to Facebook 2004.”).
19. Yadav, *supra*, note 4.
20. See Emma Barnett, *MySpace mounts last ditch effort to retain social music crown*, THE TELEGRAPH, Oct. 27, 2010, <http://www.telegraph.co.uk/technology/myspace/8088227/MySpace-mounts-last-ditch-effort-to-retain-social-music-crown.html>.
21. One should also note that a great deal of information can be found on private and public blogs, gaming sites, and discussion boards. The social-media sites chosen herein represent the “tip of the iceberg,” so to speak.
22. N.Y. State Bar Ass'n Comm. on Prof'l Ethics, Op. 843 (9/10/10).
23. *Data Use Policy*, FACEBOOK, <http://www.facebook.com/about/privacy/other>.
24. *Twitter Privacy Policy*, TWITTER, <https://twitter.com/privacy> (last visited Nov. 11, 2011).
25. See *McCann v. Harleysville Ins. Co. of N.Y.*, 912 N.Y.S.2d 614, 615 (N.Y. App. Div. 2010).
26. *Id.*
27. *Id.*
28. *Id.*
29. See *Romano v. Steelcase Inc.*, 907 N.Y.S.2d 650, 657 (N.Y. Sup. Ct. 2010).
30. *Id.* at 652.
31. *Id.* at 655.
32. Brandon Gee, *Coyote Ugly Calls Facebook to the Stand*, THE TENNESSEAN, April 24, 2011, available at <http://www.wbir.com/news/article/167347/2/Coyote-Ugly-calls-Facebook-to-the-stand>.
33. *Id.*
34. *Id.* The Stored Communications Act, *codified at* 18 U.S.C. §§ 2701–2712.
35. Brandon Gee, *Coyote Ugly, Student Reach Deal in Injury Case*, THE TENNESSEAN, May 6, 2011, available at <http://www.ongo.com/v/878816/-1/042AE76454CBD8C5/coyote-ugly-student-reach-deal-in-injury-case>.
36. *Lester v. Allied Concrete Co.*, Nos. CL.08-150, CL09-223 (Va. Cir. Ct. Sept. 1, 2011); *Lester v. Allied Concrete Co.*, Nos. CL08-150, CL09-223 (Va. Cir. Ct. Oct. 21, 2011).
37. K&L Gates, *Client & Counsel Sanctioned for Spoliation where Plaintiff was Instructed to “Clean Up” His Facebook Page*, ELECTRONIC DISCOVERY L., Nov. 18, 2011, <http://www.ediscoverylaw.com/2011/11/articles/case-summaries/client-counsel-sanctioned-for-spoliation-where-plaintiff-was-instructed-to-clean-up-his-facebook-page/>.
38. John Patzakakis, *Facebook Spoliation Costs Lawyer \$522,000; Ends His Legal Career*, (deleted parties) NEXT GEN. EDISCOVERY L. & TECH

- BLOG, Nov. 15, 2011, <http://blog.x1discovery.com/2011/11/15/facebook-spoilation-costs-lawyer-522000-ends-his-legal-career/>.
39. State of Connecticut v. Eleck, 2011 WL 3278663 (Conn. App. 2011).
 40. John Patzakis, *Overcoming Potential Legal Challenges to the Authentication of Social Media Evidence*, X1 DISCOVERY (2011), available at http://x1discovery.com/download/X1Discovery_whitepaper_Social_Media_2011.pdf.
 41. *Id.*
 42. While this may be within the realm of possibility for some readers, an instruction manual is well beyond the scope of this article. We encourage all readers to consider the "Suggestions for Further Study" located on pp. 24-25 of this article for more information.
 43. Fed. R. Evid. 801(d)(2) (2012).
 44. Satra Ltd. v. Coca-Cola Co., 252 A.D.2d 389 (1st Dept. 1998).
 45. N.Y. State Bar Ass'n Comm. on Prof'l Ethics, Op. 843 (9/10/10).
 46. Phila. Bar Ass'n Prof'l Guidance Comm., Op. 2009-02 (March 2009).
 47. N.Y. State Bar Ass'n Comm. on Prof'l Ethics, Op. 843 (9/10/10).
 48. See N.Y. City Comm. on Prof'l Ethics, Formal Op. 2010-2; Phila. Bar Ass'n. Op. 2009-02.
 49. ERDM, *Frequently Asked Questions*, <http://www.edrm.net/joining-edrm/frequently-asked-questions> (last visited Dec. 10, 2011).
 50. FindLaw's Interactive Guide to Electronic Discovery, FINDLAW.COM, <http://technology.findlaw.com/electronic-discovery/electronic-discovery-guide/>.
 51. Margaret M. DiBianca, *Ethical Risks Arising From Lawyers' Use of (and Refusal to Use) Social Media*, 12 DEL. L. REV. 179 (2011).
 52. Dan H. Willoughby, Jr., Rose Hunter Jones, Gregory R. Antine, *Sanctions for E-Discovery Violations: By the Numbers*, 60 DUKE L.J. 789, 790 (2010), available at <http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1487&context=dlj>.
 53. Though it is a commercial project, the blog provides an excellent resource for getting up to speed on social media and e-discovery issues. Next Gen. eDiscovery Law & Tech Blog, X1DISCOVERY, <http://blog.x1discovery.com/>.

Andrew B. Delaney, Esq. is an attorney with Martin & Associates, P.C. in Barre, Vermont. He does "a little bit o' everything" but focuses his practice primarily on state and federal civil litigation. He earned his J.D., cum laude, from Vermont Law School in 2010, where he was Technology Editor for the *Vermont Law Review*. In his spare time, Andrew plays guitar in a punk rock band and writes sarcastic and irreverent law-related articles and blog posts. On rare occasions, he will write serious pieces, such as this chapter.

Darren Heitner is a writer for *Forbes*, focusing on the business of sports, and the Founder/Chief Editor of Sports Agent Blog, a publication covering the niche sports agent industry. Heitner is also a professor of Sport Agency Management at Indiana University-Bloomington and a Miami, Florida-based attorney focusing on sports law, entertainment law, music law, and intellectual property law. Heitner has achieved significant recognition, including being listed by SportsPro as 1-of-10 stars of the sports business industry under the age of 30 at the age of 26 and is the youngest member of the Vermont Law School Sports Law Institute's Board of Advisors.

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, Esq.
 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

Counseling Statutory Successors Regarding Copyright Termination

By Carrie Casselman

The management of literary, artistic or other creative portfolios comprised of copyright-protected works continues long after the original author has passed away. The enduring nature of copyright protection means that generations of an author's heirs or other statutory successors may be involved to some degree in the ongoing exploitation of the author's works. In some cases, the successors may be intimately and directly engaged in activities such as licensing, publishing and merchandising. In other instances, the role of the successors might be limited to receipt of a passive share of royalties or other monies earned by a party to whom rights in the copyrighted works have been transferred. In either circumstance, however, the termination provisions of the Copyright Act of 1976 (the Copyright Act) may provide the successors with an opportunity to recapture rights earlier granted by the author, or in the case of a grant prior to January 1, 1978, by an earlier successor.

Since the Copyright Act became effective on January 1, 1978, authors and statutorily designated successors have had the opportunity to terminate prior grants of rights in copyrighted works, subject to certain criteria and conditions. Although the predecessor statute to the current Copyright Act offered a similar "recapture" right in the form of a renewal term of copyright protection that was intended to vest in the author rather than grantees, the renewal right was alienable and thus proved of limited value to authors and heirs who transferred this right to licensees or assignees, particularly if the transfer of the renewal right occurred at or close in time to the date of the grant in the initial term. In response to frustration over the limited value of the renewal right, Congress made this new right of termination inalienable. The termination right was intended to offer an opportunity for authors and their successors to leverage the successful exploitation of a particular copyrighted property to obtain more favorable terms, either by negotiating with the original grantee to secure a new deal applicable to the grantee's exploitation during the later years of copyright protection,¹ or transferring the terminated rights to a third party who may offer better terms than the original grantee.

However, exercise of the termination right requires compliance with specific statutory and regulatory requirements related to the timing and mechanics. Successors who do not understand these provisions may lose the opportunity once the window for exercise closes. Successors who find themselves controlling deceased authors' copyright interests will frequently require guidance in order to identify grants that are subject to the termination

right, properly prepare and serve notices of termination, and make a value assessment as to whether exercise of the termination right is likely to provide benefit greater than the associated cost of exercising the right and negotiating new agreements for exploitation of the subject works.

The following is a brief overview of the nature of the copyright termination right, as well as guidance with respect to a few key issues encountered by successors contemplating its exercise, namely identification of the parties entitled to effect termination, preparation of the termination notice, limitations on the scope of termination, and value assessment. Although much of what is discussed is also applicable to authors considering exercise of the termination right, it is generally geared towards counseling successors. This article is not intended as a comprehensive summary for advising successors as to their termination rights, but rather a highlight of issues that are most likely to arise.

Overview of the Termination Right

The termination right arises under two provisions of the Copyright Act. Section 203 is applicable to grants executed by the author after January 1, 1978, regardless of the date of the copyright registration of the subject work.² Section 304 is applicable to works in either the first or renewal term of copyright on January 1, 1978 and subject to grants executed by either the author or the statutory successors prior to January 1, 1978.³

Consistent with the legislative intent of protecting authors and successors from unremunerative transfers executed early in the term of copyright protection, the termination right was made inalienable. Legislative history notes that a provision of this sort was needed "because of the unequal bargaining position of authors, resulting in part from the impossibility of determining a work's value until it has been exploited."⁴ The relevant statutory language provides that "termination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant."⁵

In the case of either § 203 or § 304, termination may only be effected within a certain five-year window. For terminations under § 203, the window runs for five years "beginning at the end of 35 years from the date of execution of the grant" or, if the grant covers the right of publication of the work, then the earlier of 35 years from the date of publication or 40 years from the date of execution

of the grant.⁶ The five year window under § 304(c) opens “beginning at the end of 56 years from the date copyright was originally secured” and thus closes at the end of the 61st year from such date.⁷ A further provision, § 304(d), offers an opportunity for those successors who did not terminate a grant under § 304(c) to do so for a period of five years beginning at the end of 75 years from the date the copyright was secured. One key distinction to note is that the termination window under § 203 is calculated from either the date of execution of the grant or publication of the work (as applicable), whereas the termination window under § 304(c) or (d) is calculated from the date of copyright registration.

With this very brief and broad overview of the termination right, we turn to consideration of specific issues encountered by successors contemplating termination of a grant.

Parties Entitled to Effect Termination

If the author has died, the termination right may be exercised “by the person or persons who...own and are entitled to exercise a total of more than one-half of that author’s termination interest.”⁸ The designated—and exclusive—group of successors entitled to exercise the termination interest under the Copyright Act are the widow or widower, the author’s surviving children, the author’s grandchildren, or—in the event that none of the preceding are living (or in the event the author never had a spouse or children)—the author’s executor, administrator, personal representative, or trustee.⁹ If the right is held by a surviving spouse and there are no children, the Copyright Act provides that the author’s widow or widower controls the entire termination interest; if there are also surviving children and/or grandchildren, the widow or widower owns one-half of the author’s interest, and the rights of the author’s children and grandchildren descend on a *per stirpes* basis.¹⁰ Furthermore, “the share of the children of a dead child in a termination interest can be exercised only by action of a majority of them.”¹¹

This means that in any case in which the group of successors includes more than just the surviving spouse, it will be necessary to gain the consent of and coordinate multiple parties in order to execute and deliver the termination notice. There is the very real potential that family dynamics—an estranged child, in-fighting amongst siblings—can impact the ability of the successors to terminate a grant. The further down the line the right descends, the larger the pool of individuals who must join in the termination action becomes, and thus a greater risk that familial factionalism will arise.

If the particular grant in question is dated on or after January 1, 1978 and executed by more than one author of a joint work, then the universe of parties who must coordinate

grows even larger. Under § 203, “[i]n the case of a grant executed by two or more authors of a joint work, termination of the grant may be effected by a majority of the authors who executed it.”¹² Note that the necessity of securing consent of co-authors depends on whether the grant itself was signed by more than one author, not simply whether the work was a joint work. In a recent decision by the Southern District of California involving a co-author of several songs popularized by the group *The Village People*, the court interpreted the language of § 203(a)(1) to mean that if a “single joint author enters into a grant of his copyright interest, that author alone can terminate his grant.”¹³ Unless the co-authors have a separate agreement apportioning ownership between them, the terminating co-author receives back his or her undivided interest in the work as a whole.¹⁴ The corresponding provision in § 304(c)(1) applicable to pre-1978 grants is slightly different, omitting the requirement that a grant executed by one or more authors must be terminated by a majority of such authors, and instead allowing a co-author to terminate the grant “to the extent of a particular author’s share in the ownership of the renewal copyright.”¹⁵

Fact patterns of cases dealing with termination offer insight into the many ways families may be divided in their management of copyright assets. Disputes over termination rights have pitted the author’s second wife against the children of the author’s first wife,¹⁶ the children of the author against the author’s mistress,¹⁷ and the executor of the author’s estate, who was also the nephew of the author, against the assignee of the author’s siblings.¹⁸ Being on the losing side or minority faction of a termination dispute has genuine consequences because the statutory successors are entitled to exercise the termination right only once between them. Successors who choose not to join in terminating a grant (or who perhaps were never aware that termination was under consideration) are nevertheless bound by such action and will not have a further opportunity to terminate. In fact, the majority successors and the original grantee can enter into a new agreement that rescinds the prior grant and thus extinguishes the termination right, even if no termination notice was served. Both the Second Circuit and the Ninth Circuit have held that agreements negotiated by successors who never delivered a termination notice, but were nevertheless able to leverage the threat of termination to secure more favorable terms, eliminated the termination right of other successors; as the Second Circuit noted, there is no “moment of freedom” required.¹⁹ In fact, the Second Circuit made such a finding notwithstanding that the agreement eliminating the termination right of the non-signatory successors was signed by only the widow, who controlled only one-half of the author’s termination interest and may not have actually had the authority to terminate the prior agreement on her own.²⁰

Preparation of the Termination Notice

Assuming that the requisite number of successors have agreed to terminate a particular grant, the focus will turn to preparation of the termination notice. Termination is effected by serving notice on “each grantee whose rights are being terminated, or the grantee’s successor in title.”²¹ The statute requires that the notice be served no earlier than 10 years and no later than two years prior to the effective date of termination (the notice may designate any date within the five-year window to be the effective date of termination, subject to the minimum two-year notice requirement). Failure to serve timely notice or serving notice that does not comply with the requirements of the promulgated regulations will prevent the author or successors from effecting termination.

The Copyright Act states that the notice must “comply, in form, content and manner of service, with requirements” prescribed by “the Register of Copyrights.”²² Those requirements are elaborated in the Code of Federal Regulations, and contain a “litany of formalities”²³ requiring information as to the identification of the terminated grant and the works covered by such grant, the author(s), the names of grantee(s), and, if executed by the successors, rather than the author, details as to the relationship with the deceased author and an indication that those executing the notice constitute more than one-half of that author’s termination interest. The need to identify the grant and to precisely catalog the subject works may present a challenge for successors who are dealing with records or archives of the author that may be incomplete or missing given the passage of time. Alleged deficiencies in termination notices have been at issue in several termination lawsuits and, as a result, successors will want to make every effort to comply with the notice requirements, notwithstanding such challenges. Although the regulations offer a safety valve by clarifying that “[h]armless errors that do not materially affect the adequacy of the information required to serve the purposes” of the statutory provisions will not render the notice invalid, there is relatively sparse guidance in case law. Those courts that have weighed in offered some flexibility with respect to the identification of the grant, upholding a seemingly generic description of the grant as the “Grant or transfer of copyright and the rights of copyright proprietor, including publication and recording rights” because “the custom of the industry and of the Register of Copyrights dictates that this language is adequate.”²⁴ Courts have also granted some leniency with respect to the description of the works covered by such grant, but only when the body of works subject to the terminated grant was especially large and the omission constituted a small percentage of the works terminated under the grant.²⁵ The willingness to offer flexibility, however, may depend on the total number of works terminated under the grant; a decision in the Second Circuit involving the Tarzan character found that a termination notice which omitted five

of 14 Tarzan stories meant that the subsequent grantee’s right to “use and exploit the character of Tarzan” remained intact.²⁶ Furthermore, the harmless error safety valve appears not to apply at all to compliance with the notice window. A California district court has described the five-year window as an “unbendable rule” and held that works that fell just a few days outside the five-year period were excluded from the reach of the termination.²⁷

Attorneys may wish to assist clients by reviewing the relevant documents underlying the information in the termination notice. To that end, the distinction between the timing of the termination window for grants on or after January 1, 1978 (calculated based on the date of the grant or the date of publication, as applicable) versus grants prior to January 1, 1978 (calculated based on the date on which copyright was originally secured) is particularly important when advising clients as to the documents required to accurately prepare the termination notice. For works created prior to January 1, 1978, it does not suffice to simply review copyright registration information or other documentation evidencing the date on which copyright was secured; there should also be an inquiry with the client as to whether there have been any grants on or after January 1, 1978. Conversely, for works created on or after January 1, 1978, clients need to be able to provide the date of the grant; some clients are surprised that providing copyright registration information is not applicable to calculating the termination window. Here, again, the quality of the original author’s and/or prior successors’ record-keeping may pose a challenge for successors, who may not have copies of older agreements or, in the case of an attempt to terminate under § 304 where the author has not retained copyright registration certificates, may incur additional charges for copyright record searches to determine the date upon which copyright was secured.

One further consideration in delivering the termination notice is determining the parties to be served. Given the fact that the chain of title for older works may contain multiple licenses, successors-in-interest and other transfers, successors may find there are several possible parties on whom to serve notice. Unlike the “unbendable rule” with respect to the dates of the termination window, court decisions in this area have taken a fairly practical approach, with a district court in California recently observing that the service requirement “was not meant to require a mad dash to serve everyone and anyone who may have been involved in the chain of title to the copyright (but who possess no present right to the same).”²⁸ Quoting an earlier concurring opinion issued by Judge Newman in the Second Circuit, the California court noted that the statutory provision should be read “to mean that the notice is to be served (a) on the grantee, if the grantee has retained all rights originally conveyed, (b) on the transferee, if the grantee has conveyed all rights to the transferee, or (c) if some rights have been conveyed, on the grantee or the transferee (or both) depending upon

which rights are sought to be terminated.”²⁹ Consistent with Judge Newman’s concurrence, a later opinion in the Southern District of New York required service only on the current rightsholder and not the would-be purchaser of such rights, where the termination notice was served prior to completion of the sale of the rights.³⁰

Having reviewed certain of the mechanics of effecting termination, we turn now to its substance.

Limitations on the Termination Right

The limitations and exceptions to the scope of the termination right are sometimes an unwelcome surprise to successors, who may initially presume that termination will offer a sweeping exit from all manner of undesirable exploitations. One of the more significant is the exception for derivative works. Although no new works can be created once a grant is terminated, a derivative work “prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination.”³¹ As the House Report noted, “In other words, a film made from a play could continue to be licensed for performance after the motion picture contract had been terminated, but any remake rights covered by the contract would be cut off.”³² Successors who hope that termination will allow the renegotiation of revenue-sharing from existing derivative works are likely to be disappointed, unless the successors are able to use the threat of termination to extract a new agreement from the grantee that grants the successors a greater participation in existing derivative works in exchange for the successors permitting the grantee to continue creating new works rather than terminating such grantee’s rights.

The derivative work exception also allows a grantee to continue receiving passive income from post-termination exploitation. In *Mills Music Inc. v. Snyder*, the successors of a composer argued that once the grant to a music publisher with respect to certain underlying musical compositions had been terminated, the music publisher was no longer entitled to receive income from the exploitation by third parties of sound recordings that had been licensed by the music publisher during the term of the grant. The crux of the argument by the composer’s heirs was that since there was no longer any valid grant running from the composer’s interest to the music publishing company, any royalties formerly paid by the owners/users of the sound recordings to the music publisher should now be paid directly to the heirs. The Supreme Court disagreed, finding no reason “to draw a distinction between a direct grant by an author to a party that produces derivative works itself and a situation in which a middleman is given authority to make subsequent grants to such producers.”³³ Successors who are hoping to capture income streams paid to a “middleman” of this kind may find that *Mills Music* makes it difficult to cut out such participation.

A subsequent case in the Second Circuit, *Fred Ahlert Music Corp. v. Warner/Chappell Music, Inc.*, relied on *Mills Music* to limit, rather than affirm, certain post-termination uses of a grantee,³⁴ but scholarly authority has observed that *Ahlert* highlights another potential area of concern for successors, namely the possibility that following receipt of a termination notice, a grantee may “engage[] in a flurry of downstream licensing to cover the exploitations the grantee did not previously authorize.”³⁵ Professors Bentley and Ginsburg further underscore a related concern that as of yet, there is no decision addressing the question of whether, in order to qualify for the exception, a derivative work must have been fully created or must simply have been developed but not finished; as they observe, “the termination right would be considerably compromised if the notice period also enabled grantees to gear up to engage in further development of derivative works.”³⁶ Successors contemplating the timing of delivering a termination notice may wish to consider whether in some instances a shorter notice period may be preferable in order to mitigate the risk that the grantee ramps up activity during the final remaining years of the grant.

A further limitation is that termination affects only those rights arising under the copyright laws of the United States.³⁷ Thus, a grant relating to foreign exploitation cannot be terminated. Furthermore, rights arising under other federal or state laws—notably, trademark and unfair competition laws—are also not subject to termination. The impact of this latter exception on disputes over franchise properties like Spiderman and Superman—both characters having been the subject of recent and very publicized termination disputes—remains to be seen, but the exception is potentially very significant. Writing in connection with the dispute over the Superman character, the district court in California has offered a narrow holding that the plaintiff successors were not entitled to an accounting of profits “from the use of the Superman trademarks that ‘are purely attributable to [those] trademark rights,’” but did not elaborate on how the parties might go about segregating such profits from other income.³⁸ Indeed, the accounting issues that may arise from even relatively uncontroversial terminations as parties try to sort out the allocation of income in “mixed” uses may become an increasingly tangled and contested area of intellectual property law.

Works made for hire are also excluded from the termination provisions of the Copyright Act.³⁹ This has been a central issue in the lawsuits embroiling both the Spiderman and Superman characters; in each case, courts were required to consider the “instance and expense” test to determine whether material constituted a work made for hire under the 1909 Copyright Act, since that issue is controlled by the applicable law at the time the work was created.⁴⁰ There is not yet any developed body

of case law construing the current Copyright Act provisions regarding works made for hire in the context of a termination dispute, though that may soon be coming. The last several years have seen increasing rumblings from the music industry in particular regarding the possible termination of rights in sound recordings and other works created under contracts dated after January 1, 1978; under § 203, the earliest effective date for the termination under these grants arrives in 2013, and there is the potential for a landscape-altering dispute between labels and artists.⁴¹ For now, though, and without going into an exhaustive review of the extensive analysis and parsing of facts by the courts in both the Spiderman and Superman litigations, successors who need to confront this issue should review the circumstances under which the subject works were created and overlay the chronology of the work's creation against the date of any assignments or other transfers of interest. Factors to consider include the right of the purported employer or commissioning party to supervise the author's work, including the ability "to accept, reject, modify, or otherwise control the creation of the work" (though complete control is not required for the work to be deemed made for hire),⁴² whether there is any written agreement setting out the terms for purported employment or commission of the work (though the lack of such an agreement was found to have no bearing on the determination that Jack Kirby's contributions to the Spiderman character were works made for hire, and the existence of an agreement—admittedly dated well after the works were created—containing an acknowledgement by Joseph Simon that his contributions to the Captain America comics were works made for hire was ultimately disregarded),⁴³ and whether the author was able to "openly engage in efforts to sell the work to others" rather than simply turn the work over to the purported owner.⁴⁴ The economics of the relationship are also relevant, including whether the author undertook creation of the work "without any mention or provision for compensation" from the allegedly commissioning party,⁴⁵ and whether the author was paid a fixed sum or royalties, with an eye towards determining which party bore the risk of the work's profitability.⁴⁶ Not every successor will need to deal with the thorny work for hire issue; in many instances, particularly those involving a grant of a pre-existing underlying work, there will be no dispute as to the nature of the work. For those successors who do encounter this question, however, it may require further analysis of whatever archival documents and records are available concerning the relationship between the author and alleged employer or commissioning party.

A final element in the limitations analysis is the potential for the author's will to impact the statutory successor's ability to exercise the termination right. Under the Copyright Act, "[t]he future rights that will revert upon termination of the grant become vested on the date the notice of termination has been served...[.]"⁴⁷ If the author

dies before delivering a termination notice, *i.e.* before vesting, the termination right passes to the successors in accordance with the Copyright Act, and is not otherwise part of the author's estate. If the author, or a prior successor, serves a notice of termination but dies before the effective date of reversion, the rights under the terminated grant pass to the estate of the author and or terminating successor (as applicable). The interaction between an author's will and the termination right can be a source of confusion for both successors and assignees.

Case law in this area is highly fact specific, frequently involving a review of various assignments, bequests by will and dueling chains of title. Two cases, both involving the song "Cecilia," serve to illustrate. In *Bourne Co. v. MPL Communications*, the music publisher Bourne Co. (Bourne) successfully defended its chain of title to the interest of Herman Ruby, a co-author of the song. Bourne's predecessor-in-interest was the original assignee of Ruby's rights in the composition. After Ruby's death, his widow served a termination notice on Bourne, but died prior to the effective date of termination. As her rights under the terminated grant had vested, those rights thus passed to her estate. The terms of her will gave a life interest in all royalties "to which she 'might be entitled'" to her second husband, and after his death, to certain of the defendants, Kenneth and Richard Marx; the residue of her estate, including Ruby's copyright interest in the song, went to the second husband.⁴⁸ The split between the royalties and the residue of the estate set up two potentially conflicting chains of title to the extended renewal term, the first a claim for royalties through the Marx beneficiaries and the second a claim for the copyright during the extended renewal term through the eventual beneficiary of the second husband's estate. The court upheld the chain of title that flowed through the beneficiary of the second husband's estate (who had in turn assigned her interest to Bourne, thus granting back to Bourne the rights that had been terminated), noting that even though the widow's termination rights had vested, the fact that she died prior to the effective date of termination meant she was never entitled to any royalties derived from the extended renewal term; the will did not otherwise specifically mention termination rights, and the court determined that there was "no basis to conclude that [the widow] intended to separate royalties for the extended renewal period from the other termination rights attributable to the copyright itself, which passed as part of the residuary estate."⁴⁹ Thus the court declined to sustain the royalty bequest to the Marx defendants.

Five years later, in *Larry Spier, Inc. v. Bourne Company*, Bourne, as successor-in-interest to the original assignee of Ruby's co-author Dave Dreyer, was unsuccessful in claiming that Dreyer's transfer of certain music assets (which included "Cecilia" but also other compositions authored by Dreyer between 1925 and 1931), namely, copyrights,

renewal copyrights and publishing contracts to a testamentary trust created by his will, placed those interests outside the reach of the termination right. As the transfer by will took place prior to the serving of the termination notice, Bourne argued that the termination rights had never vested, and the interests fell under § 304's exclusion from the termination right of any grant by will.⁵⁰ However, the Second Circuit noted that at the time the will was executed, the author had already granted his renewal copyrights "and all his right, title and interest, vested and contingent, therein and thereto" to the music publisher pursuant to the terms of a 1951 assignment of Dreyer's renewal interest. Therefore, no interest in the extended renewal term remained to be transferred by the will, and the statutory successors did in fact have a termination right with respect to the 1951 grant.

From the same song, the co-author interests of which were originally granted to the same music publisher,⁵¹ we see that various assignments and estate planning actions, deaths and delivery of termination notices resulted in two different results (and not for lack of trying on the part of Bourne to achieve a similar result in each case). While it may be difficult to extract general principles from these factually detailed cases, these cases do illustrate the need to carefully parse through each document or action affecting the particular copyright interest and grant at issue, even those actions that may have been taken before the author was aware any right to terminate existed.

Factors Relevant to Assessing the Value of Termination

Separate from the tasks of aligning the various parties entitled to terminate preparing a termination notice looms the larger question of whether termination is likely to be of value to the successors. Although termination frequently has an emotional appeal for authors and successors who view it as an opportunity to remedy a transfer that has proved frustrating or otherwise unremunerative, the decision whether to terminate a particular grant should take into account not only the potential psychological satisfaction, but also the aggregate costs incurred in ascertaining which grants may be eligible for termination, preparing and delivering termination notices, and entering into a new deal for exploitation of the recaptured rights. There is also the risk that the termination notice itself will result in a dispute and possibly litigation with the grantee; successors who face such a prospect may need to be prepared to bear the cost of sorting out those issues before even embarking on negotiation of new deals.

Furthermore, there is a risk that a new deal may not ultimately result. Not all grantees will choose to re-negotiate a terminated grant, particularly if the grantee determines that there is little likelihood that exploitation under a new deal will exceed the transaction costs of negotiating it. The author and successors would have the option of of-

fering the recaptured rights to a new third party licensee, but the limitations on termination may also bear on the value of the rights to the third party; for example, a third party licensee would receive its grant subject to both ongoing exploitations of existing derivative works and any foreign rights that could not be terminated. The third party licensee may also wish to use trademarks or rights arising under federal or state laws other than the Copyright Act and inuring to the original grantee as a result of such grantee's use; such rights would remain with the original grantee, from whom the third party would need to secure a license (query how inclined the grantee whose rights were terminated would be to agree to license those rights to the new grantee).

Despite these limitations and risks, however, termination is an option that merits serious consideration by successors, both as a means of preserving artistic legacies—a newly negotiated grant may offer not only more financial compensation but also greater control and approval over exploitations—and securing meaningful compensation for the families of authors from grantees who have long enjoyed the fruits of exploitation under the original grant.

Endnotes

1. The Copyright Act extended the term of copyright protection, both for works then in existence as well as for new works going forward. For works published before January 1, 1978, the Copyright Act added 19 years to the term of protection, and in 1998, Congress added another 20 years to the term of protection applicable to all copyrighted works. Thus, the termination right applicable to pre-1978 grants allowed the terminating party to recapture the grant for the extended renewal term of copyright.
2. 17 U.S.C. § 203(a) (2012).
3. 17 U.S.C. § 304(c) (2012).
4. *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 172-73 (1985) (citing H.R. Rep. No. 94-1476, at 124, USCCAN 1976, p. 5740).
5. 17 U.S.C. § 203 (a)(5) (2012), 17 U.S.C. § 304 (c)(5) (2012).
6. 17 U.S.C. § 203(a)(3) (2012).
7. 17 U.S.C. § 304(c)(3) (2012); 17 U.S.C. § 304(d) (2012).
8. 17 U.S.C. § 203(a)(1) (2012), § 304(c)(1) (2012).
9. Although the language of the statute appears to presuppose that the author would have a spouse or children, courts have clarified that "[w]here the author lacks immediate family...the rights pass to the executor as a fiduciary for the next of kin or, in the absence of a will and executor, to the next of kin themselves." *Music Sales Corp v. Morris*, 73 F.Supp.2d 364, 374 (S.D.N.Y. 1999) (quoting *Miller Music v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960) and *Stewart v. Abend*, 495 U.S. 207 (1990)).
10. 17 U.S.C. § 203(a)(2) (2012); 17 U.S.C. § 304(c)(2) (2012).
11. *Id.*
12. 17 U.S.C. § 203(a)(1) (2012).
13. *Scorpio Music S.A. v. Willis*, 2012 WL 1598043, 3 (S.D. Cal. 2012).
14. *Id.* at 5.
15. 17 U.S.C. § 304(c)(1) (2012). The *Willis* court, citing the *Nimmer* treatise, noted that the rationale for treating pre-1978 grants differently than post-1977 grants stems from renewal rights that apply only to pre-1978 works; because "joint author grants of

- renewal rights...terminate individually by operation of law upon an author's death [if the author failed to survive until such rights vested], it was thought 'inappropriate' to require anything more than individual termination via the termination provisions." *Scorpio Music*, 2012 WL 1598043 at 4, quoting 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright Sec. 11.03 (2011).
16. Penguin Group (USA) Inc. v. Steinbeck, 537 F.3d 193 (2d Cir. 2008).
 17. Larry Spier, Inc. v. Bourne Co., 953 F.2d 774 (2d Cir. 1992).
 18. *Music Sales Corp.*, 73 F.Supp.2d 364.
 19. *Penguin Group (USA) Inc.*, 537 F.3d at 201.
 20. *Penguin Group (USA) Inc.*, 537 F.3d at 203, n. 5 (commenting that there "is some question as to why Penguin agreed to terminate and renegotiate the 1938 Agreement, for without a majority termination interest, it appears [the widow] would have been unable to terminate...on her own" and noting that although the widow possessed a power of attorney to exercise the termination rights of the author's other successors, "it is unclear that her exercise of those rights would have been valid").
 21. 37 CFR § 201.10 (2012).
 22. 17 U.S.C. § 203(a)(3)(B) (2012) and 17 U.S.C. § 304(c)(4)(B) (2012).
 23. Siegel v. Warner Bros. Entm't, Inc., 690 F.Supp.2d 1048, 1052 (C.D. Cal. 2009).
 24. *Music Sales Corp.*, 73 F.Supp.2d at 378 (noting that the grant description "appears to be boilerplate on termination notices customarily accepted by the Register of Copyrights").
 25. Siegel v. Warner Bros. Entm't Inc., 658 F.Supp.2d 1036, 1094 and 1095 (C.D. Cal. 2009) (observing that "[i]n a case involving thousands of works, to insist on literal compliance with the termination notice regulations sets up a meaningless trap for the unwary without any meaningful vindication of the purpose underlying the regulation at issue" and noting that the "near-Herculean effort and diligence...placed on cataloging the works and drafting the termination notice, and the inclusion of the express catch-all provision in the termination notice put to rest any reasonable doubt defendants may have had that plaintiffs sought to recapture all, not just some, of the copyright in the Superman character").
 26. Burroughs v. Metro-Goldwyn-Mayer Inc., 683 F.2d 610, 622 (2d Cir. 1982).
 27. Siegel v. Warner Bros. Entm't Inc., 542 F.Supp.2d 1098, 1121-22 (C.D. Cal. 2008) (*Superman I*) (observing that "[o]nce a termination effective date is chosen and listed in the notice, the five-year time window is an unbendable rule with an inescapable effect, not subject to harmless error analysis").
 28. *Siegel*, 658 F.Supp.2d at 1089.
 29. *Id.* (quoting *Burroughs*, 683 F.2d at 634, n.5).
 30. *Music Sales Corp.* 73 F.Supp.2d at 379.
 31. 17 U.S.C. § 203(b)(1) (2012); 17 U.S.C. § 304(c)(6)(A) (2012).
 32. *Mills Music*, 469 U.S. at 176 (citing H.R. Rep. No. 94-1476, at 127, USCCAN 1976, p. 5743).
 33. *Mills Music*, 469 U.S. at 172.
 34. Fred Ahlert Music Corp. v. Warner/Chappell Music Inc., 155 F.3d 17 (2d Cir. 1998).
 35. Lionel Bentley & Jane Ginsburg, *The Sole Right...Shall Return to the Authors*, 25 BERKELEY TECH. L.J. 1475, 1579 (2010).
 36. *Id.*
 37. 17 U.S.C. § 203(b)(5) (2012).
 38. *Siegel*, 542 F.Supp.2d at 1142-43.
 39. 17 U.S.C. § 203(a) (applicable to "any work other than a work made for hire"); 17 U.S.C. §304(c) (applicable to "any copyright subsisting in either its first or renewal term on January 1, 1978, other than a copyright in a work made for hire").
 40. *Siegel*, 658 F.Supp.2d at 1057.
 41. Larry Rohter, *Record Industry Braces for Artists' Battles Over Song Rights*, N.Y. TIMES, Apr. 16, 2011 at C1.
 42. *Marvel Worldwide, Inc. v. Kirby*, 777 F.Supp.2d 720, 738 (S.D.N.Y. 2011).
 43. *See id* at 741; *see also* *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 290 (2d Cir. 2002).
 44. *Siegel*, 658 F.Supp.2d at 1083.
 45. *Id.*
 46. *Marvel Worldwide Inc.*, 777 F.Supp.2d at 741-742.
 47. 17 U.S.C. § 203(b)(2); 17 U.S.C. § 304(c)(6)(B).
 48. Bourne Co. v. MPL Communications, Inc., 675 F.Supp. 859, 862 (S.D.N.Y. 1987).
 49. *Id.* at 863.
 50. *Larry Spier, Inc.*, 953 F.2d at 774; 17 U.S.C. 304(c).
 51. The court in *Bourne* recited that Dreyer and Ruby jointly assigned their interest pursuant to a grant dated May 20, 1925. *Bourne*, 675 F.Supp. at 861. The *Larry Spier, Inc.* court simply noted that Dreyer "joined with some famous co-authors" in assigning the rights to the predecessor to Bourne. *Larry Spier, Inc.*, 953 F.2d at 775-776.

Carrie Casselman is an associate in the Entertainment Department at Paul, Weiss, Rifkind, Wharton and Garrison, LLP, and an adjunct faculty member at the Columbia University School of the Arts.

Does Registering Multiple Works in a Single Application Limit Remedies for Copyright Infringement?

By Steve Gordon

Much confusion surrounds the issue of whether one can register multiple works in a single copyright registration application. One theory is that if an author of creative works, such as photographs or songs, registers more than one work in the same application, his or her entitlement to statutory damages may be compromised. For example, practitioners specializing in art law often believe that if a visual artist registered 10 paintings using a single application, and only one of them was infringed, then the artist's remedy may be limited to one-tenth of the maximum statutory damage award of \$150,000. Fortunately for visual artists, as well as other creators, this is not true. If a single application for more than one work is properly completed, visual artists, writers, composers, recording artists and other creators can retain all the legal remedies afforded by the Copyright Act while saving money by avoiding multiple registration fees.¹

This article explains the rules pertaining to filing registrations for multiple works. It also explains special rules that Congress passed and the Copyright Office implemented to make it easier for creators, such as illustrators, freelance writers, cartoonists and others, who usually publish their works in different magazines and newspapers on different dates, to register their works in groups. Then it will discuss another special rule for photographs that was specifically designed to make it simpler for owners of copyrights in photographs to register their work in groups. Finally, it will discuss mistakes to avoid, and circumstances under which it is advisable to file separate registrations for individual works.

Why Registration Is Important

Before exploring the rules regarding how to save money by registering multiple works in a single registration, it is useful to review why registration is important. Under the Copyright Act of 1976, a copyright comes into existence as soon as a work is fixed in a tangible medium of expression, and registration is not a condition of copyright protection. So why bother to register? Even though registration is not a requirement for protection, the copyright law provides several inducements to encourage copyright owners to register their works. The Copyright Office's Circular entitled *Copyright Basics* outlines those advantages as follows:

- Registration establishes a public record of the copyright claim.
- Before an infringement suit may be filed in court, registration is necessary for works of U. S. origin.

- If made before or within five years of publication, registration will establish prima facie evidence in court of the validity of the copyright and of the facts stated in the certificate.
- If registration is made within three months after publication of the work or prior to an infringement of the work, statutory damages and attorney's fees will be available to the copyright owner in court actions. Otherwise, only an award of actual damages and profits is available to the copyright owner.
- Registration allows the owner of the copyright to record the registration with the U. S. Customs Service for protection against the importation of infringing copies.²

Of the reasons to register set forth above, the most important are that (i) a copyright owner cannot start a lawsuit for copyright infringement before registering, and (ii) cannot secure statutory damages or attorneys' fees without registering. Copyright law provides for statutory damages of up to \$150,000 per infringement,³ but if the work has been published (see the discussion below on the meaning of publication), statutory damages are only available if registration occurred *prior* to the infringement. Otherwise, the plaintiff must prove actual damages, which can be difficult to quantify, or may equal a negligible amount unless the defendant earned a significant amount of money from the infringing work. Furthermore, attorneys' fees are only available for published works that are registered prior to the infringement.⁴ Similar to other litigation, a lawsuit for copyright infringement can take a great deal of work and time on the part of the attorney. It would be difficult to retain the services of an experienced copyright litigator without the potential for recovering attorney's fees.

Basic Rules for Registering Multiple Works in a Single Application

The basic rules pertaining to copyright registration are set forth on the Copyright Office website. They are as follows:

Basic claims include (1) a single work; (2) multiple unpublished works if the elements are assembled in an orderly form; the combined elements bear a single title identifying the collection as a whole; the copyright claimant in all the elements and in the collection as a whole

is the same; and all the elements are by the same author or, if they are by different authors, at least one of the authors has contributed copyrightable authorship to each element; and (3) multiple published works if they are all first published together in the same publication on the same date and owned by the same claimant.⁵

These rules, which are based on Section 408(c) of the Copyright Act and codified in the Code of Federal Regulations Title 37, Part 202.3(b)(4)(i), are clear: registration of multiple works in a single application is fine, so long as all works were created by the same person,⁶ and (i) if the works are unpublished, all of them may be registered in a single registration even if they were created at different times, (ii) if the works were published, those that were published for the first time in the same publication by the same claimant at the same time may be registered in a single registration.⁷

For example, music attorneys often register groups of songs and masters. For instance, if a client wrote and recorded his or her own songs for an album, one would register the entire album at the same time for one payment to the Copyright Office of \$35. This saves time and money, and the registration protects each song and the recording of each song.⁸

With regard to the concept of publication, which distinguishes rule (2) from (3), if the album were not commercially released, one would register it as an “unpublished work.” If it had been released commercially, it should be registered as a “published work.” The 1976 Copyright Act defines publication as “the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending.”⁹ For instance, a photograph is “published” if it is sold, and mere public display is not publication. A musical recording is published if it is offered for sale. If the recording contains a new song, selling the record will cause the song to be published. Therefore, in reference to the example discussed above, if one of the songs was commercially released prior to the release of the rest of the album, one would register the “published” recording containing that song in a separate application and register the remainder of the album as an “unpublished work” in a separate application.

Special Rules Applying to Creators Who Publish Their Works in Periodicals

In addition to the rules set forth in the Copyright Basics Circular, section 408(c)(2) of the Copyright Act directs the Register of Copyrights to establish regulations “permitting a single registration for a group of works by the same individual author, all first published as contri-

butions to periodicals, including newspapers, within a twelve-month period, on the basis of a single deposit, application, and registration fee, ...”¹⁰ Pursuant to this provision in the Copyright Act, the Copyright Office issued the following regulation:

...a single registration, on the basis of a single application, deposit, and registration fee, may be made for a group of works if all of the following conditions are met:

(A) All of the works are by the same author;

(B) The author of each work is an individual, and not an employer or other person for whom the work was made for hire;

(C) Each of the works was first published as a contribution to a periodical (including newspapers) within a twelve-month period; This does not require that each of the works must have been first published during the same calendar year; it does require that, to be grouped in a single application, the earliest and latest contributions must not have been first published more than twelve months apart.¹¹

The purpose of 408(c)(2)¹² is to make it easier for creators who publish their works in different newspapers and magazines, such as freelance writers, photographers, cartoonists and illustrators, to register groups of their works that were published in different periodicals during any 12-month period. Suppose, for instance, that a cartoonist publishes 50 different cartoons in several different magazines and newspapers in one year. Under the basic rules set forth on the Copyright Office website, he or she would be forbidden from filing them all in one application. Yet under 408(c)(2), the cartoonist is authorized to file all of them in one application, thereby saving time and \$1,715 (49 x \$35).

Special Rule for Published Photographs

In addition to 408(c)(2), the Copyright Office offers another rule designed to make it easier to register groups of photographs. That allows for registration of any number of photographs if they were taken by the same photographer and published within the same calendar year. This means that the photographer can register not only all of his or her photos that were published in different periodicals, but also all that were sold during any given 12-month period on one registration. Special deposit rules apply, as well as instructions for filling out the form (GR/PPh/CON). The application must be done by mail, and the fee is \$65.¹³

Limitations on Registering Multiple Works in a Single Application

In registering multiple works in a single application, the applicant must be careful to follow the rules carefully. It is important to note that with regard to the first rule set forth in this article concerning published works, *multiple published works if they are all first published together in the same publication on the same date and owned by the same claimant*, all the works must be published as a “single unit.”¹⁴ As interpreted by courts, this criterion requires that all of the published works must have been *first published* together in a single unit of publication. Courts have invalidated registrations of groups of published works violating these principles.¹⁵

As a caveat to this concern, groups of unpublished items must only include unpublished items. Inclusion of published materials could invalidate protection of the entire group.¹⁶

Finally, in cases of complex works, such as a motion picture, that involve “the co-existence of [multiple] elements in a single self-contained work included in a single unit of publication, only one registration is appropriate to cover all the elements.”¹⁷

Conclusion

Group registrations can save creators a great deal of time and money, provided that creators follow the rules set forth by the Copyright Act as implemented by the Copyright Office.¹⁸

Endnotes

1. The fee is \$35 for each online application and \$65 for each paper application.
2. *Copyright Basics*, U.S. COPYRIGHT OFFICE (May 2012), <http://www.copyright.gov/circs/circ01.pdf>.
3. 17 U.S.C. § 504.
4. 17 U.S.C. § 505.
5. *Copyright Basics*, *supra* note 2.
6. *See Muench Photography Inc. v. Houghton Mifflin Harcourt Publishing*, 712 F. Supp. 2d 84 (S.D.N.Y. 2010) (protection of individual components in a registered group may only attach when the author of the individual component is the same as the author of the group).
7. *Copyright Basics*, *supra* note 2.
8. *See Ocasio v. Alfano*, 592 F. Supp. 2d 242, 244-45 (D.P.R. 2008) (holding that registration for a group of unpublished songs protected the individual songs listed in the registration under 37 C.F.R. §202(b)(4)(i)(B); *King Records, Inc. v. Bennett*, 438 F. Supp. 2d 812, 841 (M.D. Tenn. 2006) (noting that “other courts have found that registration of a collection extends copyright protection to each copyrightable element in that collection” in a case involving a collection of published songs); *see also Masterfile Corp. v. Gale*, 2011 U.S. Dist. LEXIS 114638 (D. Utah Oct. 4, 2011) (finding that copyright in a collection of photographs protected the individual photos). Courts have found that a copyright registration of a group of works can also protect individual components not specifically listed in the copyright application if the materials sent to the Copyright Office include the unlisted material. *See Szabo v. Errison*, 68 F.3d 940 (5th Cir. 1995) (extending copyright protection to unlisted songs because the songs were included on the tape sent to the Copyright Office for registration of the group).
9. 17 U.S.C. § 101.
10. 17 U.S.C. § 408(c)(2).
11. *Id.*
12. <http://www.copyright.gov/title37/202.html>.
13. More information is available at <http://www.copyright.gov/fls/fl124.html>.
14. *Copyright Basics*, *supra* note 2.
15. *See e.g., L.A. Printex Industries v. Aeropostale*, 2010 U.S. Dist. LEXIS 46951 (C.D. Cal. May 5, 2010) (invalidating registration of a group of fabric designs because one design was sold prior to and independently of the others), *reversed*, 466 Fed. Appx. 590 (9th Cir. 2012) (reversing grant of summary judgment based on material issue of fact, but upholding relevant legal standard); *Olander Enters., Inc. v. Spencer’s Gift, LLC*, 812 F. Supp. 2d 1070 (C.D. Cal. 2011) (adopting rule that “group of published works must be first published together in order to qualify as a ‘single unit of production’ for purposes of a ‘single work’ registration” in a case involving belt buckles); *McLarens v. Chico’s F.A.S., Inc.*, 2010 U.S. Dist. LEXIS 120185 (S.D.N.Y. Nov. 9, 2010) (same). However, the single publication criterion does not require all items within that publication to be eligible for registration within the group. *See Design Ideas, Ltd. v. Things Remembered, Inc.*, 2009 U.S. Dist. LEXIS 13114 (C.D. Ill. Feb. 20, 2009) (upholding validity of registration of three designs included in a book containing material that was not part of the group).
16. *See Banco Populaire de Puerto Rico v. Latin American Music Co.*, 685 F. Supp. 2d 259 (D.P.R. 2010).
17. Nimmer, *On Copyright*, § 7.18[C][3].
18. There are other rules for registering works in groups for specific kinds of works such as automated databases and periodicals. They are beyond the scope of this article which deals with multiple works created by individual creators such as visual artists, songwriters and writers. Information about the other rules can be found in Nimmer, *On Copyright*, § 7.18[C] discussing 37 C.F.R. §202.3(b).

Steve Gordon is an entertainment attorney with over 20 years of experience in the entertainment industry, including 10 years as Director of Business Affairs for Sony Music. Steve also operates a music clearance service for producers and distributors of documentaries, concert videos, feature films, home video and audio compilations. In addition, Steve serves as an expert witness in cases involving the music business and digital law; counseling producers of and participants in reality TV shows; registering trademarks and copyrights; and advising clients on copyright and contract litigation. He’s the author of *The Future of the Music Business* (Hal Leonard 2011). The book, now in its third edition, provides a legal and business roadmap to artists, entrepreneurs and music industry professionals for success in today’s music business. He updates the book in his blog www.futureofthemusicbusiness.biz.

The author would like to thank Ariel Greenberg (2L Cardozo) and Emily Borich (2L Pace) for assistance in this article, and Kevin Park (3L NYU) for his special research support.

Intellectual Property: A Two-Edged Sword

By Cheryl Davis

No matter the nature of a Company's business, the odds are that whether one is outside or in-house counsel, intellectual property issues will have to be addressed with the Company's employees at some point. These issues will probably arise in one of two contexts (if not both): (i) advising employees on how to protect the Company's intellectual property, and (ii) cautioning them against becoming infringers themselves. The same laws that protect the Company's intellectual property can be turned on the Company just as easily if it infringes upon the intellectual property rights of others.

I. Protecting the Company's Intellectual Property

A. Legal Precautions

Before instructing employees on the business precautions they need to take to protect a Company's intellectual property, one should first make sure the necessary legal precautions have been taken. For example, where the Company has valuable copyrights, they should be registered with the U.S. Copyright Office. While copyright arises upon creation, registration is necessary in order to be able to bring a suit in the event of infringement.¹ In addition, if the copyright has been registered *before* the infringement takes place, statutory damages and attorneys' fees then become available.² Even if the Company does not end up actually bringing suit, the mere availability of increased damages may give it additional leverage when it comes to settlement negotiations.

Good counsel should also want to make sure that there is adequate copyright notice on the Company's products (and/or its packaging), as well as on its website and other materials entitled to copyright protection. By providing such notice, the "innocent infringement" defense can be rebutted "that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright."³ The copyright law expressly provides that:

[i]f a notice of copyright in the form and position specified by this section appears on the published copy or copies to which a defendant in a copyright infringement suit had access, then no weight shall be given to such a defendant's interposition of a defense based on innocent infringement in mitigation of actual or statutory damages...⁴

Copyright notice still serves a practical purpose.

While copyright protection lasts for the life of the artist plus 70 years (or, in the case of a work made for

hire, for 95 years from the year of its first publication or 120 years from the year of its creation),⁵ patents only last for 20 years from the date of application.⁶ While an initial trademark registration lasts for 10 years, the registration can continue to be renewed for additional 10-year terms.⁷

With respect to protecting a Company's trademarks and patents, counsel should ensure that (i) the necessary filings are being made to renew the registration (where trademarks are concerned) and (ii) again, that there is clear notice of the registrations. Designers and marketing personnel may occasionally protest that the notice will negatively affect the look of the logo or their design concept. Yet if notice is absent, the Company must then prove that the infringer had actual notice of the registration and, therefore, of the infringement. The Company will run the risk of losing at least some (if not all) of its potential damages—which, since they can potentially be trebled by the court, can end up being quite substantial.⁸ It is important, therefore, to make sure that employees include the appropriate notices on the packaging and marketing materials for a Company's goods and services.

B. Educating Employees About Intellectual Property

Having ensured that the legal framework is in place, counsel should make sure that the employees are aware of the value of a Company's intellectual property, and that they know how (and how not) to treat it. While some basic information should be included in the Company's standard employee manual, it may also be helpful to have periodic seminars reminding employees about the Company's intellectual property practices and policies and to have regular meetings with any individual employees who deal with intellectual property issues on a regular basis.

1. Employee Work = Work for Hire

As a basic matter, the Company's employee manual should state that each employee's work will be deemed work-for-hire owned by the Company; that way, the employee will not mistakenly believe that he or she can transfer, license, or otherwise dispose of the property. Some departing employees may want to continue using projects they worked on while at the Company (and which belong to the Company) as examples of their own work product, to market their services and obtain future employment. The Company should have a clear policy stating whether such use is permissible.

2. Navigating Social Media

Employees should take care when using social media when referring to or circulating the Company's intellectual property. Certain sites and services, such as Twitpic,

provide in their terms and conditions that “by submitting Content to Twitpic, you hereby grant Twitpic a world-wide, non-exclusive, royalty-free, sublicenseable and transferable license to use, reproduce, distribute, prepare derivative works of, display, and perform the Content in connection with the Service and Twitpic’s (and its successors’ and affiliates’) business.”⁹ Therefore, by posting pictures containing the Company’s intellectual property on Twitpic and similar websites, employees might end up inadvertently granting licenses to the Company’s intellectual property.

Some companies might issue a blanket prohibition against employees using social media for Company purposes. The business, however, may be one that thrives on its social media presence and uses it to cultivate and maintain a passionate customer base. In that situation, it is important for the Company to issue clear guidelines for its employees—and its consumers—on how the Company’s intellectual property should be used. For example, the Company’s website should specify exactly how its trademarks should be used when reference is made to its goods and services, as well as clearly stating that the Company’s trademarks should not be incorporated into the business name or trademark of any other entity without the Company’s permission.

3. Taking Care When Protecting Intellectual Property

In today’s world where seemingly minor disputes can go viral with the swipe of an iPhone, it is ever more important to pick intellectual property battles wisely. As a basic matter, employees should not issue (or threaten to issue) cease and desist letters without first clearing them with counsel. First of all, the question is raised as to whether the third party’s use is a “fair use” of the Company’s intellectual property. The copyright law explicitly provides that certain types of use do not constitute copyright infringement:

The fair use of a copyrighted work...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.¹⁰

The principle of fair use also applies to trademarks. The Lanham Act, like the Copyright Act, permits certain uses of a registered trademark. For example, it is a defense to a claim of trademark infringement that:

the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of anyone in privacy with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.¹¹

In addition, the Company’s trademarks may be used in connection with comparative advertising, as long as the third-party is not appropriating the Company’s goodwill by misleading consumers.¹² In short, as much as the Company might wish it, there are some uses of its intellectual property the Company may not legally be able to prevent.

There are also some uses that the Company may not wish to prevent. If, as stated previously, the Company has a passionate consumer base, it may not wish to dissuade consumers from making (appropriate) use of the Company’s trademarks and other intellectual property. Where such use is inappropriate, however, employees should be instructed to reach out to the (perhaps overly) passionate consumer, and ask him or her to follow the Company’s rules (which should be clearly posted on the Company’s website). It is important not to let employees’ desires to please the Company’s customers lead the Company into an unwitting waiver of an infringement claim.

4. Departing Employees

Some counsel may think that their companies do not have any intellectual property, particularly when the business is, for example, in manufacturing, real estate, or sales. At the very least, however, the Company has its own trademark, or trade name. The Company may also have trade secrets or other confidential information that it wants to protect from its competitors (and its consumers). Employees should be aware of the need to protect the Company’s information in its various forms. For example, in addition to notifying employees in the employee manual about the need to protect intellectual property, counsel will want to remind them of these procedures when they leave the Company’s employ.

Many employees access Company files from their personal computers or print out hard copies of material for review at home. Counsel should prevent these

employees from discarding the Company's intellectual property in a careless manner (such as by throwing out or recycling confidential documents, or by donating a used computer) just because the employees innocently forget the need for caution. Therefore, a reminder to securely dispose of any intellectual property in his or her possession should be a part of any employee's exit interview.

II. Avoiding Infringing Upon the Intellectual Property of Others

It is quite likely that a Company uses third-party intellectual property in its ordinary course of doing business; most businesses license computer software, to name only one example. Employees need to beware of engaging in even innocent infringement of such non-Company intellectual property.

With respect to software licenses, it is unfortunately easy to end up being an infringer. Companies can lose track of how many licenses they have actually purchased. If the Company has a summer intern program, an intern may install a copy of his or her educational software on the Company's server, and if such educational software is used in a commercial context, the Company might end up violating the terms of use of the software. The best way to guard against such inadvertent infringement is to have periodic software licensing audits.

Virtually all companies have a website, and most of these websites have graphics or other images that may be subject to copyright protection. As many assume that "if it's on the Internet, that means it's in the public domain, right?," counsel should nip these misapprehensions in the bud, before they sprout into infringements. It is important to make sure that the Company's marketing department (as well as IT department and anyone else who has responsibility for the Company's corporate website and image) obtains the necessary permissions and licenses for any artwork or images that are not internally generated.

It is even possible that employees might infringe upon intellectual property that the Company generated, and then transferred to a third party. Where the transfer of intellectual property is part of a business' ordinary (or at least frequent) course (from architect to owner, for example), employees should be advised as to what they may and may not continue to use. Occasional lectures or other reminders may do the trick. Where such transfers of intellectual property are not common at a Company, counsel should bring them to the relevant employees' attention.

III. Conclusion

With proper guidance, the Company's employees can and should be either in-house or outside counsels' allies in protecting a Company's intellectual property against infringement and preventing the Company from

becoming an infringer itself. The most important thing for counsel is to come up with a procedure for advising the employees about the Company's rights, and continue to keep them informed of their obligations in protecting them.

Endnotes

1. *Copyright Basics*, U.S. COPYRIGHT OFFICE (May 2012), <http://www.copyright.gov/circs/circ01.pdf>.
2. 17 U.S.C. §504.
3. 17 U.S.C. §401.
4. 17 U.S.C. §401(d). According to 17 U.S.C. §401(b), the form of notice shall include the symbol ©, the word "Copyright," or the abbreviation "Copr.," the year of first publication of the work, and the name of the copyright owner.
5. 17 U.S.C. §302.
6. 35 U.S.C. §154.
7. 15 U.S.C. §1059.
8. See 15 U.S.C. §1111 ("[N]o profits and no damages shall be recovered under the provisions of this Act unless the defendant had actual notice of the registration."); 35 U.S.C. §287 ("In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice.").
9. *Terms of Service*, TWITPIC, <http://www.twitpic.com/terms.do>.
10. 17 U.S.C. §107.
11. 15 U.S.C. §1115(b)(4).
12. See, e.g., *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp.2d 402, 413 (S.D.N.Y. 2006) ("Courts permit defendants to use a trademarked name to convey to consumers what it is their product seeks to copy; in such cases, defendants are 'not trying to get the good will of the name, but the good will of the goods.'") (citation omitted).

Cheryl L. Davis is a partner at the law firm of Menaker & Herrmann LLP, a general commercial practice firm in New York City. She is a litigator who concentrates in intellectual property matters (particularly copyright and trademark cases), employment, and real estate/construction-related matters. She is an active member of the American Bar Association, where she is the diversity co-liaison for the Forum on Entertainment and Sports Industries, and of the New York State Bar Association, where she is the Co-Chair of the Diversity Committee for the EASL Section. She has participated in seminars and webinars for design professionals on a variety of topics and is a co-author with other attorneys at Menaker & Herrmann of *Law for Architects: What You Need to Know*, which was published by W.W. Norton in 2012. She would like to thank Erika J. Krystian and Jennie L. Sacks for their assistance in preparing this article.

A version of this article appeared in the Fall 2012 issue of Inside, published by the Corporate Counsel Section of the New York State Bar Association.

Of All the Lawsuits, in All the Courts, in All the World, They Had to Settle This One

What We Didn't Learn About Rights of Publicity and Social Media from *Bogart v. Burberry*

By Cassidy Merriam

Introduction

In early 2012, Burberry, the London-based luxury brand, launched a Facebook "Timeline," replacing its traditional Facebook page. The Timeline featured numerous images depicting the company's history, beginning with a photo of the first Burberry store in 1856. It included an image of the late Humphrey Bogart in the final scene of the 1942 film "Casablanca." In connection with the photograph, Burberry included the description: "Humphrey Bogart wearing a Burberry trench coat in the final scene of Casablanca (1942)."¹ According to Burberry, the image was licensed from Corbis for editorial use.²

On April 10, 2012, Bogart, LLC (Bogart), owned primarily by Humphrey Bogart's children, contacted Burberry and demanded that it cease using the image. When Burberry did not remove the image, Bogart contacted Burberry at least two more times and "made a significant monetary demand," asserting that Burberry's use of the Bogart publicity rights and trademarks falsely implied an endorsement or affiliation with the brand for commercial purposes.³

This article explores the Bogart right of publicity claim under California state law and what the case, had it been litigated, may have said about new media and the line between commercial speech and non-commercial speech.

The Burberry Complaint

On May 2, 2012, Burberry filed a declaratory judgment lawsuit in the Southern District of New York seeking a judgment of trademark non-infringement, trademark non-dilution, and for non-infringement of any right of publicity. The primary argument for all three causes of action centered on Burberry's First Amendment right to use the image without infringement. The complaint alleged that "Burberry's use of [the] photo and description w[as] intended to reflect on the long history, significance and influence of Burberry fashion in society,"⁴ rather than for commercial or advertising purposes.

The Bogart Complaint

Later in the day on May 2, 2012, on the other side of the country, Bogart filed its own lawsuit against Burberry for misappropriation of a right of publicity under

California Civil Code §3344.1, federal trademark infringement under 15 U.S.C. §1125(a), unjust enrichment, and quantum meruit.⁵ The complaint alleged that Burberry used Bogart's iconic image for "the express purpose of commercially linking their Burberry brand and products to the persona and character of Humphrey Bogart in the minds of [Burberry's] potential and actual customers."⁶

The Right of Publicity

The right of publicity is the right to control the commercial use of one's own identity.⁷ It has roots in both the misappropriation doctrine and the law of privacy⁸ and is governed by state law. Currently, 19 states have a statutorily recognized right of publicity, while an additional 28 recognize a common law right of publicity,⁹ therefore, protection varies greatly from state to state. Generally, the right to publicity forbids the unauthorized use of the name, image, or likeness of another individual for commercial purposes without consent. Courts have extended such protection, in varying amounts, to include recognizable non-facial features,¹⁰ look-alike models,¹¹ voice,¹² sound-alike recordings,¹³ and in the Ninth Circuit interpreting California common law, copying a "persona."¹⁴

In all states that recognize a right to publicity, the right extends to public figures, and in a majority of states courts will also allow non-public figures to claim the right to publicity. A majority of states also provide that the right of publicity survives death if a transferee or survivor exists. As mentioned above, each state may either ground its right of publicity in misappropriation theory or in privacy theory. Those that view the right of publicity as a branch of privacy law typically do not recognize a *post mortem* right of publicity, because privacy rights are considered personal. New York and a few other jurisdictions terminate the right of publicity upon death of the individual for this reason.¹⁵ The majority of states base the right of privacy on a misappropriation theory and treat it as a property right, which survives the death of an individual. The duration of *post mortem* publicity rights varies from state to state, with California's protection extending 70 years after death.¹⁶ Due to the vast difference in the scope of protection from state to state, choice of law becomes a critical issue in right of publicity infringement actions. The general rule is that the existence of a *post mortem* right of publicity is determined by the law of the domicile of the estate.¹⁷

Depending on the state, the right of publicity is either analyzed under the tort of invasion of privacy or through the law of unfair competition. Additionally, there are other areas of law that are often similar to the cause of action for infringement of the right of publicity and are frequently brought as separate causes of action. Common related actions are not discussed in this article, but deserve brief mention. They include: trademark infringement (often the plaintiff owns the trademark of the individual's name or other similar marks), false advertising, copyright infringement, misappropriation tort of the right of privacy, and false light right of privacy.¹⁸

Bogart's Case for Misappropriation of the Right of Publicity

To prevail on a *prima facie* case for liability of infringement of the right of publicity, a plaintiff must prove: (1) that the plaintiff owns an enforceable right in the identity or person; and (2) that the defendant, without permission, has used some aspect of the identity or persona in such a way that the person is identifiable from the defendant's use; and (3) that the defendant's use is likely to cause damage to the commercial value of that persona.

Interestingly, in its complaint, Bogart did not assert a separate common law right of publicity claim. The California statute makes it clear that remedies available under statutory claims are in addition to and not in lieu of common law rights.¹⁹ While a common law claim would not have had a high likelihood of success,²⁰ California courts interpret common law right of publicity claims more broadly, and asserting a common law claim would certainly not have harmed Bogart's case.

Bogart's first cause of action in the suit was a claim of misappropriation of right of publicity under California Civil Code §3344.1.²¹ The statute protects against uses of a deceased person's likeness for advertising purposes. Specifically, the statute prohibits use of a person's name, photograph, and likeness "on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without prior consent[.]"²² Unlike California's Section 3344 statute regarding the right of publicity for living persons, a violation of *post mortem* rights under Section 3344.1 does not require that the defendant have any form of knowledge or intent.²³

In the *Bogart v. Burberry* context, the parties did not dispute (1) that Bogart owned the publicity rights of Humphrey Bogart; and (2) that Burberry, without permission, used a photograph of Bogart on its Facebook Timeline. The third element, whether damage to the commercial value of the persona has occurred, is generally presumed once unpermitted use is proven and does not need to be "proven" as part of the *prima facie* case.²⁴ The case, had it been litigated, would have instead turned

on Burberry's defenses and whether its use of the Bogart image was protected under the First Amendment or fell within one of the statutory exceptions in Section 4433.1.

Burberry's Use of the Image on Its Facebook Timeline: Protected by the First Amendment?

Burberry's complaint in its declaratory judgment lawsuit in the Southern District of New York rested heavily on the argument that its use of Bogart's image was "squarely protected under the First Amendment to the United States Constitution."²⁵ Had the case been litigated in California under a Section 3344.1 claim, perhaps Burberry would not have gone directly to the First Amendment claim, but because it played so heavily in the case as it was, the feasibility of Burberry's constitutional claim is worth a brief discussion. If a court decides that a defendant's use is protected by the free speech policies of the First Amendment, statutory defenses will be bypassed.

The three primary purposes of the First Amendment, as articulated by Justice Brandeis are: (1) "Enlightenment"—which encompasses political, social and scientific "news" as well as "entertainment"; (2) "Self-fulfillment"—the need for human self-expression in all forms; and (3) "The Safety Valve"—the societal need for free expression as an alternative for or sublimation of social or political violence.²⁶

Burberry's use of Bogart's photo would certainly not fall within speech with highest levels of protection such as political speech; however, there is an argument that this Timeline would be considered "news," as Burberry suggested in its complaint. After all, a magazine featuring the latest fashion trends,²⁷ a publication of historical information about a former athlete's accomplishments,²⁸ and an article in a newspaper asking readers to vote for their favorite members of a rock band²⁹ have all been deemed "newsworthy" under the First Amendment.

Before Burberry should get too comfortable, however, it must be noted that while "news" generally has a high constitutional priority, advertising or "commercial speech" is given the lowest level of priority and any given use may fall within multiple priorities.³⁰ "Where the 'message' is 'buy,' the content is labeled as 'commercial speech' for First Amendment purposes"³¹ as opposed to more protectable "expressive speech." Commercial speech still enjoys a minimal amount of First Amendment protection under a strict basis described as, "A restriction on nonmisleading commercial speech may be justified if the government's interest in the restriction is substantial, directly advances the government's asserted interest, and is no more extensive than necessary to serve the interest."³²

The question would turn on whether Burberry's Facebook Timeline was "commercial." The lines between

expressive and commercial speech are extremely blurry. The Ninth Circuit has stated, “Although the boundary between commercial and noncommercial speech has yet to be clearly delineated, the “core notion of commercial speech” is that it “does no more than propose a commercial transaction.”³³ It is arguable that the Facebook Timeline does much more than propose a commercial transaction. In fact, no commercial transactions occur on the Facebook page. Social media, however, is not just a place where companies seek to enlighten the world—social media is used as an incredible, interactive marketing tool that has spun advertising and commercialism in a way where consumers themselves contribute to brand building and brand value. The question is an unclear one and will remain so until a similar issue arises again and is litigated.

Burberry’s Use of the Image on Its Facebook Timeline: Within a §4433.1 Exemption?

A more reasonable hope for Burberry would be that its use of the Bogart image on the Burberry Facebook Timeline fell within one of the statutory exemptions under §4433.1. The exemptions relevant to *Bogart v. Burberry* would be use in news and public affairs³⁴ or use in media commercially sponsored or containing paid advertising.³⁵ The newsworthiness exemption is extended to at least everything with constitutional First Amendment protection, so it could very potentially include the Facebook Timeline, and due to the standard of review would likely have more success than if analyzed under the constitutional claim.

The exemption most beneficial to Burberry would be for use in commercially sponsored media. Due to Facebook’s overwhelming success as a marketing platform, it is likely that a court would conclude that while the Timeline may have had significant historical, informational, and educational value, the primary purpose of the Timeline was for the commercial purpose of attracting consumers to the brand, especially through the rich, iconic history. In these cases, it is a question of fact whether unpermitted use of the identity “was so directly connected with the commercial sponsorship or with the paid advertising” as to constitute a statutory violation.³⁶ The court may allow an exemption if a material would be otherwise constitutionally protectable, but-for its location within commercially sponsored media.³⁷ The Burberry Timeline is a perfect example of this exemption, because it is both educational and historical while also having an extremely commercial purpose.

The Intersection of Fashion and the Subject

In cases involving fashion “news,” McCarthy suggests that New York courts “have missed the point as to what aspects of the photograph are constitutionally protected. The real content of a fashion ‘story,’ as in Pagan

and Stephano, is the wearing apparel, not the person. The model’s identity or the identity of those included in the background for ‘local color’ is not a matter of ‘public interest’—the clothes are. Only the wearing apparel is ‘news.’”³⁸

In *Bogart*, this seems to be a possibility. The purpose of the photograph on the Timeline was not just historical value, but the iconic Burberry trench coat itself. Within the legal analysis of “newsworthiness,” the passage of time since the “event” has little effect on whether it is still considered “news.”³⁹ In this case, the 1942 image still has value as not just a piece of history, but a newsworthy event in the history of the brand and in fashion as well.

Conclusion: New Norms in Social Media and Why a New Look at “Commercial” Might Be in Order

In a world controlled by social media, it is inevitable that the boundaries begin to shift. One website such as Facebook is not confined to a single purpose. It can be a social site for users’ personal photos and words, while simultaneously acting as a source for news, a place where art and music are disseminated, and where brands build their strength. Consumers now participate in a brand’s image though “Liking” it on Facebook and Tweeting about it. The old world of intellectual property, especially trademark law, was founded on a concept where a brand’s value was created by the brand itself. In today’s world where consumers contribute to advertising and the brand’s value, perhaps it is time that our intellectual property and right of publicity laws shift to reflect this new commercial reality.

This is not to suggest that publicity and intellectual property rights should not be protected, but it might be more effective to loosen the standard in certain cases with an eye on policy, potential harm, and the social context of our rapidly changing digital world. Where social media becomes increasingly commercial, often without a complete understanding by consumers, the lines continue to blur between “expressive” and “commercial” speech. It seems that it is only reasonable that analysis of legal issues regarding the right of publicity should not be dependent upon a standard that treats these two types of speech as opposite ends of the spectrum of protection.

Endnotes

1. Burberry Complaint at 3, Burberry Ltd. & Burberry Group PLC v. Bogart, LLC, 12-CV-3491 (S.D.N.Y. May 2, 2012).
2. Note that two separate property rights may exist in one work, such as a copyright and a publicity right. Ownership (or non-infringing use) of a copyright is not a defense to an assertion of infringement of a plaintiff’s state law right of publicity. *See*, J. THOMAS MCCARTHY, THE RIGHTS OF PUBLICITY AND PRIVACY §11:61 (2d ed 2000).
3. *See* note 1.
4. *Id.*

5. Bogart Complaint at 1, *Bogart, LLC v. Burberry Group, PLC, Burberry Ltd—USA*, BC483967 (Super. Ct. Cal. L.A. Cnty. May 2, 2012).
6. *Id.* at 9.
7. McCARTHY, *supra* note 2, at §1:3.
8. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).
9. Statutes, RIGHT OF PUBLICITY, <http://rightofpublicity.com/statutes>.
10. *Cohen v. Herbal Concepts*, 482 N.Y.S.2d 457 (1984).
11. *Onassis v. Christian Dior*, 472 N.Y.S.2d 254 (1984). (*But see Allen v. National Video, Inc.*, 610 F. Supp. 612 (S.D.N.Y. 1985) (no violation of the right of publicity where people would recognize that it was a look-alike and not actually Woody Allen’s photograph).
12. *See e.g.*, California Civ. Code § 980 (amended 1985).
13. *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988), cert. denied, 112 S. Ct. 1513 (1992).
14. *Wendt v. Host Int’l, Inc.*, 125 F.3d 806 (9th Cir. 1997) (characters from the television show “Cheers” depicted as animatronic robots were actionable by actors associated with the characters, despite also being properly licensed). The Ninth Circuit has been subject to much criticism for this extension of the right and its holding has been rejected by other circuits. *See e.g.*, *Cardtoons v. Major League Baseball Players Ass’n*, 95 F.3d 959 (10th Cir. 1996).
15. *See e.g.*, *Pirone v. MacMillan, Inc.*, 894 F.2d 579, 585-86 (2d Cir. 1990).
16. Reichman, Jonathan D., *Right of Publicity 2011, United States, Getting Through the Deal*, Dec. 2010, at <http://www.kenyon.com/newspublications/publications/2010/12-14.aspx>, or directly here: <http://www.kenyon.com/newspublications/publications/2010/~~/media/Files/Publication%20PDFs/2010/Publicity%20%20US%202011.ashx>, at79.
17. *See Cairns v. Franking Mint Co.*, 24 F. Supp. 2d 1013 (C.D. Cal. 1998). In other cases, the decision is less clear, such as in *Shaw Family Archives Ltd. v. CMG Worldwide, Inc.*, 486 F. Supp. 2d 309, 310-11 (S.D.N.Y. 2011) (A case involving the estate of Marilyn Monroe, where defendant was a New York-based company, Monroe was either domiciled in New York or California at her time of death, and the action complained of occurred in Indianapolis, Indiana. Action was brought under Indiana law and defendant defended under New York and California law. Rather than determining state of domicile, the court concluded that the publicity rights had expired under both New York and California law.).
18. For brief descriptions of these causes of action and discussion of their interaction with the right of publicity, *see* Thomas Phillip Boggess, *Causes of Action for an Infringement of the Right of Publicity*, 31 *Causes of Action* 2d 121 (2006).
19. Cal. Civ. Code §3344(g) and §3344.1(m) (statutory remedies are “cumulative and shall be in addition to any others provided for by law.”) (*See also*, McCARTHY, *supra* note 2, at §6:48.).
20. *Lugosi v. Universal Pictures*, 25 Cal. 3d 813, 842 (1979) (Common law right of publicity was recognized, but limited by the “lifetime exploitation” requirement.).
21. Bogart Complaint, *supra* note 5 at 10. (§3344.1 relates specifically to unauthorized use of a deceased person, whereas §3344 is the California right of publicity statute in general.).
22. Cal. Civ. Code §3344.1(a)(1) (West 2012).
23. Note, however, that as implicitly required by Cal. Civ. Code § 3294, in order to recover punitive damages, the defendant must have had some form of “malice.”
24. McCARTHY, *supra* note 2, at §3:2.
25. Burberry Complaint at 5, 7, and 8.
26. *Whitney v. California*, 274 U.S. 357, 375 (1927) (Brandeis, J., concurring).
27. *Stephano v. News Group Publications, Inc.*, 474 N.E.2d 580 (N.Y. 1984).
28. *Gionfriddo v. Major League Baseball*, 114 Cal. Rptr. 2d 307 (1st Dist. 2001).
29. *New Kids on the Block v. News America Pub., Inc.*, 745 F. Supp. 1540 (9th Cir. 1992).
30. McCARTHY, *supra* note 2, at §8:12.
31. *Id.* at §7:3.
32. *Central Hudson Gas & Elec. Corp. v. Public Service Commission of New York*, 447 U.S. 557 (1980).
33. *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir. 2001).
34. Cal. Civ. Code §3344.1(j).
35. Cal. Civ. Code §3344.1(k).
36. McCARTHY, *supra* note 2, at §6:33.
37. *See e.g.*, *New York Times Co. v. Sullivan*, 367 U.S. 254, 266 (1964).
38. McCARTHY, *supra* note 2, at §8:102.
39. *See e.g.*, *Street v. National Broadcasting Co.*, 645 F.2d 1227, 1235 (6th Cir. 1981).

Cassidy Merriam is a third-year student at Brooklyn Law School, where she is the Vice President of the Brooklyn Entertainment and Sports Law Society. She is also a member of the Fashion Law Committee of EASL. She is interested in pursuing opportunities in trademark, copyright, privacy, entertainment, and fashion law. She may be contacted at cassidy.merriam@gmail.com and welcomes comments or discussion.

Golan and Mayo: Practical Tips for Intellectual Property Owners and Users

By Theodore K. Cheng, Stephanie S. Spangler and Lee V. Pham

This past term, the Supreme Court of the United States again granted *certiorari* on an interesting set of intellectual property cases. Two cases in particular arguably illustrate a trend in the Court towards harmonizing U.S. intellectual property law with international norms. *Golan v. Holder*,¹ a case examining the constitutionality of Congress' authority to restore copyright to certain works formerly in the public domain, realigned U.S. copyright law with the Berne Convention for the Protection of Literary and Artistic Works (the Berne Convention). *Mayo Collaborative Services v. Prometheus Labs, Inc.*,² a relatively unsurprising decision on the scope of patentable subject matter, reaffirmed a common understanding of that concept under U.S. law that, perhaps inadvertently, conforms with the majority international view regarding the patentability of methods of medical treatment. This article provides a summary of the procedural history of each case through the courts, examines the impact these cases have on businesses and authors or inventors, and offers some practical observations for both practitioners and owners of intellectual property.

Golan v. Holder: The Litigious Journey Toward Compliance with the Berne Convention

In 1989, the U.S. joined the Berne Convention, the principal treaty governing international copyright relations among its signatory members.³ In 1994, Congress gave works enjoying copyright protection abroad the same full term of protection available to U.S. works in § 514 of the Uruguay Round Agreements Act (URAA).⁴ That section granted copyright protection to pre-existing works of Berne Convention member countries, which were protected in their countries of origin, but lacked protection in the U.S. for any of the following three reasons: (1) the U.S. did not protect works from the country of origin at the time of publication; (2) the U.S. did not protect sound recordings fixed before 1972; or (3) the author had failed to comply with U.S. statutory formalities (which are no longer required under U.S. copyright law).⁵ One practical effect of this provision restored protection to certain foreign works that had fallen into the public domain for reasons other than the expiration of the full copyright term.⁶ Thus, no protection would be accorded any foreign work after its full copyright term had expired, either under the laws of the country of origin or the U.S.

To be sure, § 514 only operated prospectively, and it provided substantial accommodations to parties who had exploited the affected works before the URAA was en-

acted. For example, it required owners of restored copyrights to provide a notice of intent to enforce, removed liability for the use of foreign works before the notice of restoration, and allowed parties who had previously used or acquired foreign works then in the public domain to continue to use the restored works for one year following the notice.⁷ In a 6-2 decision authored by Justice Ginsburg (with Justice Kagan taking no part in the consideration or decision of the case), the Court held that Congress had not exceeded its authority under the Copyright Clause or the First Amendment in enacting § 514.

The case began in 2001, when certain orchestra conductors, musicians, publishers, and others, who had formerly enjoyed free access to works that § 514 removed from the public domain, challenged that provision, maintaining that the Copyright Clause and the First Amendment invalidated the enactment of that statute.⁸ The District Court granted the Government's motion for summary judgment, and the Tenth Circuit affirmed in part, remanding the case with an instruction to consider further the First Amendment claim.⁹ On remand, the District Court concluded that the plaintiffs had prevailed on their First Amendment arguments, but the Tenth Circuit reversed.¹⁰

The Supreme Court, after recounting the history of the Berne Convention and how the U.S. became a party to its "multilateral, formality-free copyright regime in 1989,"¹¹ specifically focused on § 514, noting that copyrights that had been "restored" under this provision "'subsist for the remainder of the term of copyright that the work would have otherwise been granted...if the work never entered the public domain.'"¹² Thus, the Court concluded that, as a prospective matter, restoring such works placed foreign works on an "equal footing" with U.S. works, in that, assuming a foreign and domestic author died on the same day, their respective works would enter the public domain simultaneously. Such restored works, however, do not receive any compensatory time for the period of exclusivity they would have enjoyed before the enactment of § 514 had they been protected from the outset in the U.S. Thus, their total term falls short of that available to similarly situated U.S. works.¹³

First, the Court rejected the Copyright Clause challenge, concluding that neither its text, historical practice, nor the Court's own precedents erected an "impenetrable barrier to the extension of copyright protection to authors whose writings, for whatever reason, are in the public

domain.”¹⁴ Specifically, relying heavily on its decision in *Eldred v. Ashcroft*¹⁵ (also authored by Justice Ginsburg with a dissent joined by Justice Breyer), the Court rejected the argument that removing certain works from the public domain violated the Copyright Clause’s confinement of copyright’s lifespan to a “limited Time[].”¹⁶ Notably, the Court opined that, “[i]n aligning the United States with other nations bound by the Berne Convention and thereby according equitable treatment to once disfavored foreign authors, Congress can hardly be charged with a design to move stealthily toward a regime of perpetual copyrights.”¹⁷ The Court also rejected the argument that “the public domain was inviolate,” citing several historical examples where Congress had protected works that, at one time, were freely available.¹⁸

Next, the Court set aside the claim that § 514 fails to “promote the Progress of Science,” as required by the Copyright Clause. The petitioners here, as did Justice Breyer in his dissent (joined by Justice Alito), urged that creation of new works must be a pre-condition to any grant of copyright because, according to them, § 514 simply restricted the dissemination of old works and did not itself promote the progress of science.¹⁹ However, as it did in *Eldred*, the Court declined to adopt such a restrictive view of copyright, stating that “[t]he creation of at least one new work, however, is not the sole way Congress may promote knowledge and learning.”²⁰ Emphasizing the role of dissemination of works under U.S. copyright law, the Court noted that § 514 “would expand the foreign markets available to U.S. authors and invigorate protection against piracy of U.S. works abroad, thereby benefitting copyright-intensive industries stateside and inducing greater investment in the creative process.”²¹

Finally, the Court rejected the First Amendment challenge, once again drawing upon the teachings of its *Eldred* decision. Pointing to the “traditional contours” of copyright protection, the Court concluded that “Section 514 leaves undisturbed the ‘idea/expression’ distinction and the ‘fair use’ defense. Moreover, Congress adopted measures to ease the transition from a national scheme to an international copyright regime: It deferred the date from which enforcement runs, and it cushioned the impact of restoration on ‘reliance parties’ who exploited foreign works denied protection before § 514 took effect.”²² Thus, in the Court’s view, the United States’ interests in “ensuring exemplary compliance with our international obligations, securing greater protection for U.S. authors abroad, and remedying unequal treatment of foreign authors”²³ satisfied First Amendment scrutiny. The Court also responded to Justice Breyer’s concern over the potential difficulty in identifying or locating copyright owners, especially with regard to “orphan works,” concluding that such works were not peculiar to works restored under § 514 and, thus, was a matter more appropriate for legislative, not judicial, resolution.²⁴

Golan’s Egalitarian Impact on Licensing Transactions

In resolving the legal issue of whether Congress had exceeded its constitutional authority in promulgating § 514, the Court in *Golan* narrowed the scope of the public domain and made clear that works that had previously fallen into that domain could, by legislative fiat, once again become protected under the copyright laws. However, the likely impact of this decision goes beyond simply clarifying the contours of Congress’ powers. The decision will have marked effects on the film, publishing, music, and consumer products industries, as well as benefit foreign authors or these authors’ estates. In particular, *Golan* provides a long-awaited resolution for certain foreign copyright owners and will surely increase the number of licensing agreements between foreign copyright owners and users in the U.S.

Though the full effect of *Golan* upon licensing transactions is yet to be determined, the decision will also likely have a resonating influence on international transactions. First, the majority’s emphasis on dissemination as a driving force of the Copyright Clause levels the playing field for foreign copyright owners seeking to enter into licensing agreements with U.S. parties. Indeed, *Golan* represents yet another example of this country’s trend towards seriously honoring its compliance obligations with international conventions.²⁵

Second, as noted in Justice Breyer’s dissent, businesses seeking to license works from foreign copyright owners must now suffer higher administrative costs caused by locating the copyright owner and engaging in licensing negotiations. Administrative costs will be further exacerbated if the work is an orphan work. As a practical solution, as a replacement for the orphan work, the user may be compelled to choose between bearing the risk of financial penalty and using the work without a license, or selecting a different work with a clear, identifiable owner or a work firmly within the public domain.

Additionally, *Golan* is consistent with the general proposition that the Court must accept legislative modifications concerning the scope of the public domain, even if would-be licensees are impacted. Thus, parties negotiating licenses for copyrighted material that will fall into the public domain in the relatively near future may attempt to mitigate this uncertainty in advance. For example, the parties might contemplate that, if a licensed work should fall into the public domain through expiration of the copyright term or other normal operation of copyright law, a cap on future royalty rates or fees would apply should the exclusive right to the now public work be somehow later restored by a legislative act. Thus, while congressional action affecting the public domain is difficult to predict, parties entering license agreements on works nearing their copyright expiration can minimally

be able to insure against the costs and benefits in the event such legislation should arise.

Mayo Collaborative Servs. v. Prometheus Labs., Inc.: Patenting Laws of Nature

In its second decision on patentable subject matter in less than two years, the Court, in an unanimous decision authored by Justice Breyer, invalidated certain process patent claims because the claimed steps involved well-understood, routine, conventional activity previously engaged in by researchers in the field and, thus, effectively claimed the underlying laws of nature themselves.

The claims-at-issue involved processes that help doctors who use thiopurine drugs to treat patients with autoimmune diseases (such as Crohn's disease and ulcerative colitis).²⁶ As the Court explained:

When a patient ingests a thiopurine compound, his body metabolizes the drug, causing metabolites to form in his bloodstream. Because the way in which people metabolize thiopurine compounds varies, the same dose of a thiopurine drug affects different people differently, and it has been difficult for doctors to determine whether for a particular patient a given dose is too high, risking harmful side effects, or too low, and so likely ineffective.²⁷

The claims-in-suit set forth processes that identified the correlations between metabolite levels and the likely harm or ineffectiveness.²⁸

The litigation was commenced by Prometheus Laboratories, Inc. (Prometheus), the sole and exclusive licensee of the patents-in-suit, which sold diagnostic tests that embodied the processes set forth in the patents.²⁹ For some time, Mayo Clinic Rochester and Mayo Collaborative Services (together, Mayo) bought and used those tests, but began using and selling its own test in 2004, prompting Prometheus to claim patent infringement.³⁰ The District Court granted summary judgment to Mayo, concluding that the subject matter of the patents was unpatentable because they effectively claimed natural laws or natural phenomena, namely, the correlations between thiopurine metabolite levels and the toxicity and efficacy of thiopurine drug dosages.³¹

The Federal Circuit reversed, noting that the claimed processes included the additional steps of (1) "administering a [thiopurine] drug" to a patient and (2) "determining the [resulting metabolite] level," thereby satisfying the court's "machine or transformation test."³² The Supreme Court granted the petition for *certiorari* and vacated the judgment, remanding the case for reconsideration in light of *Bilski v. Kappos*,³³ which had held that the "machine or

transformation test" was not the definitive test of patent eligibility, but only an important and useful clue.³⁴ On remand, the Federal Circuit reaffirmed its earlier conclusion that the claims-at-issue "'do not encompass laws of nature or preempt natural correlations.'"³⁵

The Court again granted *certiorari* and framed the case as presenting the following question: "[D]o the patent claims add *enough* to their statements of the correlations to allow the processes they describe to qualify as patent-eligible processes that *apply* natural laws?"³⁶ The Court answered this question in the negative:

The process that each claim recites tells doctors interested in the subject about the correlations that the researchers discovered. In doing so, it recites an "administering" step, a "determining" step, and a "wherein" step. These additional steps are not themselves natural laws but neither are they sufficient to transform the nature of the claim.³⁷

Indeed, after reviewing the language of the steps in detail, the Supreme Court found that they "consist[ed] of well-understood, routine, conventional activity already engaged in by the scientific community; and those steps, when viewed as a whole, add nothing significant beyond the sum of their parts taken separately."³⁸ Accordingly, the claimed steps did not present a patentable application of the law of nature.

In reaching this conclusion, the Court was particularly concerned that the patent laws "not inhibit further discovery by improperly tying up the future use of laws of nature."³⁹ The Court reasoned that, because laws of nature are "'the basic tools of scientific and technological work,'"⁴⁰ future innovation may be inhibited if patents are granted on processes that "amount[] to no more than an instruction to 'apply the natural law,' or otherwise foreclose[] more future invention than the underlying discovery could reasonably justify."⁴¹ Although the Court conceded that the laws of nature at issue in *Mayo* were "narrow," it was concerned that the patent claims embodying them would "inhibit the development of more refined treatment recommendations (like that embodied in Mayo's test)."⁴²

The Court then addressed a number of other arguments raised by both Prometheus and various *amici* in its support, ultimately finding none of them persuasive. For example, the Court rejected Prometheus' attempt to distinguish amongst particular laws of nature based upon the extent to which patent claims embodying them would interfere with innovation in other fields, concluding that:

[a] patent upon a narrow law of nature may not inhibit future research as seriously as would a patent upon Einstein's

law of relativity, but the creative value of the discovery is also considerably smaller. And, as we have previously pointed out, even a narrow law of nature (such as the one before us) can inhibit future research.⁴³

The Court also declined to adopt the argument advanced by the Government—that “virtually any step beyond a statement of a law of nature itself should transform an unpatentable law of nature into a potentially patentable application sufficient to satisfy” the patent eligibility requirement set forth in § 101 of the Patent Act, particularly in light of the requirements of novelty (§ 102), non-obviousness (§ 103), and adequate written description (§ 112)⁴⁴—because that approach would render the § 101 requirement effectively meaningless.⁴⁵

Most notably, the Court addressed the concern of several *amici* that denying patent coverage here would interfere with the ability of researchers to make valuable discoveries, particularly in the area of diagnostic research, which includes costly research leading to the discovery of laws of nature. However, other organizations, such as the American Medical Association and the American College of Medical Genetics, opposed making Prometheus’ claims patent eligible, arguing that such patents would potentially restrict physicians’ ability to provide sound medical care. In the face of these competing interests, the Court was reluctant to depart from the established rules defining the scope of patent-eligible subject matter.⁴⁶

Mayo’s Impact on Industry and Intellectual Property Businesses

Mayo stands for the unsurprising proposition that laws of nature are not proper subject matter for patentability and continues to leave open patent eligibility on claims covering particular useful applications of a law of nature. Though it remains to be seen what the legacy of *Mayo* will be, perhaps clarity is on the legal horizon. At least in the field of DNA sequencing, there may be little impact. Six days after the decision was issued, the Court granted *certiorari* on the Federal Circuit’s decision in *Association for Molecular Pathology v. U.S. Patent and Trademark Office*,⁴⁷ which had held, in part, that composition claims covering isolated DNA sequences associated with predisposition to breast and ovarian cancers were directed to patent-eligible subject matter. The Court vacated the judgment and remanded the case to the appellate court for further consideration in light of *Mayo*.⁴⁸ On remand, however, the Federal Circuit reaffirmed its prior holding.⁴⁹ On September 25, a petition for a writ of *certiorari* was again filed in the Supreme Court.⁵⁰ If the Court should grant the petition, there could yet be more to say regarding the scope of patent-eligible subject matter.

Mayo also takes an incremental step toward harmonization with the European patent regime. Under the European Patent Convention (EPC), medical methods and certain biological processes are excluded from the realm of patent protection.⁵¹ The EPC prohibits patent protection on surgical, therapeutic, and diagnostic methods performed on either humans or animals.⁵² In Case G 0001/07 dealing with a purported diagnostic method, the Enlarged Board of Appeal of the European Patent Office (EPO) affirmed the proposition that “medical and veterinary practitioners’ freedom to use the best available treatments to the benefit of their patients uninhibited by any worry that some treatment might be covered by a patent is protected by excluding these activities from patentability.”⁵³ While the case was successfully appealed and remitted for further examination of the pending claims on the basis that they are narrowly directed to data accumulation and not diagnosis, Case G 0001/07 articulates the spirit behind the EPC’s exclusion of diagnostic methods from patentability.⁵⁴

In *Mayo*, Justice Breyer’s concern over inhibiting development of more refined medical treatments appears to fall into the same vein, serving as an incremental step towards policy harmonization with EPC nations. Indeed, Justice Breyer noted that “methods of medical treatment are not patentable in most of Western Europe,”⁵⁵ citing an amicus brief submitted by the Association Internationale Pour La Protection De La Propriété Intellectuelle and the International Association for the Protection of Intellectual Property (U.S.). That brief attached a resolution adopted by the two organizations representing a policy statement regarding specific intellectual property issues. In particular, the resolution noted that methods of medical treatment are only patentable subject matter in Australia and the U.S.⁵⁶ Thus, *Mayo* could arguably be read to mean that the Court is aligning the U.S. with the vast majority of other countries who have addressed the issue of whether such methods are eligible for patenting. However, it is unclear whether the Court was even motivated or persuaded by this concern in reaching its outcome. Moreover, it would likely stretch the words of the decision too far to say that the Court was addressing the patentability of all medical treatment methods, as opposed to cabining its discussion and analysis to § 101 and the patenting of laws of nature without any additional limiting steps.

Nonetheless, *Mayo* will certainly have a far-reaching impact for players in the diagnostic, pharmaceutical, and biotechnology fields where it will undoubtedly restrict the scope of monopoly protection available to scientists and other innovators in those industries.⁵⁷ Additionally, courts have not hesitated in extending *Mayo* to patents pertaining to industries other than the diagnostic, pharmaceutical, and biotechnology fields. For example, courts have held method claims related to automated pricing in e-commerce and a life insurance policy management

system, both requiring implementation on a computer, nonpatentable subject matter because they were deemed to be abstract ideas.⁵⁸

Flowing from this, *Mayo* may impact the direction of particular research and development efforts, along with the resources dedicated to those endeavors. As the decision restricts the scope of patentable subject matter in the above-mentioned industries, investor interest may be stymied, causing a suffocation of funding for research and development, private equity, and venture funding. Furthermore, a company's patent portfolio may be threatened by this decision if any of its patents are challenged as a law of nature without substantially limiting applications.

The extent to which an assignee's portfolio is threatened by the holding in *Mayo* will be determined by the quality of the existing claims. In other words, patent owners should re-examine whether their portfolio sufficiently incorporates particular, useful applications of a law of nature. For patent owners, assignees, and licensees with rights to existing claim sets affected by *Mayo*, it may be prudent to rigorously examine process and method claims that incorporate natural phenomena and correlations that are directly derived from natural phenomena. For prospective patentees currently prosecuting applications, it would be wise to amend pending claims language to "provide practical assurance that the process is more than a drafting effort designed to monopolize the law of nature itself."⁵⁹

Parties engaged in intellectual property-related mergers and acquisitions may also be impacted by *Mayo* and need to take action. For acquirers of potentially affected patents, assets should undergo impairment analyses to determine both any legal exposure and lost value. In the context of patent deals, *Mayo* is a tool that prospective buyers and investors can leverage to drive down the price of inseparable patent families that include potentially affected claims. Those seeking to monetize affected portfolios are not left without leverage, however, and can mitigate the transaction value lost on granted claims by strategically filing additional patent applications that claim priority within affected families, claiming processes and methods that genuinely involve applications of natural phenomena.

Conclusion

As always, the Supreme Court term offers a fascinating, albeit slim, view into the underlying thoughts and priorities of the jurists who interpret the laws governing intellectual property. *Golan* and *Mayo* offer important lessons for both practitioners and owners of intellectual property, while serving to cast long shadows into the future for intellectual property protection, acquisition, licensing, research, and development.

Endnotes

1. *Golan v. Holder*, 132 S. Ct. 873 (2012).
2. *Mayo Collaborative Services v. Prometheus Labs, Inc.*, 132 S. Ct. 1289 (2012).
3. *Golan v. Holder*, 132 S.Ct. 873, 877 (2012).
4. *Id.* at 877-78.
5. *Id.* at 878.
6. *Id.* One example of such a work is Sergei Prokofiev's "Peter and the Wolf" symphony, which he composed in 1936.
7. *Id.*; see also *id.* at 883.
8. *Id.* at 883.
9. *Id.* at 883-84.
10. *Id.* at 884.
11. *Id.* at 879.
12. *Id.* at 882 (quoting 17 U.S.C. § 104A (2012)).
13. *Id.*
14. *Id.* at 884.
15. *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (upholding the constitutionality of the Copyright Term Extension Act against challenges under the Copyright Clause and the First Amendment).
16. *Golan*, 132 S.Ct. at 884.
17. *Id.* at 885.
18. *Id.* at 886; see also *id.* at 885-87. The Court's reliance on historical acts by Congress as a justification of the constitutionality of such acts has been highly criticized by commentators. See, e.g., Tyler Ochoa, Comments on the *Golan v. Holder* Supreme Court Ruling (Guest Blog Post), TECHNOLOGY & MARKETING LAW BLOG (Jan. 23, 2012), available at http://blog.ericgoldman.org/archives/2012/01/ochoa_on_golan_1.htm.
19. *Golan*, 132 S.Ct. at 888.
20. *Id.*
21. *Id.* at 889 (internal citation omitted).
22. *Id.* at 890-91.
23. *Id.* at 894.
24. *Id.* at 893-94.
25. Another example is the change from a "first-to-invent" to a "first-to-file" patent system in the Leahy-Smith America Invents Act, which was signed into law on Sept. 16, 2011, thereby bringing that aspect of the U.S. patent system into conformity with international norms.
26. *Mayo Collaborative Services v. Prometheus, Inc.*, 132 S.Ct. 1289, 1294-95 (2012).
27. *Id.* at 1295.
28. *Id.*
29. *Id.*
30. *Id.* at 1295-96.
31. *Id.* at 1296.
32. *Id.*
33. *Bilski v. Kappos*, 130 S.Ct. 3218 (2010).
34. *Mayo*, 132 S.Ct. at 1296.
35. *Id.* at 1296, quoting 628 F.3d 1347, 1355 (Fed. Cir. 2010).
36. *Id.* at 1297.
37. *Id.*
38. *Id.* at 1298.

39. *Id.* at 1301.
40. *Id.* (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).
41. *Id.*
42. *Id.* at 1302.
43. *Id.* at 1303.
44. *Id.*
45. *Id.* at 1303-04.
46. *Id.* at 1305.
47. *Ass'n for Molecular Pathology v. U.S. Patent and Trademark Office*, 653 F.3d 1329 (Fed. Cir. 2011).
48. *See Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 132 S.Ct. 1794 (2012) (vacating judgment of 653 F.3d 1329 and remanding to Fed. Cir. For further review).
49. *See Ass'n for Molecular Pathology v. U.S. Patent and Trademark Office*, 689 F.3d 1303 (Fed. Cir. 2012).
50. *See Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, No. 12-398 (U.S. Sept. 25, 2012).
51. *See European Patent Convention*, art. 53, Oct. 5, 1973.
52. *Id.* at art. 53(c).
53. Case G 0001/07, *Medi-Physics, Inc.*, 2010 Boards of App. of the EPO at 38 (2010), available at <http://www.epo.org/law-practice/case-law-appeals/pdf/g070001ex1.pdf>.
54. *See Case T 0992/03, Medi-Physics, Inc.*, 2011 Boards of App. of the EPO (2010), available at <http://www.epo.org/law-practice/case-law-appeals/pdf/t030992eu1.pdf>.
55. *Mayo*, 132 S.Ct. at 1305.
56. *See Brief for Association Internationale Pour La Protection De La Propriété Intellectuelle, et al. as Amici Curiae* at A16, available at http://www.wilmerhale.com/files/upload/patents_amicusbriefs_101150_AIPLP.pdf.
57. *Mayo*, 132 S. Ct. at 1304-05.
58. *See Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Can.* (U.S.), 687 F.3d 1266 (Fed. Cir. 2012); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, No. C-12-1233 EMC, 2012 WL 3985118 (N.D. Cal. Sept. 11, 2012).
59. *Mayo*, 132 S. Ct. at 1297.

Theodore K. Cheng is a commercial litigation partner at the law firm of Yoon & Kim LLP, where he focuses on intellectual property matters.

Stephanie S. Spangler is a litigation associate at Yoon & Kim, focusing on intellectual property and commercial litigation.

Lee V. Pham is the Manager of Intellectual Property Strategy at American Express, where his objective is to extract value from the company's patent portfolio and technical know-how. He is also a NYSBA Intellectual Property Law Section Young Lawyer Fellow.

The opinions expressed in this article are solely those of the authors and do not necessarily reflect the views of Yoon & Kim or American Express.

Follow NYSBA on Twitter

visit
www.twitter.com/nysba
 and click the link to follow us and stay up-to-date on the latest news from the Association

NYSBA

Reselling Resale Royalties to America—A Path Forward for the Equality for Visual Artists Act?

By Daniel Ilan and Megan Prunella

I. Introduction

On December 15, 2011, Congressman Jerrold Nadler and Senator Herb Kohl introduced the Equality for Visual Artists Act (the Proposed Act) into Congress.¹ The Proposed Act seeks to amend the current Copyright Act to impose a 7% royalty on the proceeds of the resale of works of visual art at auction, provided the resale price is \$10,000 or more. This is not the first time that resale royalties were proposed in the U.S. at the federal level—similar bills were unsuccessfully introduced during the 1980s. Not surprisingly, the Proposed Act is widely opposed and generates heated discussion. However, the concept of paying a share of the proceeds of each successive resale of a work of art is certainly not a new or revolutionary idea, as France has long adhered to such a system (*droit de suite*) introduced there in the 1920s (apparently to assist widows of artists killed in battle during World War I),² the European Union adopted it as of 2001, and over 60 countries worldwide have implemented it including, most recently, common law countries such as the United Kingdom and Australia. Moreover, even the state of California has had a resale royalty law since 1976 in the California Resale Royalty Act (CA Civil Code Section 986 or CRRA),³ which was recently declared unconstitutional by the Central District Court of California for violating the Commerce Clause.

The recent challenges to the CRRA and the expansion of resale royalty laws in Europe and Australia demonstrate the increasing need for a uniform federal law in the U.S. Federal legislation is preferable not only because it can regulate interstate commerce and modify copyright law but also because it will enable American artists to obtain resale royalties from sales of their work abroad (currently out of artists' reach because of reciprocity requirements), which is one of the key advantages of adopting such a legislation. In addition, new federal legislation can implement creative concepts that address most of the criticism against resale royalties. For example, the Proposed Act resolves one of the thorniest issues in resale royalty laws, namely that they tend to benefit only successful, established artists. It does so by providing that half of the royalties go to museums to fund acquisitions of works by American artists. However, the Proposed Act may require modifications to address other important criticism.

This article takes a fresh look at the resale royalty question with a view to explaining why the Proposed Act, or perhaps a modified version of it, may provide signifi-

cant benefits to artists while producing minimal adverse effects. The time for this examination is ripe as the U.S. Copyright Office has recently issued, as a result of the Proposed Act, a Notice of Inquiry, seeking comments from the public on the means by which visual artists exploit their works under existing law, as well as the issues and obstacles that may be encountered when considering a federal resale royalty right in the U.S.⁴

II. The Principal Elements of the Proposed Act

The Proposed Act is intended to provide artists with a share in resales of their works so that they are "fairly compensated—even more so in difficult economic times, when normal channels of support for artists are less dependable," and thereby provide incentives for the creation of art.⁵ Promoters of the Proposed Act highlight the difference between visual artists, on the one hand, whose primary source of income is through the first sale of a physical work of art (which may not be commercially valuable until late in the artists' life or years after their death) and other artists such as composers, lyricists, playwrights and screenwriters, on the other hand, who receive further compensation from subsequent exploitation of their works, particularly from reproduction and performance of their works.

The Proposed Act's objectives are intended to be achieved through:

- **7% Resale Royalty.** Resale royalty equal to 7% of the price of the work of art is paid whenever the work is sold (*i.e.*, when a transfer of ownership or physical possession of a work occurs) as the result of auction of that work by someone other than the artist who is the author of the work.
- **\$10,000 Minimum Purchase Price.** No royalty is payable as a result of a sale of a work for a gross sales price of less than \$10,000, or in exchange for property with a fair market value of less than \$10,000.
- **Only (non-online) Auction Sales by Large Auction Houses.** The royalty payment obligation applies only to auction sales, which are defined to include any "public sale run by an entity that sells to the highest bidder works of visual art in which the cumulative amount of such works sold during the previous year is *more than* \$25,000,000 and does *not solely* conduct the sale of visual art by the entity *on the Internet.*" (Emphasis added.)

- **Half the Royalty to Artists/Successor; Half to Purchase of American Art.** Under the Proposed Act, the artist or his or her successor as copyright owner gets only 50% of the “net royalty” (royalty amount collected less administrative expenses of the visual artists’ collecting society, which must not exceed 18%); the other 50% is deposited into an escrow account established by the collecting society for the purposes of funding purchases by nonprofit art museums in the United States of works of visual art authored by living artists domiciled in the U.S.
- **Royalty Administered by a Collecting Society.** Pursuant to the Proposed Act, the Copyright Office will establish a process by which entities would be designated as “visual artists’ collecting societies” entrusted with the task of administering resale royalty collections and distributions.
- **No Waiver; Transferable with Copyright.** The right to receive the royalties cannot be waived but appears to be transferable or at least descendible with the copyright given that the person entitled to the right is the artist or his or her successor as copyright owner.
- **Non-compliance Constitutes Copyright Infringement.** The resale royalty is introduced into law by virtue of an amendment to the Copyright Act.⁶ Failure to pay the royalty constitutes an infringement of copyright that is subject to the payment of statutory damages.

III. The CRRA—The Failure of State Law

The CRRA applies only if the artist, at the time of sale, is a U.S. citizen or has been a California resident for at least two years, and the seller resides in California or the sale takes place in California. The CRRA’s general lack of success provides a concrete example of why a federal resale royalty is necessary. The CRRA differs from the Proposed Act in several significant ways. First, the royalty rate is lower (5%) and the minimum resale price to which the royalty applies is also lower (\$1,000). Moreover, the CRRA is not intended to benefit any artists other than the artist whose work is resold (but if the seller cannot locate the artist within 90 days of the sale, the royalty must be paid to the Arts Council, which may eventually use it in the Art in Public Buildings Program (if after seven years the Arts Counsel cannot locate the artist)). Finally, the CRRA has two exclusions that are not present in the Proposed Act. The CRRA does not apply to the resale of the work of fine art for a gross sales price less than the purchase price paid by the seller and it does not apply to the resale of a work of fine art by an art dealer to a purchaser within 10 years of the initial sale of the work of fine art by the artist to an art dealer, provided that all intervening resales are between art dealers.⁷

The CRRA has not been actively enforced since its inception in 1976, and though its legality had been challenged, it has remained on the books in California with little effect until very recently. In October 2011, a group of artists filed class action lawsuits against the auction houses Sotheby’s and Christie’s for failing to pay the 5% resale royalty under the CRRA. In January 2012, Sotheby’s and Christie’s filed a joint motion to dismiss, mainly arguing that the CRRA is unconstitutional because it violates the Commerce and Takings Clauses of the Constitution and that the United States Copyright Act preempts the CRRA. On May 17, Judge Jacqueline Nguyen of the California Central District Court granted the defendants’ motion to dismiss, finding that the CRRA per se violates the Commerce Clause as it “explicitly regulates applicable sales of fine art occurring wholly outside California.”⁸ The plaintiffs have appealed the decision to the Ninth Circuit.

Moreover, the CRRA has also been in the news because in 2011 artist Mark Grotjahn filed suit against an art collector, Dean Valentine, seeking to enforce the CRRA and retrieve the 5% royalty owed to him under the law for Valentine’s sale of three pieces of Grotjahn’s work, including the sale of Grotjahn’s piece known as “Blue Face Grotjahn” for \$1,217,000. Valentine also challenged the CRRA on grounds that it is preempted by federal Copyright Law, but Valentine failed in that argument and a federal judge remanded the case to state courts. In February 2012, Grotjahn and Valentine settled for \$153,255, which covered the 5% resale royalty on the works of art sold and some of Grotjahn’s legal fees.⁹

The general inability to effectively enforce the CRRA and the legal challenges lodged against it prove that, if any resale royalty legislation should exist, a federal law may be preferable because it will resolve the legal challenges raised against the CRRA by regulating interstate commerce and modifying copyright law.

IV. Foreign Resale Royalty Laws

A. Why Foreign Resale Royalty Laws Matter

Resale royalty laws in foreign jurisdictions are important and relevant to the discussion about the Proposed Act for at least four different reasons.

Foreign resale royalty laws could provide an additional source of income for American artists (if the U.S. had a resale royalty right). Works by American artists are regularly resold abroad. Foreign resale royalty laws could thus significantly benefit American artists. This is true for artists whose works sell well both in the U.S. and abroad, but could be particularly important for those artists favored abroad. However, each foreign country that has a resale royalty regime precludes American artists from collecting royalties because of the lack of reciprocity, namely the fact that the U.S. does not provide for the payment of

royalties on resale of works of art authored by the nationals of such foreign country. The basis for the reciprocity principle is found in Section 14ter of the Berne Convention for the Protection of Literary and Artistic Works (the Berne Convention) of 1886, the first multilateral copyright treaty (to which the U.S. is a signatory), which included resale royalty not as a minimum (mandatory) right, but as an option under the condition of reciprocity. Accordingly, as long as the U.S. does not introduce a resale royalty right from which foreign artists can benefit when their works are resold in the U.S., American artists are unable to claim royalties when their works are sold abroad.

Existence of resale royalty laws in significant foreign jurisdictions undercuts trade diversion argument. The existence of such laws in other jurisdictions and the fact that the list of countries providing for resale royalties continues to grow weakens a key argument against the Proposed Act, namely that the imposition of resale royalties in the U.S. will harm the United States' status as a global art hub. The attraction of the U.S. for many dealers, the argument goes, is the fact that it is a resale royalty-free location. Critics suggest that if the U.S. imposes a resale royalty, then sellers will move the sale to locations outside the U.S., where there is no resale royalty obligation. However, given that the trend in important foreign jurisdictions, such as the United Kingdom, is actually adoption of resale royalty systems, one must wonder whether U.S. adoption of the same legislation would have such undesirable results. Moreover, U.S. adoption may actually lead to further expansion of the system to the last important jurisdictions lacking resale royalties, which are in Asia. There are, of course, also other reasons why art dealing in the U.S. should not be affected, such as legal uncertainty and limited remedies in certain other resale royalty-free jurisdictions, authentication difficulties in remote jurisdictions, significant foreign transaction costs (such as insurance and shipment from U.S. locations), bigger risk of loss and damage, and lack of an established buyers' base for some type of works (all supported by evidence that implementation of resale royalties in other countries did not affect the art trade in those countries).

Existence of resale royalty laws in significant common law jurisdictions helps refute the argument that resale royalties are inappropriate for the U.S.'s common law system. The recent implementation of resale royalty laws in the U.K. and Australia shows that resale royalties do not conflict with the common law. Many were skeptical about the impact that implementation of resale royalties would have in the U.K. but collection societies estimate that the British resale royalty right has resulted in the collection of over £11.4 million since its inception in 2006.¹⁰ The recent Australian Act has also seen success in its short life with over \$500,000 in royalties collected

on over 3,000 resales in the first year-and-a-half since its inception.¹¹ The common law argument will be further discussed below.

Finally, there may be much to learn from how foreign legislators solved some of the issues that surround the resale royalty question, and these solutions may be appropriate for adoption in the U.S. For this reason, we examine below how international resale royalty laws in two important jurisdictions differ from the Proposed Act.

B. The European Union

In 1992, in a report mandated by the 1990 Visual Artists Rights Act (which did not adopt resale royalties proposed in the initial version of the act of 1987), the Copyright Office concluded that it was "not persuaded that there are legitimate economic interests of visual artists that would be helped by a resale royalty."¹² However, it also determined that "should the European Community harmonize existing droit de suite laws, Congress may want to take another look at the resale royalty, particularly if the Community decides to extend the royalty to all of its member states."¹³ In 2001, the European Community (now the European Union, or EU) then adopted Directive 2001/84/EC of the European Parliament and of the Council of 27 September 2001 on the resale right for the benefit of the author of an original work of art (the EU Directive), and royalty schemes were implemented during the last decade in all EU member states.

The EU Directive differs from the Proposed Act in some key ways. First, the EU Directive applies to acts of resale involving all art market professionals, such as salesrooms, art galleries and, in general, any dealers in works of art (whether as sellers, buyers or intermediaries). Second, the EU Directive has a lower threshold resale price that triggers the royalty, €1,000 or more. Third, the royalty rate under the EU Directive is also lower; it varies from 0.25% to 4% based on the price of the resale. Finally, a royalty cap ensures that the royalties do not exceed €12,500, irrespective of the purchase price.¹⁴

C. Australia

The Australian Resale Royalty Right for Visual Artists Act of 2009 (the Australian Act) is similar to the EU Directive in applying the resale royalty only to sales that involve an art market professional and in its minimum threshold resale price (\$1,000 Australian dollars). However, unlike the Proposed Act and the EU Directive, the Australian Act imposes a 5% royalty. Moreover, contrary to the Proposed Act, which treats failure to pay royalties as copyright infringement, the Australian Act instead imposes a civil pecuniary penalty, payable to the Commonwealth, in addition to the royalty payable to the artist for failure to pay the resale royalty.¹⁵

V. Can Major Drawbacks of Resale Royalty Laws Be Avoided in the Proposed Act?

Resale royalties are not without controversy. Critical comments have been repeatedly made against such laws, both in the U.S. and in other countries. The concern of art trade shifting away from the U.S. to jurisdictions where resale royalties are not imposed has been discussed. We now describe below the other most important and recurrent criticism, and explain how the Proposed Act addresses it or how such criticism could be addressed if the Proposed Act were adjusted and modified.

A. Resale Royalties Only Benefit Established Artists

Many opponents of resale royalty laws argue that they do not benefit artists or their families who are struggling to survive. Instead, resale royalty laws benefit those artists who experience fame and fortune during their lifetime or those artists' families, which are financially sound after the artist's death without the need for a resale royalty. The British lobbying group *Artists Against Droit de Suite*, which included such established artists as David Hockney, Karen Appel and Emma Sargeant, has famously criticized the resale royalty scheme, saying that it "was designed to benefit artists, but instead creates a shameful inequality between famous artists on the one hand and struggling artists on the other." Indeed, evidence suggests that in France, 70% of resale royalties were paid to the heirs of seven artists, including Picasso and Matisse.¹⁶ In the U.S., of the hundreds of thousands working artists in the '90s, only 200 or 300 have had a significant secondary market.¹⁷

Instead of arguing with the evidence, the Proposed Act addresses these concerns by providing that half of the royalties collected in the resale of a work by one artist benefit all American artists by funding purchases by nonprofit art museums in the U.S. of works by living artists domiciled in the U.S. This is a key element of the Act precisely because it corrects a potential imbalance in resale royalty laws and neutralizes a major problem in those laws. The Proposed Act would contribute to a large community of American artists, since art museums will have to use the funds received from resale royalties to buy works by living artists only. This will not only result in increased primary-market-sale revenues for these artists (namely, those generated from the sale of works to museums) but also will boost the resale value of these artists' other works (gaining from the market knowledge that museums bought their works). However, the Proposed Act's application of resale royalties only to large auction houses may be seen as undermining the goal of spreading the benefits of the royalties among many artists, since only the works of the most established artists will be sold at large auction houses. This will be further discussed in the next Section.

B. The Proposed Act Unjustifiably Discriminates Against a Few Large Auction Houses

The Proposed Act would require the payment of resale royalties only by entities that sell "to the highest bidder works of visual art in which the cumulative amount of such works sold during the previous year is more than \$25,000,000 and does not solely conduct the sale of visual art by the entity on the Internet."¹⁸ This raises three valid questions: first, why limit the liability to auction houses and release all other entities from it, especially galleries and commercial art dealers; second, why set such a high annual revenues threshold of \$25 million and exclude small and medium-size auction houses; and third, why include online auctions by the large auction houses, which may sell art both on and off line, but exclude other auction houses that may meet the annual dollar threshold through online sales only?

It seems that the primary purpose of the narrow application of the Proposed Act was to counter a traditional objection to resale royalties law that focuses on the difficulty to enforce them. Sales by large auction houses are public and easily traceable (even if the buyer remains anonymous). However, auction sales by smaller auction houses (or online auctions) are also public (and other professional sales must be reported to the tax authorities). Moreover, the Proposed Act provides an enforcement role to collecting societies, whose role would be minimal (and their commission unjustified) if royalties would be paid only by few large auction houses. Collecting societies can address monitoring and enforcement issues if the resale royalty is applied more broadly. Similarly, the online exclusion cannot be easily justified by enforcement arguments or jurisdictional issues (such as difficulties in determining where the sale occurred) because online sales by the large auction houses could be covered by the Proposed Act.

One may consider that, as with the EU Directive and the Australian Act, application of resale royalties to a broader transactional base than just large auction houses is appropriate to avoid unjustified discrimination and ensure that the royalty benefits more artists. However, in order to facilitate enforcement, the transactional base to which the royalties apply should only include public deals that are easily monitored. Given that all auctions are public, announced in advance and often accompanied by catalogues with information on the artist and the works (which renders enforcement of the obligation easier),¹⁹ the obligation to pay resale royalties could apply to all public auctions, whether on or offline. The public element also eliminates privacy problems, which also are often cited in criticism of resale royalty laws.

C. Resale Royalties Compensate Artists for Contribution of Collectors and Dealers Who Take the Risks and Promote the Art

Many commentators argue that the resale royalty does not benefit those members of the secondary market who contribute to the increased value of the artwork, such as art dealers and gallery owners, who are influential in shaping the art market and promoting particular works and artists, and collectors/investors who purchase works by unknown artists, taking big risks and often suffering losses.²⁰ Critics of resale royalties note that these actors are penalized for the increased value in an artist's resale price when such actors are in fact responsible for such an increase, as well as the increase in the value of works by the same artist on the primary market. Nevertheless, even those critics would agree that at least a portion of the value of the work in the secondary market is derived from the contribution of the artist himself or herself (one of the main justifications for the law is recognition of the artist's role in the increase in value between the initial and secondary sale). In the absence of a method to quantify the contribution of each actor it is only fair that the artists receive a small portion of the benefit obtained through secondary sale, while collectors, art dealers and auction houses are obviously not deprived of their own share.

D. Artists Have Other Sources of Revenue

Another criticism of resale royalties focuses on the fact that there are other avenues that allow artists to collect additional funds from their works, such as royalties from licensing the copyright in the works (*e.g.*, for use on merchandise) and increased sales on the primary market once their other works are being sold on the resale market at higher values. Commentators suggest that these other avenues are more lucrative for the artist and his or her family than relying on a resale royalty.

However, visual artists do not usually benefit from the increased value of their works in the same way as other creators (such as authors and composers, who can often receive steady remuneration over time). Museums do not need to pay for display (even if permanent) of works they acquire, and licensing revenues from merchandizing are only relevant to the most successful visual artist. Similarly, only very few works become popular enough to be the object of a profitable mass reproduction.²¹ Moreover, some artists may consider certain means of commercialization of their works (*e.g.*, licensing for T-shirts or shoes) to "cheapen" their styles/works.

E. Resale Royalties Are Economically Ineffective

Many commentators argue that resale royalty laws cause more harm to the market than they do to benefit artists. This argument is threefold. First, resale royalties decrease sales in the primary market because there is less

money available for buyers to buy art directly from artists.²² Second, the royalty weakens the secondary market because it imposes a financial burden on purchasers on the secondary market without any reciprocal benefit to the actors buying and selling on the secondary market. Third (and not necessarily consistent with the other two), monitoring and enforcement of the resale royalty is impossible and collection societies profit more than artists.²³ All of the above is probably true to some extent. Especially in tough economic times, imposing an additional financial burden on the sale of art is likely to result in weakening the art market.

Naturally, the more limited the universe of persons liable to pay resale royalties, the smaller the effect on the market. Therefore, application of resale royalties only to sales by very few large auction houses, as addressed in the Proposed Act, leaving most art professionals unaffected, imposes the smallest burden on the market as a whole. As discussed earlier, however, such a narrow application is also problematic because of discrimination and the limited number of artists who can directly benefit from the royalty. Instead of such narrow application, the ineffectiveness problem can be mitigated by a combination of (i) a *high minimum resale price* (serving to exempt many art sales from the royalty payment obligation and prevent significant negative impact on small auction houses), (ii) a *cap* on royalty payments as provided under the EU Directive (to ensure that important art sales, including by the large auction houses, are not subject to millions of dollars in royalty payments) and (iii) *adjustment downwards of the royalty rate* from 7% to a figure more consistent with foreign laws where the royalty is between 3% and 5%;²⁴ the royalty rate should not be so high as to inhibit sales nor so low that it makes it not worth the administrative hurdles and cost.

Finally, the Proposed Act provides that failure to pay royalties constitutes copyright infringement. In order to bring an action for infringement, however, a copyright owner must first register the copyrighted work with the Copyright Office (and pay associated fees).²⁵ This would create an unnecessary administrative and, ironically, financial burden for artists or collecting societies in attempts to enforce the resale royalty obligation. It seems more appropriate for the failure to comply to be remedied by other civil remedies, such as under the Australian Act. Dissociating resale royalties from copyright infringement is also appropriate in light of the first sale doctrine that generally permits the lawful owner of a copyrighted work to sell the work without the consent of the owner.²⁶

F. Resale Royalties Are Contrary to the Essence of U.S. Copyright Law

The final significant criticism of resale royalty concerns its alleged conflict with copyright law in common law countries. This is because common law jurisdictions,

such as the U.S., regard freedom to contract and alienability of property as basic pillars of the legal system. If the right to resale royalties is inalienable, as implemented in foreign jurisdictions, this conflicts with both of those pillars.

As discussed above, adoption and success of resale royalty legislation in other common law countries suggests that there may not be an inherent conflict between the resale royalty right and common law. Moreover, the Proposed Act seems to reflect a view of resale royalties as part of the economic rights in copyright distinct from moral rights because the Proposed Act currently suggests that royalties be paid to the artist or “his or her successor as copyright owner.”²⁷ In comparison, §106A, the Copyright Act’s closest equivalent to moral rights, namely the right to attribution and integrity, is inalienable and can be exercised only by the artist, whether or not he/she is the copyright owner. It is not entirely clear whether the words “successor as copyright owner” in the Proposed Act are intended to limit the alienability of the right to those that receive the copyright by way of succession (testate or intestate succession) or to include also other assignees. While enabling artists to transfer the resale royalty right may lead to pressure on artists to commercialize the right under disadvantageous terms (which is contrary to the rationale for its existence—supporting artists and incentivizing creation of art), linking the transfer to the copyright helps ensure that this will rarely be the case, as artists do not regularly transfer their copyrights.

VI. Conclusion

The Proposed Act can provide significant advantages. These include financial benefits for both famous and struggling artists, as a result of direct payment to artists of half of the royalties on resales in the U.S. coupled with a boost to museum acquisitions funded by the second half of the royalties. The Proposed Act also creates reciprocity with foreign jurisdictions, which entitles U.S. artists to collect resale royalties on resales abroad. Most importantly, the Proposed Act is morally justified as visual artists do not have other readily available secondary sources of income (such as performance and broadcasting royalties).

In order for these benefits to outweigh any harmful effects, it is proposed that certain principles are followed, namely

- **Application to a broader transactional base to ensure that resale royalty benefits more artists and is not discriminative.** Resale royalty could be expanded to all public auctions, whether on or offline and regardless of the size of the auction house, given that all auctions are public, announced in advance and often accompanied by catalogues with information on the artist and the work, which renders enforcement of the obligation easier. The

public element eliminates privacy problems, which also are often cited in criticism of resale royalty laws. Application to auctions would thus create the fewest problems of enforcement and be the most workable.²⁸

- **Keep the Proposed Act’s high minimum resale price, which serves to exempt many of the sales in small auction houses.** The minimum resale price applied by the Proposed Act (\$10,000, below which no royalties are paid) is high in comparison with other jurisdictions.²⁹ A high minimum resale price means that fewer artists directly benefit from royalties (as opposed to indirect benefit through museum acquisitions) but also that a larger proportion of the art market (precisely that portion that can be most affected by an additional financial burden) is discharged from royalty liability.
- **Cap on royalty payments will ensure that important art sales are not subject to millions of dollars in royalty payments.** For example, in the case of *Sleeping Girl*, a Roy Lichtenstein work from 1964, that was sold this year for \$44.9 million at Sotheby’s New York sale of post-war and contemporary art sale, the royalties payable under the Proposed Act would have been \$3.143 million, an amount that supports the ineffectiveness argument set forth above.³⁰
- **Adjustment downwards of the royalty rate; role of collecting societies.** The royalty rate should not be so high as to inhibit sales nor so low that makes it not worth the administrative hurdles. Most jurisdictions apply a 3% to 5% rate and concern of trade diversion would be eliminated if a similar rate (*e.g.*, 5%) is applied. If economic valuations show that the income from such a rate might not be sufficient, the commission paid to collecting societies can be reduced from 18% (a relatively high figure that may not be justified, especially if only public auctions are covered). However, the role of collecting societies should probably not be eliminated altogether because there will also be economies of scale in monitoring and administration costs, making the collection system more efficient and cost-effective.³¹
- Failure to pay should not constitute copyright infringement and a separate civil remedy should be made available.

Endnotes

1. Equality for Visual Artists Act of 2011, H.R. 3688, 112th Cong. (2011).
2. AUSTRALIAN GOVERNMENT, DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS: PROPOSED RESELL ROYALTY ARRANGEMENT DISCUSSION PAPER 6 (2004) [hereinafter *Australian Discussion Paper*].

3. CAL. CIV. CODE §986 (West 2007).
4. U.S. COPYRIGHT OFFICE, NOTICE OF INQUIRY (September 19, 2012), available at <http://www.copyright.gov/fedreg/2012/77fr58175.pdf> (hereinafter "Notice of Inquiry").
5. Press Release, Congressman Jerrold Nadler, Nadler Seeks Equality for Visual Artists and their Intellectual Property (December 15, 2011), available at <http://nadler.house.gov/press-release/nadler-seeks-equity-visual-artists-and-their-intellectual-property>.
6. See H.R. 3688, *supra* note 1 (The amendment also includes some additional changes to the Copyright Act).
7. CAL. CIV. CODE §986 (West 2007).
8. Estate of Graham v. Sotheby's Inc., 2:11-CV-08604-JHN-FFM, 2012 WL 1765445, at *5 (C.D. Cal. May 17, 2012).
9. Jori Finkel, *Dean Valentine and Mark Grotjahn Settle on Resale Royalties*, LOS ANGELES TIMES CULTURE MONSTER BLOG (Feb. 8, 2012, 2:30 PM), <http://latimesblogs.latimes.com/culturemonster/2012/02/valentine-and-grotjahn-settle-but-legal-issues-far-from-resolved.html>.
10. Kat Sommers, *Artist's Resale Right: No Impact on Art Trade, Big Difference for Artists*, DACS LATEST NEWS FOR ARTISTS (July 18, 2012), [http://www.dacs.org.uk/latest-news/artist's-resale-right-no-impact-on-art-trade,-big?category=For Artists | For Art Market Professionals | Campaigns & Lobbying | Latest News&title=N](http://www.dacs.org.uk/latest-news/artist's-resale-right-no-impact-on-art-trade,-big?category=For+Artists+|+For+Art+Market+Professionals+|+Campaigns+&+Lobbying+|+Latest+News&title=N).
11. Media Release from The Honorable Simon Crean MP, Minister for Regional Australia, Regional Development and Local Government, Minister for the Arts, *Resale Royalty Scheme Simplified* (December 14, 2011), available at http://www.minister.regional.gov.au/sc/releases/2011/december/sc149_2011.aspx.
12. REGISTER OF COPYRIGHTS, DROIT DE SUITE: THE ARTIST'S RESELL ROYALTY (1992) at 143.
13. *Id.* at 149.
14. Council Directive 2001/84, 2001 O.J. (L 272) 32 (EC).
15. *Resale Royalty Right for Visual Artists Act 2009* (Cth) (Austl.).
16. Australian Discussion Paper, *supra* note 2, at 27.
17. JOHN HENRY MERRYMAN & ALBERT E. ELSER, LAW, ETHICS AND THE VISUAL ARTS 485 (4th ed. 2002).
18. H.R. 3688, *supra* note 1.
19. MERRYMAN, *supra* note 17, at 469.
20. MERRYMAN, *supra* note 17, at 493.
21. LILIANE DE PIERREDON-FAWCETT, THE DROIT DE SUITE IN LITERARY AND ARTISTIC PROPERTY: A COMPARATIVE LAW STUDY 1-4 (John M. Kernochan ed., 1991), reprinted in MERRYMAN, *supra* note 17, at 489.
22. Judith B. Prowda, *Assessing Artist's Resale Rights Legislation*, 247 N.Y. L.J. 12 (January 23, 2012).
23. MERRYMAN, *supra* note 17, at 495.
24. *E.g.*, Directive 2001/84/EC of European Parliament of the Council of 27 September 2001 on the Resale Right for the Benefit of the Author of an Original Work of Art 2001 O.J. (L272).
25. 17 U.S.C. § 411.
26. 17 U.S.C. § 109. According to the Notice of Inquiry, how a federal resale royalty right would affect the first sale doctrine is of "paramount interest" to the U.S. Copyright Office.
27. H.R. 3688, *supra* note 1, at §3(b)(2).
28. MERRYMAN, *supra* note 17, at 499.
29. *E.g.*, Directive 2001/84/EC of European Parliament of the Council of 27 September 2001 on the Resale Right for the Benefit of the Author of an Original Work of Art 2001 O.J. (L272) and *Resale Royalty Right for Visual Artists Act 2009* (Cth) (Austl.).
30. *Roy Lichtenstein Sale Sets New Record*, BBC NEWS (May 10, 2012), <http://www.bbc.co.uk/news/entertainment-arts-18016495>.
31. Australian Discussion Paper, *supra* note 2, at 26-27.

Daniel Ilan is counsel at Cleary Gottlieb Steen & Hamilton LLP, based in New York. Mr. Ilan's practice focuses on intellectual property law. He regularly counsels global clients on issues relating to protection and exploitation of IP assets. His diverse industry experience includes software and IT, telecommunications and the Internet, life sciences, art, media and entertainment. Mr. Ilan is a member of the Bar in New York and the Israel Bar and is also a solicitor of the Senior Courts of England and Wales.

Megan Prunella, an associate at the firm, is also based in New York and focuses her practice on IP law. Ms. Prunella is a member of the Bars in New York and New Jersey.

Cleary Gottlieb and the authors represent artists and art institutions, including the Estate of Roy Lichtenstein and the Roy Lichtenstein Foundation, in various matters. However, comments in this article represent solely the authors' views and are not made on behalf of the firm or our clients.

Mentoring Program

EASL recognizes the need for forming mentor/mentee relationships to grow the field and to exchange experiences. The Diversity Initiative aims to bring together seasoned practitioners and young attorneys to learn from each other. Please sign up to become a Mentor at:

www.nysba.org/EASLMENTOR

Dollars and No Sense: The Disparate Impact of Student-Athlete Non-Payment on Minorities, and How *O'Bannon v. NCAA* Could Solve It

By Amber J. Slattery

Introduction

The National Collegiate Athletic Association (NCAA) has built its multi-million dollar business relying on the talent of student-athletes. While not allowing its players to profit financially, the NCAA acts as a stepping-stone for men who want to be professional athletes. As a result, student-athletes do without compensation and many drop out before attaining their degrees. This phenomenon disproportionately impacts African American men.¹ However, settled case law dictates that private disparate impact suits cannot be brought against private actors, such as the NCAA.² Thus it is impossible to argue for compensation on the basis that non-payment disparately impacts African American students.³ Another cause of action must be found.

“O’Bannon v. NCAA attempts to deliver some of the NCAA’s profits to student-athletes.... Originally filed on behalf of all former NCAA athletes for the right to profits off their names and likenesses, the plaintiffs now seek to add current NCAA athletes to the class. If the request is granted, O’Bannon v. NCAA could drastically change the NCAA’s way of doing business.”

As Taylor Branch lamented in his now-famous article for the *Atlantic Monthly*, titled *The Shame of College Sports*, young African American men are not reaping the full rewards of the athletic efforts.⁴ However, the best way to attack this perceived inequity may be to step back from the Title VI rights and, instead, seek compensation based on a right of publicity, in an attempt to acquire a portion of the NCAA’s profits generated from the name and likeness of student-athletes. One current case is poised to argue just that.⁵

O’Bannon v. NCAA attempts to deliver some of the NCAA’s profits to student-athletes, rather than the organization.⁶ Originally filed on behalf of all former NCAA athletes for the right to profit off their names and likenesses, the plaintiffs now seek to add current NCAA athletes to the class.⁷ If the request is granted, *O’Bannon v. NCAA* could drastically change the NCAA’s way of doing business.⁸

This article will highlight problems that past plaintiffs have experienced in attempting to bring the NCAA to court. The article will then turn to *O’Bannon v. NCAA*, a case that challenges the NCAA’s ability to capitalize off of student-athlete image and likeness in perpetuity. Finally, the article will address what steps the NCAA and colleges can take to be more equitable toward student-athletes, and what will likely happen if non-payment continues.

Proposition 16: The Disparate Impact Argument That Cannot Touch the NCAA

It is no secret that many obstacles prevent high school athletes from becoming Division I college stars.⁹ Out of 87,000 high school seniors playing basketball, only 2,910 will achieve a college scholarship.¹⁰ From those, only 130 will play professionally overseas, and 30 will be in the NBA.¹¹ The first hurdle to becoming a superstar athlete comes in the form of minimum academic requirements for student-athlete admission. The requirements, known as Proposition 16, have been challenged as having a disparate impact on African American students.¹² In 2002, the Third Circuit found in *Pryor v. NCAA* that the NCAA at least *knew* that the implementation of the standards would reduce the number of African American students who would benefit from scholarships.¹³ The court even found that the NCAA may have in fact *intended* for this result to occur.¹⁴

The NCAA enacted its first set of eligibility requirements in 1986 as Proposition 48.¹⁵ Requirements were strengthened in 1995, when the NCAA enacted Proposition 16 in response to the concern that admitted students “were not prepared to succeed in college and graduate.”¹⁶ Proposition 48 set GPA and SAT minimum requirements for admitted students: a minimum GPA of 2.0 in 11 core courses and minimum SAT score of 700.¹⁷ With the implementation of Proposition 16, the scores run on a sliding scale, therefore a combination of a lower SAT and higher GPA is also acceptable.¹⁸ Students who do not meet this minimum standard are ineligible for Division I scholarships.¹⁹

The disparate impact issue arises when one considers the racial composition of poor performing high schools.²⁰ The standards impact students from high schools with lower budgets, which are likely to serve minority students.²¹ Lower income high school students traditionally produce lower standardized test scores.²² The result is even more disheartening when it is considered that many

of the minority students who rely on sports to gain their college education would be unable to afford school any other way.²³ Even college coaches express discomfort about the negative impact of the policy.²⁴

Despite the effect Proposition 16 has on reducing scholarship opportunities for African American students, legal challenges to Proposition 16 have been unsuccessful.²⁵ In order to pursue a claim of disparate impact under 601 of Title IV of the Civil Rights Act of 1964, one must show intentional discrimination on the basis of race, color, or national origin in a program that receives federal assistance.²⁶ The NCAA has been found not to be a program that receives federal assistance, and thus even a showing of intentional discrimination would not suffice to make the NCAA's eligibility requirements violations of Title IV.²⁷ The death knell essentially rang in *Alexander v. Sandoval* in 2002.²⁸ Although the NCAA was not a party to the case, the holding was a win for the organization, as it put an end to private disparate impact suits against private actors.²⁹

Any argument that non-payment of student-athletes disparately impacts African Americans by effectively preventing student-athletes from earning enough money to allow them to stay in school would likely fail under the *Sandoval* rationale. However, alternative theories exist. As *O'Bannon v. NCAA* demonstrates, there is potential for current NCAA athletes to gain all rights to their names and likenesses for purposes of television, sports paraphernalia, and video games. Along with those rights come profits.

O'Bannon v. NCAA

In September 2012, Ed O'Bannon, former UCLA basketball superstar, sought to include current Division 1 football and men's basketball players in his pending class action lawsuit against the NCAA.³⁰ The case received immediate attention from the press when it was first filed in the U.S. District Court in San Francisco in 2009.³¹ At that time, O'Bannon sought to enjoin the NCAA from profiting off the images and likenesses of former college athletes in media forms such as DVDs, photographs, and video games.³² Currently, college athletes convey to the NCAA the right to use their names and pictures before they even begin playing for their teams.³³ Athletes risk ineligibility and loss of their scholarships if they do not sign the "student-athlete" statement.³⁴ O'Bannon asserts that the statement is an unenforceable contract of adhesion.³⁵

O'Bannon's lawsuit has continued to increase in scope since the initial filing.³⁶ The consolidated complaint from March 2010 joined O'Bannon's suit to that of former Nebraska football player Sam Keller and former National Basketball Association (NBA) star Oscar Robertson.³⁷ The complaint addressed right to publicity and related claims as expressed in the original *Keller* complaint, as well as

O'Bannon's Sherman Act Antitrust claims.³⁸ In October 2011, former Boston Celtics star center Bill Russell also joined O'Bannon's suit after initially filing his own against the NCAA and Electronic Arts, Inc., the second-largest U.S. video-game maker.³⁹ However, the plaintiffs experienced a setback in February 2012, when U.S. Magistrate Judge Nathaniel Cousins denied their subpoena request for all licensing agreements between the NCAA and outside sources, including all documents between NCAA and Electronic Arts.⁴⁰ Nonetheless, the NCAA's motion to dismiss the case was denied earlier this year, and litigation looms.⁴¹

O'Bannon seeks to include current student-athletes in the class action and set up trust funds into which the NCAA would contribute the profits it garnered from student-athlete images and likenesses.⁴² Although specific details of the trusts would be subject to more litigation, *O'Bannon* seems to suggest that all players should share equally from the image and likeness of any player on the team.⁴³ The practical implications of a success for O'Bannon could be far-reaching: counsel for the NCAA has asserted that the organization would be prohibited from releasing archived images unless "every student-athlete, coach, band member, cheerleader, and fan in a photo or camera shot received compensation."⁴⁴

Other Means of Compensation

Until *O'Bannon* or any other case provides a legal basis for ordering student-athlete compensation, advocates for payment will continue to make policy arguments. Creative types of compensation include "pay for play," stipends, health insurance payments, and endorsement deals.

"Pay for Play"

Straight "pay for play" is frequently proposed as a way to compensate student-athletes for their athletic performances and prevent them from dropping out of school.⁴⁵ Paying college athletes on salary is one of the most controversial issues in the American sports world.⁴⁶ Schools turn a large profit from ticket sales, concessions, player jerseys, and television contracts as a result of successful athletic programs, and many could afford to pay their athletes from the generated revenue.⁴⁷ While the schools and coaches enjoy the profits, the athletes are explicitly prohibited from accepting money, gifts, and payment for meals in connection to their player status.⁴⁸ Advocates for non-payment insist on maintaining amateurism in college sports.⁴⁹ Student-athletes, so the argument goes, are *students* first.⁵⁰ Many believe that paying athletes would encourage the athletes to ignore academics.⁵¹ Further, students are "paid"—in Division I sports, students can get a full scholarship to cover the cost of tuition.⁵² Moreover, universities are not incorrect to encourage academic achievement over sporting stardom,

as only one percent of college athletes will compete professionally.⁵³ The rest, presumably, use sports as a way to finance an education that will lead to employment.⁵⁴

If providing financial compensation to athletes resulted in fewer receiving an education and graduating, the NCAA would be justified in insisting on nonpayment. However, just the opposite is true: many athletes cannot afford not to support themselves, due to an NCAA prohibition on athletes earning over \$2,500 yearly doing outside work.⁵⁵ The NCAA “presumably limits intercollegiate sports to 20 hours of athletically-related activity per week,” but in practice, athletes invest as much as 40 to 50 hours per week.⁵⁶ Athletes must travel to away games during the year and give up summers for extra training.⁵⁷ The NCAA also requires students to take a full course load.⁵⁸

As student-athletes have little time for employment and would be barred from earning much money anyway, many cannot withstand the financial pressure and are forced to drop out of school.⁵⁹ The NCAA’s policy is questionable, as many non-athlete college students work long hours and receive financial compensation or college credits for their efforts, with no complaint from colleges.⁶⁰ Further, in light of the long hours required for team participation, allowing student-athletes to hold substantial part time jobs is an impracticable solution.⁶¹

Opponents to student-athlete payment raise several arguments. First, colleges are hesitant to broach college athlete payment because of inevitable Title IX concerns.⁶² Title IX was enacted in 1972 to create equal opportunities for men and women.⁶³ The dramatic increase of women’s sports since the passage of Title IX is widely praised, but the sports programs typically operate at a financial deficit.⁶⁴ Thus, while women’s programs are socially invaluable, they only remain financially afloat because of the profitability of men’s sports.⁶⁵ Payment to athletes would violate Title IX for two reasons: 1) payment would go exclusively to profitable sports, which are usually men’s sports, and 2) profit from men’s sports would no longer fund female sports, making them difficult for universities to finance.⁶⁶ In legal terms, it would be difficult for a payment plan to pass Title IX restrictions.⁶⁷

Second, even among men’s sports, only basketball and football have actual potential to operate at a profit,⁶⁸ and men’s basketball is not a guaranteed money-maker.⁶⁹ Therefore, profit from men’s sports is many times already spoken for and is the sole supporter of unprofitable women’s sport programs.⁷⁰ Simply paying men’s basketball and football players, then, is not so simple.

Stipends

Colleges could grant student-athletes small stipends to cover living expenses.⁷¹ The NCAA attempted a plan to grant stipends to athletes, but the effort was shelved in December 2011.⁷² Once again, concerns over a culture of

amateurism and Title IX compliance provided the root of most of the pushback.⁷³ The use of stipends is not unprecedented: until 1972, athletes had permission to receive small payments for living expenses.⁷⁴ Colleges also insist that they cannot afford to grant stipends to their most profitable athletes, and many truthfully cannot.⁷⁵ In order to be practicable, NCAA rules would need to differentiate consistently profitable athletic powerhouses from schools with small athletic budgets.

Health Insurance

If student-athletes are not granted some form of monetary compensation, an alternative possibility is that they be afforded sufficient health care in case of injury due to athletic performance. Many student-athletes do not receive medical bill coverage from their universities.⁷⁶ If a student-athlete accrues large medical bills as a result of an athletic injury, those bills may go uncovered and the student can lose his or her athletic scholarship.⁷⁷ Programs that do not fully cover athlete injuries are especially harmful, because most students have the expectation that they are fully covered.⁷⁸ While this proposal is unlikely to please those who believe athletes are entitled to a percentage of their schools’ profits, it would at least ensure that colleges and the NCAA remain responsible for the well-being of the talent behind the cash.

Endorsement Deals

Colleges may find endorsement deals a balanced solution to allowing student-athletes to earn money.⁷⁹ Allowing students to take compensation for endorsing products would not require the school to provide money to students; it would simply allow students to accept payment from outside sources who seek to use the students’ names or likenesses when promoting products.⁸⁰ Current NCAA rules bar students from accepting endorsements.⁸¹ However, allowing college athletes to receive money from corporations such as Nike and Adidas would appear to solve the student-athlete non-payment problem, while requiring no financial sacrifice from educational institutions.⁸² Again, the major argument against students accepting endorsements is to preserve the culture of amateurism in college sports.⁸³

Why Pay Student-Athletes at All?

The Nexus Between Race and Student-Athlete Dropout

The NCAA asserts that college athletes are students first and that a college degree is adequate payment.⁸⁴ However, the benefit to students falls off sharply if the student does not stay in college.⁸⁵ African Americans are less likely to benefit from their college experiences because they are less likely to have a social and financial safety net required for success.⁸⁶ Additionally, they are more likely to drop out of college before completion than their white counterparts.⁸⁷ The graduation gap between

black and white student-athletes displays this disparity.⁸⁸ African American basketball players graduated at only 67% in 2012.⁸⁹ Football and basketball athletes in general, regardless of race, have a lower graduation rate than other students.⁹⁰ Overall, low graduation rates appear to be a college athlete problem, further increased if the athlete is African American. If student-athletes are able to earn enough money to cover discretionary expenses, they could be less inclined to drop out of school.

Coach Salaries

While student-athletes are barred from making money from their athletic endeavors, coach salaries for men's basketball and football frequently run in the millions of dollars.⁹¹ The top basketball coach salary is earned by Louisville's Rich Pitino, who makes \$7.5 million per year.⁹² The highest salary in college football goes to Ohio State coach Urban Meyer, who is set to make \$4 million in 2012.⁹³ The average football salary for the 2012 season will increase by 35% from the prior year, meaning the average compensation will rise from \$1.1 million to \$1.5 million.⁹⁴ The disparity between athlete non-payment and coach compensation is striking and surely noticed by the student-athletes.

Agents

If student-athletes are not granted the opportunity to earn money, many will continue to do what they do now: accept gifts from agents.⁹⁵ Sports agents frequently give money to promising young athletes with the hope that the athletes will sign with them later when they join the professional leagues.⁹⁶ Although the NCAA and many states have rules banning this behavior, such rules are not heavily enforced.⁹⁷ Some agents provide lavish gifts, but more frequently athletes rely on agents for cash to cover basic expenses.⁹⁸ Despite full knowledge that students and agents break the rules, the NCAA has not launched a crackdown.⁹⁹ The prevalence of the agents paying players cannot be understated: "[i]nvolvement of unethical sports agents with student-athletes is the biggest problem plaguing NCAA basketball today."¹⁰⁰ If students were given basic stipends, they would be less susceptible to being bought out by agents.¹⁰¹ The NCAA forbids player involvement with agents, but as a result, players just engage with agents illicitly.¹⁰² The Sports Agent Responsibility and Trust Act (SPARTA), which attempted to ban sport agents paying student-athletes, has been federal law since 2003, but has never been enforced.¹⁰³ As such, students and agents continue their mutually lucrative relationship illegally.¹⁰⁴ Agent corruption is so commonplace that agents who do not pay athletes are essentially incapable of competing for the most talented athletes.¹⁰⁵ The athlete-agent relationship alleviates student-athlete poverty in the short term, but does not provide a legal way for student-athletes to provide for themselves.

Conclusion

College sports amounts to big business. The NCAA is exempt from heavy taxes because of its status as an educational institution.¹⁰⁶ While free from taxes, the NCAA makes more than \$4 billion in licensing deals.¹⁰⁷ It is no surprise that student-athletes (or in the case of *O'Bannon* litigants, former student-athletes) wonder where their share of the profits have gone. While the impact of student-athlete non-payment may affect African American men more acutely, case law suggests that an argument based on disparate treatment will not touch the NCAA. The right to control one's own name and likeness, however, may be just the ticket for which these athletes are looking. It will be interesting to keep an eye on *O'Bannon v. NCAA* and its impact on the NCAA's stance on student-athlete compensation.

Endnotes

1. See Otis B. Grant, *African American College Football Players and the Dilemma of Exploitation, Racism and Education: A Socio-Economic Analysis of Sports Law*, 24 WHITTIER L. REV. 645, 648-52 (2003).
2. See *Alexander v. Sandoval*, 532 U.S. 275 (2001).
3. See generally Lesley Chenoweth-Estevao, *Student-Athletes Must Find New Ways to Pierce the NCAA's Legal Armor*, 12 SETON HALL J. SPORT L. 243 (2002) (citing *Alexander v. Sandoval*, 532 U.S. 275 (2001)).
4. See Taylor Branch, *The Shame of College Sports*, ATLANTIC MAGAZINE (Oct. 2011), available at <http://www.theatlantic.com/magazine/archive/2011/10/the-shame-of-college-sports/308643/2/> (supporting payment for NCAA student-athletes).
5. *O'Bannon v. NCAA*, No. C 09-1967, 2010 WL 445190 (N.D. Ca. Feb. 8, 2010).
6. See Michael McCann, *O'Bannon Expands NCAA Lawsuit*, SPORTS ILLUSTRATED.COM (Sept. 1, 2012, 10:04 AM), http://sportsillustrated.cnn.com/2012/writers/michael_mccann/09/01/obannon-ncaa-lawsuit/index.html.
7. See *id.*
8. See *id.*
9. See Monica McDermott, *Sports, Shooting and Scholarships: Myths of African-American Mobility at Villanova University's 2011 Dr. Martin Luther King, Jr. Celebration*, Jan. 19, 2011, available at <http://www.youtube.com/watch?v=lsrj07ChbFo>.
10. See *id.*
11. See *id.* See also William J. Price, *What Are the Odds of Becoming a Professional Athlete?*, UNITED STATES SPORTS ACADEMY: THE SPORTS DIGEST, <http://www.thesportdigest.com/archive/article/what-are-odds-becoming-professional-athlete> (providing slightly different figures). "Of the almost 156,000 male, high school senior basketball players, only 44 will be drafted to play in the NBA after college.... In football the odds are slightly better, with .08% or 250 of just over 317,000 high school seniors being drafted." *Id.*
12. See Chenoweth-Estevao, *supra* note 3, at 249-50.
13. See *Pryor v. NCAA*, 288 F.3d 548 (3rd Cir. 2002).
14. See *id.*
15. See Adam S. Taylor & M. Darren Traub, *Cureton v. NCAA: Scrutinizing Proposition 16 and the Consequences of its Disparate Impact on Prospective Minority Student-Athletes*, 7 SPORTS LAW J. 59, 76-77 (2000).

16. See Joshua Price, *The Effects of Higher Admission Standards on NCAA Student Athletes: An Analysis of Proposition 16* (2009), http://www.ilr.cornell.edu/cheri/workingPapers/upload/cheri_wp119-2.pdf.
17. See *id.*
18. See *id.*
19. See *id.*
20. See Richard Pound, *NCAA's Clearinghouse Rules—Who's Looking Out for the Student Athlete?*, FASTWEB.COM, Apr. 21, 2009, <http://www.fastweb.com/student-life/articles/347-ncaas-clearinghouse-rules--whos-looking-out-for-the-student-athlete>.
21. See Taylor & Traub, *supra* note 15, at 73-74.
22. See Price, *supra* note 16.
23. See Anthony W. Miller, *NCAA Division I Athletics: Amateurism and Exploitation*, 14 THE SPORT JOURNAL (2011), available at <http://www.thesportjournal.org/article/ncaa-division-i-athletics-amateurism-and-exploitation>; see also Brian Burnsed, *How Higher Education Affects Lifetime Salary*, US NEWS, Aug. 5, 2011, available at <http://www.usnews.com/education/best-colleges/articles/2011/08/05/how-higher-education-affects-lifetime-salary>.
24. See Ken Smith, *Judge Rules NCAA Academic Standards Hurt Athletes*, WRAL.COM (Mar. 8, 1999), <http://www.wral.com/news/local/story/133048/>.
25. See *id.* (explaining that Proposition 16 was found to have disparate racial impact against African Americans at trial court, but was overturned on appeal).
26. See Kathleen B. Overly, *The Exploitation of African American Men in College Athletic Programs*, 5 VA. SPORTS & ENT. L.J. 31, 46 (2005).
27. See *id.*
28. See Chenoweth-Estevao, *supra* note 3, at 272-75.
29. See *id.*
30. See Michael McCann, *O'Bannon Expands NCAA Lawsuit*, SPORTS ILLUSTRATED.COM (Sept. 1, 2012, 10:04 AM), http://sportsillustrated.cnn.com/2012/writers/michael_mccann/09/01/obannon-ncaa-lawsuit/index.html.
31. See Tim Lemke, *O'Bannon Files Suit vs. NCAA*, THE WASHINGTON TIMES (Jul. 22, 2009), <http://www.washingtontimes.com/news/2009/jul/22/obannon-files-suit-vs-ncaa/>.
32. *Id.* (illustrating potential reach of suit).
33. See Michael McCann, *NCAA Faces Unspecified Damages, Changes in Latest Antitrust Case*, SPORTS ILLUSTRATED.COM (Jul. 22, 2009), http://sportsillustrated.cnn.com/2009/writers/michael_mccann/07/21/ncaa/index.html.
34. *Id.* (highlighting consequence of non-compliance).
35. See McCann, *supra* note 6.
36. See McCann, *supra* note 33.
37. See *Money and March Madness: The NCAA Lawsuit*, PBS FRONTLINE (Mar. 29, 2011), [HTTP://www.pbs.org/wgbh/pages/frontline/money-and-march-madness/etc/licensing-litigation.html](http://www.pbs.org/wgbh/pages/frontline/money-and-march-madness/etc/licensing-litigation.html).
38. Complaint at 3, *In Re NCAA Student-Athlete Name & Likeness Licensing Litigation*, No. C 09-01967 CW (N. D. Ca. Mar. 10, 2010), available at <http://s3.documentcloud.org/documents/75096/filed-ncaa-cac-1.pdf>.
39. See Karen Gullo, *Ex-Celtics Star Bill Russell Sues NCAA, Electronic Arts Over Image Use*, BLOOMBERG (Oct. 6, 2011), <http://www.bloomberg.com/news/2011-10-06/ex-celtics-star-bill-russell-sues-ncaa-for-antitrust-in-licensing-dispute.html>.
40. See *Money and March Madness: The NCAA Lawsuit*, *supra* note 37.
41. See McCann, *supra* note 6.
42. See *id.*
43. See *id.*
44. See Gullo, *supra* note 39.
45. See Pat Forde, *Time Has Come to Talk About Pay-for-Play*, ESPN (July 12, 2011), http://sports.espn.go.com/ncaa/columns/story?columnist=forde_pat&id=6746255.
46. See *15 Highest Pro Athlete Salaries of 2011*, TOTAL PRO SPORTS, Oct. 4, 2011, <http://www.totalprosports.com/2011/10/04/15-highest-pro-athlete-salaries-of-2011/>.
47. See Jay Bilas, *Players Should Be Compensated*, N.Y. TIMES, Mar. 12, 2012, available at <http://www.nytimes.com/roomfordebate/2012/03/13/ncaa-and-the-interests-of-student-athletes/college-athletes-should-be-compensated>.
48. See Aaron Brooks & David Davies, *Exploring Student-Athlete Compensation: Why the NCAA Cannot Afford to Leave Athletes Uncompensated*, 34 J.C. & U.L. 747, 752 (2008).
49. See *id.* at 749.
50. See Charles P. Pierce, *The Big (Kabuki) Dance*, GRANTLAND, Apr. 12, 2012, http://www.grantland.com/story/_/id/7764369/john-calipari-anthony-davis-trip-final-four-new-orleans.
51. See Mark Emmert, *Paying College Athletes is a Terrible Idea*, WALL ST. J., Jan. 11, 2012, available at <http://online.wsj.com/article/SB10001424052970204257504577151212467142838.html>.
52. See Brooks & Davies, *supra* note 48, at 754.
53. See Stephanie Stark, *College Athletes Suffer the Greatest Injustice from NCAA*, USA TODAY, Aug. 28, 2011, <http://www.usatodayeducate.com/staging/index.php/blog/college-athletes-suffer-the-greatest-injustice-from-ncaa>.
54. See *id.*
55. See Nick Caron, *NCAA Not Doing a Favor to Athletes by Banning Endorsements* (July 9, 2010), <http://bleacherreport.com/articles/418140-ncaa-not-doing-a-favor-to-athletes-by-banning-endorsements>.
56. See Brooks & Davies, *supra* note 48, at 751.
57. See *id.*
58. See *NCAA Course Load Requirements*, COLLEGE BOARD, last viewed June 23, 2012, <http://professionals.collegeboard.com/guidance/prepare/athletes/ncaa>.
59. See Brooks & Davies, *supra* note 48, at 756.
60. See *NCAA President Says He's Ready to Explore Increasing Financial Aid for Athletes*, PBS: FRONTLINE, Mar. 30, 2011, <http://www.pbs.org/wgbh/pages/frontline/2011/03/ncaa-president-says-hes-ready-to-explore-paying-athletes.html>.
61. See Brooks & Davies, *supra* note 48, at 751.
62. See Greg Skidmore, *Payment for Football Players in Nebraska*, 41 HARV. J. ON LEGIS. 319, 328 (2004).
63. See *id.*
64. See Kristi Dosh, *How Much of a Drain Are 'Other Sports,'* THE BUSINESS OF COLLEGE SPORTS, May 3, 2011, available at <http://businessofcollegesports.com/2011/05/03/how-much-of-a-drain-are-other-sports/>.
65. See *id.*
66. See Kristi Dosh, *How Title IX Relates to Paying Players*, THE BUSINESS OF COLLEGE SPORTS, June 9, 2011, available at <http://businessofcollegesports.com/2011/06/09/how-title-ix-relates-to-paying-players/>.
67. See *id.*
68. See *id.*
69. See *id.*

70. See Skidmore, *supra* note 62, at 332.
71. See Joe Nocera, *Let's Start Paying College Athletes*, N.Y. TIMES, Dec. 30, 2011, available at <http://www.nytimes.com/2012/01/01/magazine/lets-start-paying-college-athletes.html?ref=opinion>.
72. See NCAA Puts \$2,000 Athlete Stipend on Hold, USA TODAY, Dec. 15, 2011, available at <http://www.usatoday.com/sports/college/story/2011-12-15/ncaa-stipend-suspension/51980924/1>.
73. See *id.*
74. See *id.*
75. See Charlotte M. Rasche, *Can Universities Afford to Pay for Play? A Look at Vicarious Liability Implications of Compensating Student Athletes*, 16 REV. LITIG. 219 (1997).
76. See Jessica Calefati, *College Health Plans Do Not Always Cover Student Athletes*, U.S. NEWS EDUCATION, July 17, 2009, <http://www.usnews.com/education/blogs/on-education/2009/07/17/college-health-plans-dont-always-cover-student-athletes>.
77. See Kristina Peterson, *College Athletes Stuck with Bills After Injuries*, N.Y. TIMES, July 15, 2009, available at (pg.2) <http://www.nytimes.com/2009/07/16/sports/16athletes.html?pagewanted=all>.
78. See *id.*
79. See Michael Corgan, *Permitting Student-Athletes to Accept Endorsement Deals: A Solution to the Financial Corruption of College Athletics Generated by Unethical Sports Agents and the NCAA's Revenue Generating Scheme*, 19 VILL. SPORTS & ENT. L.J. 371, 419 (2012).
80. See *id.*
81. See *id.*
82. See *id.* at 419-422.
83. See *id.*
84. See Brooks & Davies, *supra* note 48, at 750.
85. See Grant, *supra* note 1, at 647.
86. See *id.*
87. See *id.*
88. See Courtney Bowie, *Graduation Gap Between NCAA Black and White Student-Athletes*, ACLU BLOG OF RIGHTS, Mar. 30, 2011, <http://www.aclu.org/blog/racial-justice/graduation-gap-between-ncaa-black-and-white-student-athletes>; see also Charles Hallman, *Weak Black College Graduation Rates Persist: U of M Black Student Athletes Lag Behind Their Peers*, TWIN CITIES DAILY PLANET (Nov 13, 2011), <http://www.tcdailyplanet.net/news/2011/11/13/weak-black-college-graduation-rates-persist-u-m-black-student-athletes-lag-behind-th>.
89. See Jonathan P. Hicks, *Graduation Rate Narrows Between Black and White Athletes*, BET SPORTS, Mar. 13, 2012, <http://www.bet.com/news/sports/2012/03/13/graduation-rate-narrows-between-black-and-white-athletes.html>.
90. See Michael Corgan, *supra* note 79, at 388.
91. See Charlie Zegers, *Highest Paid Coaches in Basketball*, ABOUT.COM: BASKETBALL, <http://basketball.about.com/od/coaches/a/coach-salaries.htm>.
92. See *id.*
93. See Steve Berkowitz & Jodi Upton, *Salaries Rising for New College Football Coaches*, USA TODAY, Jan. 17, 2012, <http://www.usatoday.com/sports/college/football/story/2012-01-16/College-football-coaches-compensation/52602734/1>.
94. See *id.*
95. See George Dohrmann, *Confessions of an Agent*, SPORTS ILLUSTRATED, Oct. 18, 2010, available at <http://sportsillustrated.cnn.com/2010/magazine/10/12/agent/index.html>.
96. See Corgan, *supra* note 79, at 374.
97. See Associated Press, *State Agent Laws Rarely Enforced*, ESPN.COM, Aug. 17, 2010, available at <http://sports.espn.go.com/ncaa/news/story?id=5470067>.
98. See Corgan, *supra* note 79, at 404.
99. See *State Agent Laws Rarely Enforced*, *supra* note 97.
100. See Corgan, *supra* note 79, at 399.
101. See Anthony Jerrod, *Are College Athletes Being Pimped by Agents and the NCAA?*, ATLANTA POST, Sept. 15, 2010, <http://madamemoire.com/104489/are-college-athletes-being-pimped-by-agents-and-the-ncaa/>.
102. See LSU Sport Compliance Document, http://www.lsusports.net/fls/5200/assets/docs/ad/compliance/pdf/agents.pdf?DB_OEM_ID=5200.
103. See *Repeal Sports Agent Laws and Pay Student-Athletes*, BUSINESS INSIDER, Apr. 18, 2011, http://articles.businessinsider.com/2011-04-18/sports/29977163_1_student-athletes-the-sports-agent-responsibility-ncaa-control.
104. See *id.*
105. See *Repeal Sports Agent Laws and Pay Student-Athletes*, *supra* note 103.
106. See Corgan, *supra* note 79, at 388.
107. See Amanda Pintaro, *Is the NCAA Fulfilling its Tax Exempt Status?*, ILLINOIS BUS. LAW J., Feb. 21, 2010, available at <http://www.law.illinois.edu/bljournal/post/2010/02/21/Is-the-NCAA-Fulfilling-its-Tax-Exempt-Status.aspx>.

Amber J. Slattery is a J.D. Candidate, May 2013 from Villanova University School of Law. She received her B.A. from Boston College, 2010.

ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

Visit us on the Web at www.nysba.org/easl
 Check out our Blog at <http://nysbar.com/blogs/EASL>

Two Films, One Law: An Analysis of Social Deviance in Gender, Family, or the Home (Etudes 7)¹

By Carmen M. Cusack

Introduction

The First Amendment should protect all speech,² but it does not.³ Courts should strictly scrutinize all content-based restraints on speech,⁴ but they do not.⁵ “Obscenity” is not protected speech.⁶ The meaning of obscenity in federal criminal statutes is largely left undefined.⁷ Yet depictions of scatological pornography routinely invite prosecution.⁸ Directors of scatological fetish films are criminally sanctioned even if they claim that their films are protected under the First Amendment as shock art.⁹

“[T]he Miller test is outdated and uncertain.... [T]he main problem with Miller is that it permits depictions of actual abuse while it paternalistically blockades shock art or depictions of legal, harmless sex acts.”

In *Miller v. California*,¹⁰ the Supreme Court created a test for whether material was obscene and therefore beyond the protection of the First Amendment. Under *Miller*, whether or not expression is determined to be obscene depends on the following three factors:

[First,] whether “the average person, applying contemporary community standards” would find that the work, taken as a whole, appeals to the prurient interest, [second,] whether the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law; and [third,] whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value.¹¹

However, the *Miller* test is outdated and uncertain.¹²

This article contends that the main problem with *Miller* is that it permits depictions of actual abuse¹³ while it paternalistically blockades shock art or depictions of legal, harmless sex acts.¹⁴ Rather than continuing to employ the *Miller* test, the Supreme Court should look to the harm principle¹⁵ and feminist ideology¹⁶ to derive a more salient test for obscenity that is less biased and paternalistic.

The harm principle would ask whether a person was actually harmed by the production of the pornography.¹⁷

Though some feminists, i.e., second wave feminists circa 1960s, have aligned with *Miller* to claim that pornography harms women by degrading them publicly and politically, this article will rely on the third wave feminist contention, which arose in the 1980s, that art does not harm women, but those pornographic productions that require duress, abuse, or sexual enslavement of the actors do. Although *Miller* tests whether a pornographic depiction has an artistic value, the test fails to adequately judge shock art because it treats patently offensive art unfavorably. *Miller* allows the government to criminalize offensive shock art, yet it fails to categorically criminalize the prurient depiction of actual harm and sexual abuse if it does not offend the local community. Long before the Court measures whether a depiction has offended a community, it should punish the production of images that harm actors. The Court uses the harm principle to judge child pornography, and analogously, the use of the harm principle to judge obscenity would standardize the reasoning behind the criminalization of some pornographic depictions.¹⁸

Section I of this article analyzes the Court’s obscenity test, and also considers how the expansion of privacy rights since 1973, when the current obscenity test was developed, has reframed questions regarding Internet-based pornography. Section II addresses the role of shock art in society and questions whether sexual shock art should be protected speech under the Court’s obscenity analysis. Section III develops a new test for obscenity incorporating the harm principle; it would not ask whether the viewer suffered harm, but rather whether the person depicted in the pornography was the victim of a crime during production or suffered severe duress that amounts to sex trafficking.

I. Free Speech

The right to free speech is guaranteed by the First Amendment of the U.S. Constitution.¹⁹ It provides: “Congress shall make no law...abridging the freedom of speech.”²⁰ Lawmakers may restrict the content of speech if and only if it is necessary to achieve a compelling governmental interest.²¹ Such curbs must be narrowly tailored to accomplish the government’s interest and must do so using the least restrictive means possible.²² Although laws that proscribe the sale and distribution of obscenity are not abridgments of free speech since obscenity is not protected speech,²³ they do in actuality act as restrictions by virtue of the lack of protection.²⁴

A. Federal and State Obscenity

Obscenity statutes operate on case-by-case bases.²⁵ Thus, it is left to community interpretations to supply the definitional basis for federal obscenity judgments.²⁶ Courts have been willing to use outdated notions of sexual morality to dictate sexual normativity and define obscenity as the depiction of that which is sexually immoral.²⁷ Images that depict sexual use of feces and urine are often considered obscene.²⁸ The mere possession of obscenity is illegal.²⁹ Accordingly, it is not illegal to create homemade images and privately possess them or to possess another's obscene images; rather it is only illegal to commercially produce, sell, or transport obscenity.³⁰

Laws that restrict or proscribe the sale, production, and transportation of obscenity are, by any common-sense view, content-based infringements on speech, but they do not receive heightened scrutiny from the Court.³¹ That is because, if the matter in question is obscene under the *Miller* test, it is categorically unprotected.³² As a result, obscenity laws face only rational basis review,³³ which requires simply a showing that there is a rational relationship between the government's legitimate interest in censorship and the censoring regulation.³⁴ In short, any free speech challenge to an obscenity law is not likely to be overturned if the Court finds that the material is obscene using the *Miller* test.³⁵ If the material is not obscene under *Miller*, the Court is likely to find that the defendant's actions were not criminal³⁶ rather than invalidate the law itself which, by definition, bars unprotected conduct.

The *Miller* test originated in *Miller v. California*,³⁷ in which the defendant engaged in a massive advertising campaign to support his pornographic bookstore.³⁸ As a part of this campaign, he mailed unsolicited ads featuring pornographic images.

The brochures advertise[d] four books entitled "Intercourse," "Man-Woman," "Sex Orgies Illustrated," and "An Illustrated History of Pornography," and a film entitled "Marital Intercourse." While the brochures contain some descriptive printed material, primarily they consist of pictures and drawings very explicitly depicting men and women in groups of two or more engaging in a variety of sexual activities, with genitals often prominently displayed.³⁹

After several complaints, the police arrested the defendant, and he was tried and convicted.⁴⁰

When the case reached the Supreme Court, the Court held that the First Amendment did not protect the unsolicited distribution of pornography.⁴¹ The Court found that laws that proscribe obscenity do not occasion strict scrutiny.⁴² Instead, the defendant's unsolicited depictions

were subject to a conjunctive three-prong test to determine whether they could be prosecuted under the obscenity statute.⁴³ As we have seen, the test provides that obscenity is determined by three factors:

- (a) whether the average person, applying contemporary community standards would find that the work, taken as a whole, appeals to the prurient interest; (b) whether the work depicts or describes, in a patently offensive⁴⁴ way, sexual conduct specifically defined by the applicable state law; and (c) whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value.⁴⁵

Miller did not turn on whether the depictions themselves were obscene; rather, it turned on whether the unsolicited distribution of pornography constituted obscenity and therefore unprotected speech. The Court held, "[t]his case involves the application of a State's criminal obscenity statute to a situation in which sexually explicit materials have been thrust by aggressive sales action upon unwilling recipients who had in no way indicated any desire to receive such materials."⁴⁶ The *Miller* Court explained that its decision to use rational review in this case hinged on the state's interest in protecting unwilling members of the public from encountering unsolicited materials.⁴⁷

This Court has recognized that the States have a legitimate interest in prohibiting dissemination or exhibition of obscene material when the mode of dissemination carries with it a significant danger of offending the sensibilities of unwilling recipients or of exposure to juveniles. *Stanley v. Georgia*, 394 U.S. 557, 567 (1969).⁴⁸

The *Miller* test, then, is truly a test for measuring whether pornography is prosecutable under obscenity statutes if it enters the public domain without solicitation.⁴⁹ When material is privately possessed, like in *Stanley*,⁵⁰ the Court has strictly scrutinized content-based restrictions.⁵¹ Therefore, *Miller* leaves room to argue that privately distributed or solicited, prurient pornography is protected even if it is patently offensive.⁵²

B. Obscenity after *Lawrence*

Many states have restrictions on the use of excrement in adult films.⁵³ In *Lawrence v. Texas*,⁵⁴ the Court found that, under the right to privacy, all consenting adults have the right to engage in non-harmful, consensual sex in the privacy of the bedroom.⁵⁵ Though *Lawrence* was not decided on free speech grounds, its theoretical underpinnings arguably apply to that setting.⁵⁶

[C]onsumption today of sexually explicit adult material—with the advent of the Internet, DVD, and Video On Demand—occurs largely in the privacy of the home rather than in public places where adults and minors might be accidentally exposed to it. The Supreme Court’s privacy and substantive due process jurisprudence—embodied in *Lawrence v. Texas*—now buttresses First Amendment-based free speech arguments to support protection for the distribution and sale to consenting adults of material that would currently be obscene under *Miller*. Therefore, obscenity laws must be abandoned, and First Amendment protection must be given to such content.⁵⁷

Restrictions on fecalphelia in Internet-distributed films should be invalidated under *Lawrence* because the restrictions dictate the moralities of the consenting adults in the film and the sexual habits of consenting adults in private when the sexual acts are consensual and non-harmful.⁵⁸ Images that depict non-normative sexual behavior should not be considered obscene when the behavior itself is protected under the right to privacy and the viewers of those depictions elect to witness those legal acts.⁵⁹ In *Extreme Associates*, the District Court in the Western District of Pennsylvania cited *Lawrence* to dismiss obscenity charges.⁶⁰ “The District Court indicated that the *Lawrence* decision seriously undermines the validity of the statutes themselves, as well as earlier Supreme Court decisions upholding those statutes on public morality grounds.”⁶¹ The state does not have a legitimate interest in upholding public morality or regulating consensual sexual activity in private.⁶² The decision was overturned, but the holding set forth the logic.⁶³ Though the private acts included in *Lawrence* do not necessarily include the creation of fecalphelic pornography and traditional anal sex does not necessitate fecalphelic acts, anal sex, which is protected conduct, can often involve the introduction of fecal matter into the bedroom.⁶⁴ To limit the distribution of images that depict protected conduct, which do not attest to any harm or nonconsensual activity, suggests a prejudice against anal-oriented sexuality, especially considering that the government has a pattern of discriminating against depictions of non-heterosexual-male centered expressions of sexual pleasure in pornography.⁶⁵ In many states, depiction of feces, which may be routinely present during anal sex, is considered patently offensive.⁶⁶

II. Shock Art

In 2007, the Internet experienced a new phenomenon.⁶⁷ People from every economic stratus, race, culture, geographic location, and age posted videos of viewers’ responses to a video entitled “2 Girls 1 Cup.”⁶⁸ The sensa-

tion was so widespread that it sparked countless parodies online and on television.⁶⁹ The trend inspired humorous “reactions” by puppets, animal companions, and other faux viewers.⁷⁰ In short, millions of people participated in the grotesque misadventure of watching “2 Girls 1 Cup.”⁷¹ They watched it and showed it to their friends and family for the purpose of glorifying their disgust and horror as they watched two women eat feces, as if it were ice cream, from a single cup.⁷²

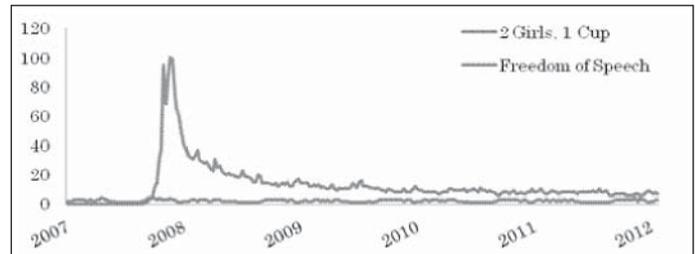


Figure 1. Public’s Interest in “2 Girls 1 Cup” as Compared to Public’s Interest in “Freedom of Speech”⁷³

Like the defendant in *Miller*, Director Marco Fiorito intended for “2 Girls 1 Cup” to be an advertisement for his movie *Hungry Bitches*.⁷⁴ Allegedly, *Hungry Bitches* included many short films that depicted people consuming revolting matter like vomit. When the trailer hit the Internet, it went viral.⁷⁵ People repeatedly downloaded the material online and shared it with others.⁷⁶ Other actors repeated the “2 Girls 1 Cup” scene and posted their homage knockoffs online.⁷⁷ The images were accessible without safeguards and were available to the public for free.⁷⁸ The concept and the act became part of the public domain and pop culture.⁷⁹

Fiorito’s lawyer was charged by the United States in conjunction with the sale, production, and transportation of obscenity.⁸⁰ He pled and was sentenced to three years of unsupervised probation and Fiorito’s company had to forfeit \$98,000 of assets in Florida.⁸¹ Fiorito’s lawyer was charged under federal obscenity statutes,⁸² which proscribe the broadcasting, transporting, or selling of obscenity.⁸³ The statutes do not offer examples of obscenity or a definition that specifies which acts are included.⁸⁴ This proscription was at play since the video was transported and sold across international and state lines, in the process violating a number of state obscenity statutes.⁸⁵ Specific state statutes that include the sexualization of excrement under obscenity proscriptions could have influenced the way federal prosecutors applied the federal statute.⁸⁶

If one were to apply the *Miller* test to “2 Girls 1 Cup,” the first question to ask would be “whether ‘the average person, applying contemporary community standards would find that the work, taken as a whole, appeals to the prurient interest.’”⁸⁷ This question is multitiered.⁸⁸

Before beginning the analysis, a definition for prurience is set forth as “shameful and morbid desire.”⁸⁹ To begin the analysis, first it should be asked: who is the average person?⁹⁰ *Miller* suggests that the average person refers to the reasonable person.⁹¹ Supposing that any cross-section of people will likely be composed of average, reasonable persons,⁹² then the people who recorded their reactions are just as likely to represent the reasonable person as the people who complained or charged Fiorito under the federal obscenity statutes. Without a fact finder, it is difficult to assess how many people believed that this work was obscene, but the opposite is readily ascertainable. Public video forums, like YouTube, give insight into the fact that various local contemporary community standards, vis-à-vis, an international community video forum,⁹³ found that “2 Girls 1 Cup,” taken as a whole, did not appeal to prurient interests whatsoever.⁹⁴ The fact that excrement is involved in kissing makes the video all the more revolting, not prurient.⁹⁵ The entire fascination with the video is that it is disturbing. Unlike the material in *Miller*, in which the images depicted genitals that were “prominently displayed” as actors engaged in sexual activities, “2 Girls 1 Cup” does not focus on the women’s genitals at all.⁹⁶ The viral video “2 Girls 1 Cup” was not circulated as prurient material.⁹⁷ It was passed along as a shocking and disturbing video.⁹⁸

The second question in the *Miller* test is “whether the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law?”⁹⁹ Fiorito depicted two nude women engaged in fecalphelia.¹⁰⁰ In his statement to the government, Fiorito repeatedly refers to himself as a fetishist.¹⁰¹ A fetishist uses specific objects or situations, which are normally extraneous to sex, for sexual gratification.¹⁰² Arguably, Fiorito intended to make a sexual film.¹⁰³ However, Fiorito’s desire to be fetishistic is not mutually exclusive of his intention to shock the public, and his intention to make a fetish film is irrelevant under *Miller*.¹⁰⁴ *Miller* does not judge an artist’s intention to be sexual, it requires that the depicted conduct is sexual.¹⁰⁵ As a fetishist and a film producer, i.e., an expert on the subject, Fiorito was probably aware—at the time that he made the film—that most of the audience would not be sexually aroused by the content, since the average person does not consider eating feces to be sexual conduct.¹⁰⁶

Fiorito said that sometimes he uses chocolate in lieu of feces.¹⁰⁷ This is significant for two reasons. First, Fiorito’s flexibility in using chocolate to mimic feces attests to the voluntariness of the acts depicted in these films—some actors are opting to eat chocolate.¹⁰⁸ Under the current obscenity test, the voluntariness of the act, in disregard for *Lawrence*’s influence, is irrelevant. Though questions are raised about whether the use of chocolate, as opposed to excrement, would be protected speech under *Miller*, espe-

cially considering that the viewers believed that the substance was excrement, the consensual aspect is relevant to this analysis.¹⁰⁹ Unlike obscenity, the actors in Fiorito’s film undertook an activity consensually, whether or not they did so with chocolate or feces.¹¹⁰ Second, the fact that Fiorito used chocolate indicates that the feces is not the powerful element in the film.¹¹¹ It is the audience’s belief that feces is being eaten that is the significant.¹¹² This greater focus overrides the actual image and is what must be communicated.¹¹³ Why? It must be communicated because whether it is chocolate or feces, the depiction of eating feces leaves the audience in disbelief. It shocks the audience.¹¹⁴ Fiorito probably knew that the film would inspire horror and marketed the shocking content in order to grab attention, not to inspire a sexual hankering.¹¹⁵

The most ambiguous question is the third question.¹¹⁶ It asks “whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value?”¹¹⁷ In some cases, the Court has relied on expert opinions to define serious value.¹¹⁸ In other cases, the reasonable person standard has been implemented.¹¹⁹ Yet in either estimation it seems that the seriousness of the cultural impact made by “2 Girls 1 Cup” is undeniable¹²⁰ as shock art.¹²¹ The reasonable person standard in this case cannot be the most ignorant or the most easily offended person, because this would lead to a total disintegration of free speech protection.¹²²

Some will argue that cultural impact of an aesthetic is not one of the categories provided for by the Court.¹²³ Yet art is.¹²⁴ Art is both the physical representation of an aesthetic and the skill used to communicate it.¹²⁵ The two sides of art are no doubt present in film.¹²⁶ Classic examples are that Andy Warhol’s work in film contributed greatly to the pop art movement,¹²⁷ and Charlie Chaplin was skilled in the art of staring in silent films.¹²⁸ Similar to these genre icons, Fiorito delivered the definitive shock art film of the decade.¹²⁹ The film brought shock art out of the New York art scene and into homes where everyone could experience the sensation of watching “2 Girls 1 Cup” in the roots of their nerves as fright, alarm, and disgust traveled to their organs.¹³⁰ Fiorito, fetishist or not, masterfully recorded an image that surely inspired viewers to feel, reflect, digest, and emulate his work. His work was not the first of its kind or the only available scatological¹³¹ film online, but it is the only film of its kind ever to receive as much attention for the way it caused people to react as it did for the content of the film.¹³² Fiorito’s film not only operated as a physical representation of art, and utilized his artful skills, but it achieved unparalleled audience participation, like *Rocky Horror Picture Show* or *Rock of Ages*.¹³³ The public’s reaction to the film was as much a part of pop culture as the film itself. People did not have to watch the film to participate in the zeitgeist. The audience enjoyed witnessing others’ shock.

Miller is a three-part conjunctive test.¹³⁴ Fiorito was charged under a federal statute that does not define obscenity. Without the record of a trial, it is difficult to ascertain how the government justified its definition of obscenity.¹³⁵ Under a conjunctive test that relies on the given facts, “2 Girls 1 Cup” is not obscene because Fiorito’s film did not appeal to prurient interests, and possessed serious shock art value, though it did violate local obscenity standards.¹³⁶

III. # 2 Film

In 2012, director Ira Isaacs was found guilty¹³⁷ of distributing scatological depictions entitled *Mako’s First Time Scat*,¹³⁸ *Hollywood Scat Amateurs No. 7*,¹³⁹ and *BAE 20/Avantgarde Extreme*.¹⁴⁰ The name of the last film presupposes Isaacs’ defense and reveals his opinion of his work, which is that it is *avant-garde* art.¹⁴¹ “Isaacs has maintained his work is an extreme but constitutionally protected form of art,”¹⁴² and that shock art is not obscenity.¹⁴³ The media’s interest developed in response to Isaacs’ defense,¹⁴⁴ which was claiming a “2 Girls 1 Cup” defense.¹⁴⁵ Though much of the public’s attention in this case was drawn to Judge Kozinski’s¹⁴⁶ request for an investigation of his own website that displayed a protected pornographic image,¹⁴⁷ Isaacs continued to claim that his scatological porn was shock art.¹⁴⁸

Isaacs was found guilty under the *Miller* test.¹⁴⁹ His use of the “2 Girls 1 Cup” defense was somewhat specious.¹⁵⁰ The sexual content of *Hungry Bitches* is unknown, but the film “2 Girls 1 Cup,” as a stand-alone work, does not seem to qualify as obscenity under the *Miller* test.¹⁵¹ One reason is that taken as a whole, the work does not appeal to prurient interests.¹⁵² In “2 Girls 1 Cup,” the audience is not sexually focused on the actors; the audience is fixated on the fetishistic eating of feces.¹⁵³ The message is communicated to the audience without any confusion.¹⁵⁴ Unlike “2 Girls 1 Cup,” Isaacs’ films do project a sexual dimension.¹⁵⁵ The covers of the films include sexual depictions of agape anuses that suggest sodomy.¹⁵⁶ Though Isaacs had the right to defend his private production and distribution of scatological images and their relationship to sodomy under *Lawrence*, using the “2 Girls 1 Cup” defense seemed like a stretch.¹⁵⁷ Not only do Isaacs’ films lack the evidence created by popular culture to support his assertion that his films were indeed shock art, but his mixing of images of sodomy on the same cover with images of fecalphelia creates a relationship that implies a prurient interest in the excrement, which should be defended by using the right to privacy, and not the shock art defense.¹⁵⁸ As Isaacs’ films were found to satisfy the *Miller* test, should they be banned from sale and private distribution? Is society harmed by the sale and transportation of these films to the extent that there is a governmental interest in prohibiting the public from privately accessing them via the Internet?

IV. Strict Scrutiny

If “2 Girls 1 Cup” is not obscene because it was not unsolicited, albeit publicly accessible, then infringement on Fiorito’s right should have been strictly scrutinized.¹⁵⁹ To arrive at a strict scrutiny analysis, the court would have had to either 1) fail to apply the *Miller* test from the beginning, holding that Fiorito’s First Amendment rights had been infringed upon, or 2) apply the *Miller* test, then find that it fails with these facts, and continue with a strict scrutiny analysis in order to both acquit Fiorito and strike the obscenity statute.¹⁶⁰ Even if the court ruled in Fiorito’s favor, it would probably not have taken on the strict scrutiny analysis, it would have simply acquitted him.¹⁶¹ Yet, the court ought to strictly scrutinize all governmental restrictions of free speech, rather than designating some pornography to be unprotected based on the *Miller* test, which was designed to evaluate whether the unsolicited distribution of pornographic materials was protected speech.

Rather than continue to allow the *Miller* test to decide which speech should be permitted on a case-by-case basis, the Supreme Court should decide which laws unconstitutionally abridge free speech on a case-by-case basis, i.e., narrowing the definition of obscenity to such a fine point that most obscenity charges will require strict scrutiny.¹⁶² The Court should ask whether the obscenity law was necessary to achieve a compelling governmental interest, and whether the restriction on obscenity was narrowly tailored to accomplish the government’s interest by using the least restrictive means possible.¹⁶³ By strictly scrutinizing state and federal laws, rather than speech acts, on a case-by-case basis, the Court does not have to do away with all obscenity standards, but it would force the government to be more specific about the types of materials that are considered obscene.¹⁶⁴

In Fiorito’s case, the Court would have asked whether the restriction on Fiorito’s speech was necessary to achieve a compelling governmental interest.¹⁶⁵ First, what was the stated governmental interest?¹⁶⁶ Does the government have a compelling interest in the protection of morals?¹⁶⁷ *Lawrence* held that the right to privacy guarantees protection from governmental intrusion into non-harmful sex acts.¹⁶⁸ This protection does not extend to films that are produced for transportation and sale, which are still held to community standards.¹⁶⁹ The protection does extend to acts of fecalphelia that are undertaken in private, and through *Georgia v. Stanley*, the private possession of obscene images of fecalphelia is protected.¹⁷⁰ Before *Lawrence*, the government had an interest in preventing the dissemination of films that corrupted public morals with depictions of illegal, unnatural sex acts.¹⁷¹ Now, however, because the images depicted are no more morally prohibited than consensual sex between a man and his wife, it seems that *Miller* lags behind *Lawrence* by permitting

the most morally traditional communities to regulate the virtually private acquisition of sexually non-normative material over the Internet.¹⁷²

Are obscenity laws that include scatological fetishes really necessary?¹⁷³ The discussion in the next section goes further into the compelling governmental interests in regulating obscenity. It considers why the government should prosecute some forms of obscenity.¹⁷⁴ At this point, however, considering why the government has prosecuted obscenity is more useful.¹⁷⁵ This consideration flows into the next question. When society watches scatological films or other obscene depictions, does unfairness, infringement, or some other type of disorder result that would give the government the right to prevent people from looking at it?¹⁷⁶ No.¹⁷⁷ Since municipalities can no longer enforce moral disapproval, they can offer very little explanation for why these content-based restrictions are still necessary.¹⁷⁸ The government may offer a health-based reason for regulating fecal fetishes.¹⁷⁹ Is there a health-based reason to prevent scatological films? Yes,¹⁸⁰ that goes without saying; but there are health reasons to prevent all pornography, e.g., the anal, oral, vaginal, and dermal transmission of disease.¹⁸¹ Yet countless legal films no doubt capture a moment where an infected person engages in risky sexual activity.¹⁸² The prevention of scatological films in particular is not necessary for public health reasons.¹⁸³

Are obscenity laws narrowly tailored so they deprive free speech through the least restrictive means?¹⁸⁴ “Narrowly tailored”¹⁸⁵ requires the law to be a tiny gatekeeper in comparison to the traffic that it allows.¹⁸⁶ Obscenity laws that forbid one from producing or distributing depictions of all scatological pornography because it is morally repugnant are not narrowly tailored.¹⁸⁷ If municipalities argue that obscenity laws stop the film industry from educating the public about eating excrement, which can be unhealthy and dangerous, the response is that municipalities cannot regulate imagination and do not regulate the written explanation of such acts,¹⁸⁸ and the actual act may not be regulated in private.¹⁸⁹ However, if the current standards for obscenity do not pass strict scrutiny, and *Miller* does not suffice to uphold free speech, what test can be used to regulate obscenity?¹⁹⁰ What law or test can be applied on a case-by-case basis as to not broadly abridge free speech in cases where it is not necessary?¹⁹¹

V. 1 New Test

What is the purpose of obscenity laws? Obscenity is legal to possess,¹⁹² so the purpose is not to protect the possessor.¹⁹³ It is legal to engage in scatological play (and even expected) under *Lawrence*.¹⁹⁴ Further, under *Lawrence*, moral disapproval is no longer legislable,¹⁹⁵ so the governmental interest cannot relate to upholding puritanical values about the purpose or boundaries of

consensual sex.¹⁹⁶ Surely, obscenity laws do not impede the sale of all revolting and explicit images.¹⁹⁷ The laws do not exist randomly to interrupt commerce. Obscenity laws may serve to discourage or cease the supply of and demand for the images, but the market is saturated with explicit depictions,¹⁹⁸ and now virtual images are possible and legal,¹⁹⁹ which means that, essentially, the market is thriving.²⁰⁰

Obscenity laws exist for the same reason that child pornography laws exist.²⁰¹ To some degree, obscenity laws are necessary so that society does not permit, or worse, demand, suffering.²⁰² State obscenity laws, which generally prohibit animal rape,²⁰³ snuff films²⁰⁴ and other heinous depictions²⁰⁵ illegalize the physical degradation of living beings.²⁰⁶ The law, which previously legislated morality, lumped any depictions of acts that supposedly caused moral degradation, such as excrement fetishes, with depictions of acts that cause physical degradation.²⁰⁷ *Miller's* bright line was originally drawn to publicly enforce heteronormative, mainstream sexuality.²⁰⁸ The line of what was considered acceptable sex was pushed back pursuant to *Lawrence*.²⁰⁹ The court nullified any state statutes that prohibited sodomy,²¹⁰ and with that, obscenity laws should not have been able to continue classifying the depiction of sodomy combined with fecal fetishism as obscene without challenge.²¹¹ Justice Scalia dissented in *Lawrence*:

State laws against bigamy, same-sex marriage, adult incest, prostitution, masturbation, adultery, fornication, bestiality, and obscenity are likewise sustainable only in light of *Bowers's*²¹² validation of laws based on moral choices.²¹³ Every single one of these laws is called into question by today's decision; the Court makes no effort to cabin the scope of its decision to exclude them from its holding.²¹⁴

Courts use the *Miller* test to sift through the facts and uncover a level of sexuality that the community considers tolerable or intolerable on a case-by-case basis.²¹⁵ The *Miller* test has been working as a majoritarian “we’ll know it when we see it” judgment of obscenity, while at the same time allowing laissez faire communities to tolerate prurient depictions of actual abuse.²¹⁶ Instead, it would be more appropriate, modern, and standardized to rely on the harm principle used in judging child pornography.²¹⁷ In *United States v. Williams*,²¹⁸ the Supreme Court established that sexually explicit materials will not lose First Amendment protection unless they depict the sexual exploitation of an actual child.²¹⁹ This means that, while virtual child pornography would be legal, a composite photo that superimposed the body of a child with the face of an adult would not be protected.²²⁰ The harm

principle creates the least restrictive means for protecting children from pornographic exploitation.²²¹ The Court should rely on a test that limits obscenity to acts that harm others.²²² Like the anti-speciesist argument that depictions of sex between humans and animals should not be considered obscene as long as the animal is voluntarily performing the sexual act (as opposed to being the recipient of sexual contact) without an underhanded exchange for food or shelter,²²³ the harm principle as applied to scatological pornography in court could require proof of voluntariness.²²⁴

“The right to free speech guarantees the right to offend and shock, but not the right to depict images in a patently offensive way that lacks any serious artistic value, and solely appeals to prurient interests.”

The feminist contention that obscenity depicts the actual abuse of women is unfortunately all too true sometimes.²²⁵ Women who are degraded in films may volunteer or enjoy the degradation,²²⁶ but on the other hand, some do not and they are the victims of sex trafficking or more often than not, financial duress and criminal sexual harassment.²²⁷ These women are controlled by men who supply them with meager amounts of money to participate in the most vile, painful, or violent acts, which are then recorded and watched hundreds, thousands, or millions of times.²²⁸ It is a sticky wicket; feminist theory would suggest that the attitudes that lead to the sexual degradation of women are the same that supply paternalistic measures that immobilize female sexual agency.²²⁹

To enforce the harm principle, a balance must be struck.²³⁰ Obscenity should be defined as a depiction of the impermissible and involuntary degradation of a living being.²³¹ Borrowing from contract law, an unfair bargain would be evidence of the type of duress used in sexual slavery or undue influence that is associated with sex-for-pay.²³² Undue influence or duress should be viewed suspiciously by the Court as a sign that the material does not depict a voluntary sex act, it depicts sexual slavery.²³³ Borrowing from the limitations of First Amendment protection for defamation,²³⁴ which provides truth of fact as an affirmative defense,²³⁵ this harm principle-based obscenity law would permit truthful consent, sexual agency, and enjoyment as a defense.²³⁶ The director/producer would be required to offer proof that the person depicted in the explicitly degrading sex act did not engage in the act just for money and/or has a history of artwork that reflects a genuine interest in the subject matter.²³⁷ Producers

could offer proof of an actor’s substantial financial independence coupled with proof of psychological and social wellness.²³⁸ To avoid prosecution, film producers could establish records before production begins and make them available as regular business records.²³⁹ This type of rule might also deter producers from hiring women who are vulnerable to sexual harassment and sexual enslavement.²⁴⁰ Even though shock art might be vulnerable to prosecution under this rule, at the very least, it would not categorically be prohibited as obscenity.²⁴¹

Of course, in the future, there may be debate over whether an enslaved woman would testify against her captor or abuser, and *how* evidence would be authenticated.²⁴² Feminists will debate whether prostitution should be legal and whether a woman has the right to sell her dignity.²⁴³ Eventually, the benefit or disadvantages of no-drop policies for obscenity charges²⁴⁴ related to depictions of sexual degradation will be analyzed in terms of paternalism and sexual agency as well.²⁴⁵ The extent of those theory and policy questions are beyond the scope of this harm principle-based test, and for now, it suffices to say that striking the balance between the paternalistic regulation of sexual freedom and ending the masked, but age-old practice of sexual slavery, is essential in order to reveal where the right to free speech should be drawn.²⁴⁶ The right to free speech should not be drawn before actors engage in sex acts that disgust others, or before producers and directors find one more way to shock a numb but thirsty audience.²⁴⁷ The Court should hold that if women want to eat chocolate or feces, let them; and if they want to sell those images, so be it. The line ought to be drawn just before commerce and sexual power disparities incentivize exploitation and commemorate the harm as a work of art or as the object of sexual interest.²⁴⁸

Conclusion

The right to free speech guarantees the right to offend and shock,²⁴⁹ but not the right to depict images in a patently offensive way that lacks any serious artistic value, and solely appeals to prurient interests.²⁵⁰ *Miller’s* distinction between protected speech and unprotected obscenity is untenable and reflects notions about sex and morality that are outdated.²⁵¹ To brighten and update the dividing line between speech that is protected and obscenity, which is not, the Court should employ strict scrutiny when analyzing any content-based restrictions on obscenity. The Court should also create a single-prong test for obscenity that asks whether the person depicted was the victim of sexual slavery or another form of severe duress. This harm principle-based test eliminates governmental paternalism but protects the government’s compelling interest in ending free speech protection where the speech requires physical harm to another person.

Endnotes

1. The Etudes is a series of papers written by the Author that question popular American myths regarding the supposed legal consequences of certain taboos and socially deviant behaviors on gender, families, and the home. See, e.g., Carmen M. Cusack, *Placentophagy and Embryophagy: An Analysis of Social Deviance within Gender, Families, or the Home (Etude 1)*, 1 J. L. & SOC. DEVIANCE 112 (2011); Carmen M. Cusack, *Consensual Insemination: An Analysis of Social Deviance Within Gender, Family, or the Home (Etudes 6)*, 2 J. L. & SOC. DEVIANCE 158 (2011). An étude typically refers to the musical study of a particular technique, which is then transformed into an aesthetically satisfying composition. Étude, Encyclopedia Britannica, (last viewed on Feb. 21, 2012 <http://britannica.com/EBchecked/topic/194671/etude>). The etudes, subtitled “An Analysis of Social Deviance within Gender, Families, or the Home,” tackle the societal presumption that taboo behavior is illegal. Together, these etudes are aesthetically satisfying because they contribute to and defend subculture. The Etudes debunks myths and presumptions about judicial or legislative paternalism, and they assist readers who question the extent of their liberty to be deviant from normative morality or behavior within their gender, families, and homes.
2. U.S. CONST. amend. I. (“Congress shall make no law...abridging the freedom of speech...”) (emphasis added).
3. Chaplinsky v. N.H., 315 U.S. 568, 571 (1942) (“[T]he right of free speech is not absolute at all times and under all circumstances.”); see, e.g., Roth v. United States, 354 U.S. 476, 485 (1957) (holding that “obscenity is not within the area of constitutionally protected speech”).
4. See United States v. Playboy Entm’t Grp., 529 U.S. 803, 813 (2000) (“[C]ontent-based speech restriction[s] must ‘satisf[y] strict scrutiny,’ meaning ‘its content...must be narrowly tailored to promote a compelling Government interest.’”) (citing Sable Commc’ns. of Cal., Inc. v. FCC, 492 U.S. 115, 126 (1989)).
5. Joseph S. Johnston, *A Poisoned Arrow in His Quiver: Why Forbidding an Entire Branch of Government from Communicating with a Reporter Violates the First Amendment*, 36 U. BALT. L. REV. 135, 153 (2006) (noting that the Supreme Court has applied “a lesser standard of scrutiny—not strict scrutiny—to content-based restrictions on speech in nonpublic forums”).
6. Roth, 354 U.S. at 485.
7. See, e.g., 18 U.S.C. §§ 1460–1470 (2006) (criminalizing obscenity without defining either the term “obscene” or “obscenity”). But see 20 U.S.C. § 952 (2006) (defining the term “obscene” as meaning anything that: (1) “the average person, applying contemporary community standards, would find...taken as a whole, appeals to the prurient interest,” (2) “depicts or describes sexual conduct in a patently offensive way,” and (3) “taken as a whole, lacks serious literary, artistic, political, or scientific value,” although defining the term “determined to be obscene,” circularly, as meaning anything “determined, in a final judgment of a court of record and of competent jurisdiction in the United States, to be obscene”).
8. See, e.g., Indictment, United States v. Isaacs, No. 07-00732 (C.D. Cal. July 24, 2007), ECF No. 1. United States v. Isaacs, 2008 WL 4346780 (C.D. Cal. 2008) (No. 2:07-CR-00732), 2007 WL 5238823.
9. Sarah Estrella, *Elena Kagan, Justice Stevens, and Shock Artist Ira Isaacs in SCOTUS Scat Obscenity Mistrial Case?*, EXAMINER.COM (May 25, 2010), <http://examiner.com/sex-relationships-in-national/elena-kagan-justice-stevens-and-shock-artist-ira-isaacs-scotus-scat-obscenity-mistrial-case>.
10. Miller v. California, 413 U.S. 15 (1973).
11. *Id.* at 24 (internal citations omitted).
12. Carmen M. Cusack, Nova Southeastern University, *Feminism and Free Speech: Shock Art, Obscenity, and Sexual Slavery* (Feb. 17, 2012). See J. Mason Kjar, *2 Obscenity Standards, 1 Neat Solution: How Geotargeting Extends Traditional Obscenity Law to the Internet*. 3 J. L. Tech., & the Internet 1, 3-8 (2012).
13. *Id.*
14. “The Court held that if the images did not involve children, and children were not actually harmed by the images, then the prohibition against the images was unnecessary. This legal doctrine is a specialized form of the harm principle.” Carmen M. Cusack, *Busting Patriarchal Booby Traps: Why Feminists Fear Minor Distinctions in Child Porn Cases, an Analysis of Social Deviance within Gender, Family, or the Home (Etudes 4)*, 39 S. U. L. REV. 43, 48 (2012) citing United States v. Williams, 553 U.S. 285 (2008) and Free Speech Coalition, 535 U.S. at 239-241. “Such non-violent videos depicting sickening (but ultimately non-violent) acts may or may not be obscene; it all depends on who defines obscenity. And more recently, obscenity is even harder to define when it is distributed online.” J. Mason Kjar, *2 Obscenity Standards, 1 Neat Solution: How Geotargeting Extends Traditional Obscenity Law to the Internet*. 3 J. L. Tech., & the Internet 1, 3 (2012).
15. See Carmen M. Cusack, *Busting Patriarchal Booby Traps: Why Feminists Fear Minor Distinctions in Child Porn Cases, an Analysis of Social Deviance within Gender, Family, or the Home (Etudes 4)*, 39 S. U. L. REV. 43, 48 (2012).
16. See, Cindy Jenefsky, *Andrea Dworkin’s Reconstruction of Pornography as a Discriminatory Social Practice*, in VIOLENCE AND ITS ALTERNATIVES 133 (Manfred B. Steger ed., 1999).
17. Andrea Dworkin, *Pornography and Grief*, in VIOLENCE AND ITS ALTERNATIVES 129 (Manfred B. Steger ed., 1999).
18. Cusack, *supra* note 15, at 49-52. United States v. Williams, 553 U.S. 285, 310 (2008). Justice Souter, *Dissenting Opinion*, “Dealing in obscenity is penalized without violating the First Amendment, but as a general matter pornography lacks the harm to justify prohibiting it. If, however, a photograph (to take the kind of image in this case) shows an actual minor child as a pornographic subject, its transfer and even its possession may be made criminal. [Internal citations omitted] The exception to the general rule rests not on the content of the picture but on the need to foil the exploitation of child subjects, [Internal citations omitted], and the justification limits the exception: only pornographic photographs of actual children may be prohibited, [Internal citations omitted]. Thus, just six years ago the Court struck down a statute outlawing particular material merely represented to be child pornography, but not necessarily depicting actual children.” *Id.* New York v. Kent, 19 N.Y.3d 290, 302 (2012). Stanley v. Georgia, 394 U.S. 557, 567 (1969). Viewing obscenity in private or child pornography on the Internet is not necessarily the equivalent of dealing. *Id.* United States, Appellant v. Extreme Associates, Inc., 431 F.3d 150, 153 (2005). “[T]he Court noted that in *Stanley v. Georgia*, 394 U.S. 557, 89 S. Ct. 1243, 22 L. Ed. 2d 542 (1969), the Supreme Court recognized the First Amendment right of an individual to possess, read, observe, and receive obscene materials in the privacy of that individual’s home, and that such a right is ‘fundamental’ under the Constitution.” These differences elucidate how splintered the court’s treatment of pornography can be.
19. U.S. CONST. amend. I.
20. *Id.*
21. See Sable Commc’ns. of Cal., Inc. v. FCC, 492 U.S. 115, 126 (1989); Reno v. ACLU, 521 U.S. 844, 876–77 (1997); United States v. Extreme Associates, Inc., 431 F.3d 150 (3d Cir. 2005). “A legitimate state interest...[cannot] justify infringing one’s liberty interest...and certainly cannot rise to the level of a compelling interest, as is required” under strict scrutiny.” *Id.* at 154.
22. *Id.*
23. Roth v. United States, 354 U.S. 476, 485 (1957); Miller v. California, 413 U.S. 15, 34–35 (1973); *Extreme Associates, Inc.*, 431 F.3d 150; Stanley v. Georgia, 394 U.S. 557, 567 (1969).

24. *Roth*, 354 U.S. at 485; *Miller*, 413 U.S. at 34–35.
25. Clay Calvert & Robert D. Richards, *Vulgarians at the Gate: Privacy, Pornography & the End of Obscenity Law as We Know It*, 34 SW. U. L. REV. 427, 446–47 (2005).
26. *Id.*
27. *Miller*, 413 U.S. 15, 35, n. 15. See also *Chaplinsky v. New Hampshire*, 315 U.S. 568, 572 (1942) (categorizing obscenity with “fighting words” and libelous speech, Justice Murphy wrote that expressions of this nature are not an “essential part of any exposition of ideas, and...that any benefit...derived from them is clearly outweighed by the social interest in order and morality”). Note that this analysis was developed in 1942, which was 61 years before *Lawrence* and 31 years before *Miller*. See also, Shannon Creasy, *Defending Against A Charge Of Obscenity In The Internet Age: How Google Searches Can Illuminate Miller’s “Contemporary Community Standards,”* 26 GA. ST. U.L. REV. 1029, 1035 n.52 (2010).
28. See e.g. TX. PENAL CODE ANN. § 43.21 (B)(A)(1)(B)(ii) (2102). VA. CODE ANN. § 18.2-372 (2008). WYO. STAT. ANN. § 6-4-301(a)(iii) (2005).
29. *Stanley v. Georgia*, 394 U.S. 557 (1969).
30. *Id.* This is because the federal obscenity statutes were enacted pursuant to the Commerce Clause.
31. Alan K. Chen, *Statutory Speech Bubbles, First Amendment Overbreadth, and Improper Legislative Purpose*, 38 HARV. C.R.-C.L. L. REV. 31 (2003); *United States v. Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005).
32. *Ashcroft v. Free Speech Coalition*, 535 U.S. 234, 258 (2002); *Miller v. California*, 413 U.S. 15 (1973); *New York v. Ferber*, 458 U.S. 747 (1982); *Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005). *Contra*, *Stanley v. Georgia*, 394 U.S. 557 (1969) (finding a right to privately possess obscenity).
33. *Id.*; see discussion *infra* note 36.
34. *Miller*, 413 U.S. at 24.
35. *Id.*
36. This is a general pattern. Some speech will cause an aberration to this general pattern. For example, child pornography, in some forms, may not satisfy the *Miller* test but will be proscribed because the state has a separate and compelling interest in protecting children and punishing those who harm them. See Chen, *Statutory Speech Bubbles, First Amendment Overbreadth, and Improper Legislative Purpose*; *Miller*, 413 U.S. 15.
37. *Miller*, 413 U.S. 15.
38. *Id.*
39. *Id.* at 18.
40. *Id.*
41. *Id.*
42. *Id.*
43. *Miller*, 413 U.S. 15. See e.g. *United States v. Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005) (using strict scrutiny to protect a defendant from obscenity charges).
44. *Cohen v. California*, 403 U.S. 15, 25 (1971) (“[O]ne man’s vulgarity is another’s lyric.”).
45. *Miller*, 413 U.S. at 24 (citations omitted) (internal quotation marks omitted). See also Michelle Freeman, *First Amendment Protection for the Arts After NEA v. Finley*, 38 BRANDEIS L.J. 405 (2000); Angelique Chrisafis, “Attack on ‘Blasphemous’ Art Work Fires Debate on Role of Religion in France,” THE GUARDIAN (Apr. 18, 2011), <http://www.guardian.co.uk/world/2011/apr/18/andres-serrano-piss-christ-destroyed-christian-protesters>; Andrew Hakken, *Art and the Obscenity Debate: Narrowing the Subsidy Decision Defense*, 39 WAYNE L. REV. 183 (1992); Clay Calvert et al., *Judicial Erosion of Protection for Defendants in Obscenity Prosecutions?: When Courts Say, Literally, Enough Is Enough and when Internet Availability Does Not Mean Acceptance*, 1 HARV. J SPORTS & ENT. L. 7, 14 (2010); Cara L. Newman, *Eyes Wide Open, Minds Wide Shut: Art, Obscenity, and the First Amendment in Contemporary America*, 53 DEPAUL L. REV. 121, 142 (2003) (“New Math: Does Art + Sexual Content = Obscenity?”).
46. *Miller*, 413 U.S. 15 at 19.
47. *Id.*
48. *Id.*
49. *Id.*
50. *Stanley v. Georgia*, 394 U.S. 557 (1969).
51. *Extreme Associates, Inc.*, 431 F.3d 150.
52. *Miller*, 413 U.S. 15 at 19; *Stanley*, 394 U.S. 557; *Extreme Associates, Inc.*, 431 F.3d 150.
53. TX. CODE ANN. § 43.21 (B)(a)(1)(B)(ii) (2003). Va. Code Ann. § 18.2-372 (2008). Wyo. Stat. Ann. § 6-4-301(a)(iii) (2005); *Besig v. United States*, 208 F.2d 142, 145 (1953). “The word ‘obscene’ is not uncommon and is used in English and American speech and writings as the word symbol for indecent, smutty, lewd or salacious reference to parts of the human or animal body or to their functions or to the excrement therefrom.” *Besig v. United States*, 208 F.2d 142, 145 (1953). See 2 Girls 1 Cup Reaction Videos, YouTube, <http://youtube.com> (search for “2 Girls 1 Cup Reaction”).
54. *Lawrence v. Texas*, 539 U.S. 558 (2003).
55. *Id.*
56. Carmen M. Cusack, *Obscene Squirting: If the Government Thinks it’s Urine, Then They’ve Got Another Thing Coming*, TEX. J. WOMEN & L. n.117 (forthcoming 2012); Clay Calvert & Robert D. Richards, *Stopping the Obscenity Madness 50 Years after Roth v. United States*, 9 TEX. REV. ENT. & SPORTS L. 1, 13-14 (2007).
57. Calvert & Richards, *Stopping the Obscenity Madness 50 Years after Roth v. United States*, 9 TEX. REV. ENT. & SPORTS L. 1, 13-14; *Lawrence*, 539 U.S. 558.
58. *Lawrence*, 539 U.S. at 571-572.
59. *Lawrence*, 539 U.S. 558.
60. *United States v. Extreme Associates*, 431 F.3d 150, 154 (2005). *Lawrence v. Texas*, 539 U.S. 558, 123 S. Ct. 2472, 156 L. Ed. 2d 508 (2003).
61. *United States v. Extreme Associates*, 431 F.3d 150, 154 (2005).
62. *Id.*
63. *Id.*
64. *Id.*
65. *Id.* See also Cusack, *supra* note 56.
66. Government’s Proposed Voir Dire Questions at 3, *United States v. Isaacs*, No. 07-00732 (C.D. Cal. Mar. 7, 2008), ECF No. 50 (Scat “is defined as the use of feces during sexual activity.”). *United States v. Isaacs*, No. 0973-2 : 2:07-cr-00732-GHK-1 (9th Cir. 2009). Greg Risling, “Ira Isaacs Guilty: Adult Film Producer Convicted Of Violating Federal Obscenity Laws,” Huffington Post, Apr. 27, 2012 (last viewed on Oct. 9, 2012, http://www.huffingtonpost.com/2012/04/28/ira-isaacs-guilty_n_1460413.html). As of Oct. 9, 2012, there is no updated docket entry on PACER.
67. See *infra* Figure 1.
68. See 2 Girls 1 Cup Reaction Videos, *supra* note 53.
69. Parodies of 2 Girls 1 Cup Reaction Videos, YOUTUBE, <http://youtube.com> (search for “2 Girls 1 Cup Reaction Parody”).
70. *Id.*
71. See 2 Girls 1 Cup Reaction Videos, *supra* note 53; see also *infra* Figure 1.

72. *2 Girls 1 Cup*, MXF MEDIA, <http://2girls1cup.nl/2girls1cup.flv>.
73. *Interest in 2 Girls 1 Cup*, GOOGLE, <http://google.com/insights/search> (search for “2 Girls 1 Cup” and “Freedom of Speech”). Using a search of the term “Free Speech” as a baseline for Google search activity at the time. “The numbers on the graph reflect how many searches have been done for a particular term, relative to the total number of searches done on Google over time. They do not represent absolute search volume numbers, because the data is normalized and presented on a scale from 0-100.” *What do the numbers on the graph mean?*, GOOGLE, <http://support.google.com/insights/bin/answer.py?hl=en-US&answer=87285>. Shannon Creasy, *Defending Against a Charge of Obscenity in the Internet Age: How Google Searches Can Illuminate Miller’s “Contemporary Community Standards,”* 26 Ga. St. U.L. Rev. 1029, 1055 (2010) (Google data “tools can evaluate information in the aggregate for cities, states, or nations, the information can be assessed for virtually any community the court chooses. From an evidentiary perspective, those tools can easily meet the requirements for admissibility in obscenity cases.”).
74. HUNGRY BITCHES (MFX Video 2007).
75. See *supra* Figure 1.
76. Calvert & Richards, *Vulgarians at the Gate: Privacy, Pornography & the End of Obscenity Law as We Know It*, at 446–47 (arguing for the protection of material that depicts extreme violence, rape, and murder so long as it remains within the confines of one’s home). Significantly, Judge Lancaster spent considerable time and space in the factual findings and stipulations portion of his opinion exploring the workings of the Internet and, specifically, how Extreme Associates used that forum to conduct its business. Particularly noteworthy was the precisely detailed procedure that customers needed to follow in order to access the material [which depicted rape, grave violence, and torture, that] Extreme Associates made available to its members. As Judge Lancaster spelled it out:
- To become a member of the Extreme Associate’s website, an individual must have completed an on-line registration form which includes the following: 1) name; 2) address; and 3) credit card information. Once the form was completed, the potential member clicked the “submit” button. If Extreme Associates accepted the applicant as a member, it then provided a user name and password to the new member and billed his credit card every three months.
- The court went on to provide even more details about specific types of materials available to members. This discussion is important in several respects. First, it illustrates how sophisticated the Internet has become in terms of its use as a commercial enterprise—and perhaps more to the point, how accepting the federal courts have become with this commercial viability. Second, it demonstrates how difficult it would be for a minor to access this material—arguably a prime motivation when adult materials are at issue. Finally, the layers of procedures guarding entry into the website serve as sufficient evidence that an adult could not simply stumble unwittingly upon the site. Indeed, to obtain entry into the “members only” section, a person must deliberately secure access through a paid subscription. *Id.* (citations omitted). See also *United States v. Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005).
77. See *Parodies*, *supra* note 69.
78. See *2 Girls 1 Cup*, *supra* note 72.
79. See *Interest in 2 Girls 1 Cup*, *supra* note 73; *Reaction Videos*, *supra* note 53; *Parodies*, *supra* note 69.
80. Affidavit at 43–47, *United States v. Croce*, No. 06-00182 (M.D. Fla. Aug. 27, 2007), EFC No. 98 (submitting statement of Marco Fiorito, one of the film’s producers, to the court); Criminal Complaint at 3–15, *United States v. Croce*, No. 06-00182 (M.D. Fla. Sep. 5, 2006), ECF No. 1 (charging Danilo Simoes Croce, a publisher of videos depicting actors who defecated, ingested, and vomited feces while nude and engaged in sexual acts, with distributing obscenity).
81. Judgment in a Criminal Case, *United States v. Croce*, No. 06-00182 (M.D. Fla. Aug. 29, 2007), ECF No. 107.
82. 18 U.S.C. §§ 1460–1470 (2006).
83. *Id.*
84. The federal obscenity statutes reach the Internet even though they do not explicitly mention it. See *United States v. Thomas*, 74 F.3d 701 (6th Cir. 1996). See also § 1460 (criminalizing the possession of obscene material with the intent to distribute); § 1461 (criminalizing the mailing of obscene or crime-inciting material); § 1462 (criminalizing the importation or transportation of obscene material); § 1463 (criminalizing the mailing of indecent material on wrappers or envelopes); § 1464 (criminalizing the broadcast of obscene language); § 1465 (criminalizing the production and transportation of obscene matters for sale or distribution); § 1466 (criminalizing the business of selling or transferring obscene matter); § 1466A (criminalizing the possession, creation, and distribution of obscene visual representations of the sexual abuse of children); § 1467 (providing for the forfeiture of obscene property); § 1468 (criminalizing the distribution of obscene material by cable or subscription television); § 1469 (establishing the presumption of interstate commerce); § 1470 (criminalizing the transfer of obscene material to minors).
85. U.S. Const. art. I, § 8, cl. 3. The material would likely have been considered obscene in a number of states. For example, the Commonwealth of Virginia defines obscene as follows:
- The word “obscene” where it appears in this article shall mean that which, considered as a whole, has as its dominant theme or purpose an appeal to the prurient interest in sex, that is, a shameful or morbid interest in nudity, sexual conduct, sexual excitement, excretory functions or products thereof or sadomasochistic abuse, and which goes substantially beyond customary limits of candor in description or representation of such matters and which, taken as a whole, does not have serious literary, artistic, political or scientific value.
- VA. CODE ANN. § 18.2-372 (2008). Likewise, the State of Wyoming defines obscene as any “material which the average person would find...[a]pplying contemporary community standards, taken as a whole, appeals to the prurient interest...depicts or describes sexual conduct in a patently offensive way,” and “lacks serious literary, artistic, political or scientific value.” WYO. STAT. ANN. § 6-4-301(a)(iii) (2005). In this context, sexual conduct means “[p]atently offensive representations or descriptions of ultimate sexual acts, normal or perverted, actual or simulated,” which would include “[s]ado-masochistic abuse” and “representations or descriptions of masturbation, excretory functions or lewd exhibitions of the genitals.” *Id.* § 6-4-301(a)(v). As can be seen from these examples, state definitions may actually include excrement within the definition of prurient. This inclusion reflects a targeted effort to correlate the word prurient, from the *Miller* test, with scatological fetishes. Even though scatological fetishes may not intrinsically exist in state definitions, the inclusive definitions employed can surely be liberally construed to this effect.
86. See sources cited *supra* note 84 and accompanying text.
87. *Id.*
88. *Id.*
89. *Brockett v. Spokane Arcades, Inc.* 472 U.S. 491, 499-501 (1985).
90. *Miller*, 413 U.S. 15.
91. *Id.*
92. Juries, for example, are selected from the community at-large. 28 U.S.C. § 1861 (2006) (“[A]ll litigants in Federal courts [are] entitled to...juries selected at random from a fair cross section

- of the community in the district or division wherein the court convenes"). They represent a cross-section of a local community and operate, many times, by using the reasonable person standard. See Martha Minow, *Not Only for Myself: Identity, Politics, and Law*, 75 OR. L. REV. 647, 691 (1996).
93. J. Mason Kjar, *How Geotargeting Will Change Online Obscenity Jurisprudence*, ARIZ. ST. L.J., May 16, 2011, <http://asulawjournal.lawnews-asu.org/?p=242>. See also Shannon Creasy, *Defending Against A Charge Of Obscenity In The Internet Age: How Google Searches Can Illuminate Miller's "Contemporary Community Standards"*, 26 Ga. St. U.L. Rev. 1029, 1043-1044 (2010). "According to Google Trends, Pompano Beach, Florida ranked in the top five cities whose residents routinely search "salacious" topics." *Id.* at 1056.
 94. *Speech: Obscenity*, INTERNET L. TREATISE, http://ilt.eff.org/index.php/Speech:_Obscenity (last modified Mar. 10, 2010) ("[T]he 'community standards' criterion as applied to...a nationwide audience will be judged by the standards of the community most likely to be offended by the message.") (citing *Reno v. ACLU*, 521 U.S. 844, 877-78 (1997)); see also *Ashcroft v. ACLU*, 535 U.S. 564, 587 (2002) (O'Connor, J., concurring) ("[A]doption of a national standard is necessary in my view for any reasonable regulation of Internet obscenity"); *Ashcroft*, 535 U.S. at 589 (Breyer, J., concurring) ("I believe that Congress intended the statutory word 'community' to refer to the Nation's adult community taken as a whole, not to geographically separate local areas.").

In *Nitke v. Ashcroft*, 413 F. Supp. 2d 262 (S.D.N.Y. 2005), Barbara Nitke, a New York photographer who works with erotic subject matter, challenged the constitutionality of being hauled into court in the least tolerant jurisdiction, arguing that this could chill protected speech throughout the Internet. *Id.* at 264, 266-67. The district court ruled that the plaintiffs had not provided sufficient evidence of harm to maintain a facial challenge to the criminal provisions, but left open the possibility of a case-by-case analysis. *Id.* at 272-73.

In *United States v. Kilbride*, 584 F.3d 1240 (9th Cir. 2009), the defendants argued that because they "cannot control which geographic community their works will enter," a geographic community standard for Internet works "unavoidably subjects such works to the standards of the least tolerant community in the country." *Id.* at 1250. The Ninth Circuit agreed, holding that "a national community standard must be applied in regulating obscene speech on the Internet, including obscenity disseminated via email." *Id.* at 1254. "To 'avoid the need to examine the serious First Amendment problem that would otherwise exist,' we construe obscenity" under the federal criminal obscenity statutes "by reference to a national community standard when disseminated via the Internet." *Id.* (citing 18 U.S.C. §§ 1462, 1465 (2006)). Nevertheless, the court found it to be harmless error, and the conviction was upheld. *Id.* at 1250, 1262. However, in *United States v. Little*, 365 F. App'x 159 (11th Cir. 2010), the Eleventh Circuit "declin[ed] to follow the reasoning of *Kilbride*," and held that the district court did not err in using a local community standard." *Id.* at 164 (citing *Kilbride*, 584 F.3d at 1252-54).
 - 95. HUNGRY BITCHES, *supra* note 74.
 - 96. *Miller v. California*, 413 U.S. 15, 18 (1973). HUNGRY BITCHES, *supra* note 74.
 - 97. HUNGRY BITCHES, *supra* note 74. *Lawrence v. Texas*, 539 U.S. 558 (2003); *United States v. Extreme Associates*, 431 F.3d 150, 154 (2005).
 - 98. HUNGRY BITCHES, *supra* note 74. *Lawrence v. Texas*, 539 U.S. 558 (2003); *United States v. Extreme Associates*, 431 F.3d 150, 154 (2005).
 - 99. *Miller v. California*, 413 U.S. 15 (1973).
 - 100. Calvert & Richards, *Vulgarians at the Gate: Privacy, Pornography & the End of Obscenity Law as We Know It*, at 446-47.
 - 101. *Id.*
 - 102. *Fetish*, DICTIONARY.COM, <http://dictionary.reference.com/browse/fetish> (A fetish refers to "any object or nongenital part of the body that causes a habitual erotic response or fixation.").
 - 103. Calvert & Richards, *Vulgarians at the Gate: Privacy, Pornography & the End of Obscenity Law as We Know It*, at 446-47.
 - 104. Freeman, *supra* note 45; Hakken, *supra* note 45; Angeliqne Chrisafis, *Attack on 'Blasphemous' Art Work Fires Debate on Role of Religion in France*, THE GUARDIAN (Apr. 18, 2011), <http://www.guardian.co.uk/world/2011/apr/18/andres-serrano-piss-christ-destroyed-christian-protesters>;

According to Bayles, the difference between the beginnings of Modernism and current "shocking" art is that, whereas the former was truly revolutionary, today's shock art has no one left to shock, except through obscenity. That is, although the middle class might not want to pay for Karen Finley to have the opportunity to paint her bosom with candy, her opportunity to do so on her own, and call it art no less, is unquestioned by society. In other words, the only shock to the middle class in such "shock art" is having to foot the bill for it. Therefore, Bayles argues, these recycled clichés of early modern art do not shock in any positive sense; they do not challenge society's values. Instead, for Bayles, they merely depict or represent the obscene. But, Bayles does not argue that such work is obscene by the standards of the *Miller* test....

Neil C. Patten, *The Politics of Art and the Irony of Politics: How the Supreme Court, Congress, the NEA, and Karen Finley Misunderstand Art and Law in National Endowment for the Arts v. Finley*, 37 Hous. L. Rev. 559, 595-96 (2000); see *Miller*, 413 U.S. 15.
 - 105. *Miller*, 413 U.S. 15.
 - 106. We also made a conscious choice that some people have suddenly criticized. There's something called a *Michigan* instruction, which says that if the content is designed for a specific deviant group, you have to judge it by the average member of that deviant group. When dealing with a deviant group, I really feel it is crucial for the government put on an expert unless your expert fills it. So we made sure that our expert only talked about a deviant group—those that would be into urine, degradation and that sort of stuff, but who didn't talk about the average person. He gave them nothing that would give them ammunition to deal with it from the standpoint for an average person.

Robert D. Richards & Clay Calvert, *The 2008 Federal Obscenity Conviction of Paul Little and What It Reveals About Obscenity Law and Prosecutions*, 11 VAND. J. ENT. & TECH. L. 543, 565 (2009).
 - 107. Calvert & Richards, *supra* note 25.
 - 108. *Spence v. Washington*, 418 U.S. 405 (1974); Edward P. Richards, III & Katharine C. Rathbun, *The Role of the Police Power in 21st Century Public Health*, 26 SEXUALLY TRANSMITTED DISEASES 350 (1999).
 - 109. *Miller*, 413 U.S. 15. *Spence*, 418 U.S. 405; Richards & Rathbun, *supra* note 108.
 - 110. "The policy of punishing consenting adults for private acts was not much discussed in the early legal literature." *Lawrence*, 539 U.S. 558, 570. See also, *id.* at 572.
 - 111. See generally Calvert & Richards, *supra* note 25.
 - 112. *Id.*
 - 113. *Spence*, 418 U.S. 405.
 - 114. *Id.*
 - 115. *Id.*; *Miller v. California*, 413 U.S. 15 (1973).
 - 116. *Miller*, 413 U.S. 15.

117. *Id.*
118. *Id.*; Calvert & Richards, *supra* note 25.
119. *Miller*, 413 U.S. 15; Calvert & Richards, *supra* note 25.
120. *Lawrence v. Texas*, 539 U.S. 558 (2003).
121. *Miller*, 413 U.S. 15. The company with which Mr. Croce was affiliated, MFX Media, is perhaps best known for contributing to society the 2007 phenomenon “2 Girls, 1 Cup,” which worked its way into popular culture, and was itself a trailer for the longer work *Hungry Bitches*. The video leaked to the Internet “features two women conducting themselves in fetishistic intimate relations, including defecating into a cup, taking turns ostensibly consuming the excrement, and vomiting it into each other’s mouths.”
- William T. Goldberg, *Two Nations, One Web: Comparative Legal Approaches to Pornographic Obscenity by the United States and the United Kingdom*, 90 B.U. L. Rev. 2121, 2130 n.53 (2010) (citing *2 Girls 1 Cup*, WIKIPEDIA, http://en.wikipedia.org/wiki/2_girls_1_cup (last modified Jan. 25, 2012)). The title of Goldberg’s note clearly references the “2 Girls 1 Cup” video.
122. *Miller*, 413 U.S. 15; Newman, *supra* note 45, at 139.
123. *Miller*, 413 U.S. 15.
124. *Id.*
125. Freeman, *supra* note 45; Hakken, *supra* note 45.
126. Freeman, *supra* note 45; Hakken, *supra* note 45; *The Auteur*, IMDB, <http://imdb.com/title/tt0906319>.
127. *Andy Warhol*, IMDB, <http://imdb.com/name/nm0912238>.
128. *Charlie Chaplin*, IMDB, <http://imdb.com/name/nm0000122>.
129. See generally sources cited *supra* notes 44, 73 and accompanying text.
130. See generally sources cited *supra* notes 44, 73 and accompanying text. Shock art has always been popular within the artistic community. See e.g. Andres Serrano, <http://www.andresserrano.org>. Fiorito’s film simultaneously reached an international audience in the privacy of their homes.
131. Government’s Proposed Voir Dire Questions, *supra* note 66, at 3. (“[S]cat,’ is defined as the use of feces during sexual activity.”).
132. Freeman, *supra* note 45; Hakken, *supra* note 45.
133. *Rock of Ages*, BROADWAY.COM, <http://broadway.com/shows/rock-of-ages/story>.
134. Calvert et al., *supra* note 45, at 14; *Miller v. California*, 413 U.S. 15 (1973).
135. Newman, *supra* note 45, at 142 (“New Math: Does Art + Sexual Content = Obscenity?”).
136. *Id.*
137. *United States v. Isaacs*, No. 0973-2 : 2:07-cr-00732-GHK-1 (9th Cir. 2009). Greg Risling, “Ira Isaacs Guilty: Adult Film Producer Convicted Of Violating Federal Obscenity Laws,” *Huffington Post*, Apr. 27, 2012 (last viewed on Oct. 9, 2012, http://www.huffingtonpost.com/2012/04/28/ira-isaacs-guilty_n_1460413.html). As of Oct. 9, 2012, there is no updated docket entry on PACER.
138. *USA vs. Ira Isaacs Video Images: Criminally Obscene or Art?*, CELEBRITY JUSTICE, http://www.uslaw.com/pop/ira_isaacs_scat_videos/.
139. *Id.*
140. *Id.*
141. *Id.*
142. Greg Risling, “Ira Isaacs Guilty: Adult Film Producer Convicted Of Violating Federal Obscenity Laws,” *Huffington Post*, Apr. 27, 2012 (last viewed on Oct. 9, 2012, http://www.huffingtonpost.com/2012/04/28/ira-isaacs-guilty_n_1460413.html).
143. *United States v. Isaacs*, No. CR 07-732-GHK, 2008 U.S. Dist. LEXIS 81149 (C.D. Cal. Sept. 19, 2008), *aff’d*, 359 Fed. Appx. 875 (9th Cir. 2009), *cert. denied*, 130 S. Ct. 3519 (2010).
144. Scott Macaulay, *The Trial of Josef K*, FILMMAKER MAG. (May 7, 2008), <http://filmmakermagazine.com/news/2008/05/the-trial-of-josef-k> (citing interview by Susannah Breslin with Ira Isaacs (May 7, 2009)); Susannah Breslin, *The 2 Girls 1 Cup Defense*, REVERSE COWGIRL (Apr. 14, 2008, 8:03 AM), <http://reversecowgirlblog.blogspot.com/2008/04/2-girls-1-cup-defense.html>).
145. *Id.*
146. *In re Complaint of Judicial Misconduct*, 575 F.3d 279 (3rd Cir. 2009); see 28 U.S.C. § 351 (2006).
147. David Lat, *Chief Judge Kozinski Cleared of Misconduct by Judicial Panel*, ABOVE THE LAW (Jul. 2, 2009, 9:10 AM), <http://abovethelaw.com/2009/07/chief-judge-kozinski-cleared-of-misconduct-by-judicial-panel>.
148. *Id.*; see also Calvert & Richards, *supra* note 25, at 446–47; *Fetish*, *supra* note 102.
149. See generally Calvert & Richards, *supra* note 25.
150. *Miller v. California*, 413 U.S. 15 (1973); Pamela Weinstock, *The National Endowment for the Arts Funding Controversy and the Miller Test: A Plea for the Reunification of Art and Society*, 72 B.U. L. REV. 803 (1992).
151. *Id.*
152. *Id.*
153. *Id.*
154. *Id.*; Shannon Creasy, *Defending Against A Charge Of Obscenity In The Internet Age: How Google Searches Can Illuminate Miller’s “Contemporary Community Standards,”* 26 Ga. St. U.L. Rev. 1029, 1032 (2010) (“While the Court clearly stated that “sex and obscenity are not synonymous” and that only “hard core” sexual conduct specifically defined by state statute is prosecutable, identifying the line between legal pornography and illegal obscenity has proven to be extremely difficult.”).
155. *Miller*, 413 U.S. 15; Weinstock, *supra* note 150.
156. *Id.*
157. *Id.*
158. *Id.*
159. *United States v. Siegel*, 477 F.3d 87 (3d Cir. 2007); *Spence v. Washington*, 418 U.S. 405 (1974); Hakken, *supra* note 45.
160. *Siegel*, 477 F.3d 87; *Spence*, 418 U.S. 405; Hakken, *supra* note 45; *United States v. Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005).
161. Compare, *Spence*, 418 U.S. 405 (strict scrutiny of First Amendment violation public speech) with *Extreme Associates*, 431 F.3d 150 (strict scrutiny of First Amendment violation that discusses *Miller’s* relevance to private speech). *United States v. Stagliano*, 693 F. Supp. 2d 25 (D.D.C. 2010).
162. U.S. Const. art. IV, cl. 2. *Siegel*, 477 F.3d 87; *Spence*, 418 U.S. 405; Hakken, *supra* note 45.
163. *Siegel*, 477 F.3d 87; *Spence*, 418 U.S. 405; Hakken, *supra* note 45; Creasy, *supra* note 154 at 1039 (“[T]he *Miller* test has been widely criticized as unconstitutionally vague and overbroad.”).
164. This is so because the *Miller* test seems to be so problematic for regulating the gamut of pornographic images that are available to a privately situated viewer of online pornography. *Siegel*, 477 F.3d 87; *Spence*, 418 U.S. 405; Hakken, *supra* note 45; Creasy, *supra* note 154 at 1055; *Extreme Associates, Inc.*, 431 F.3d 150.
165. *Siegel*, 477 F.3d 87; *Spence*, 418 U.S. 405; Hakken, *supra* note 45.
166. *Austin v. Mich. Chamber of Commerce*, 494 U.S. 652, 655 (1990); *Boos v. Barry*, 485 U.S. 312, 334 (1988); *Burson v. Freeman*, 504

- U.S. 191, 198 (1992); *Bd. of Airport Comm'rs v. Jews for Jesus, Inc.*, 482 U.S. 569, 573 (1987); *Cornelius v. NAACP Legal Def. & Educ. Fund, Inc.*, 473 U.S. 788, 800 (1985); *Roberts v. U.S. Jaycees*, 468 U.S. 609, 623 (1984) (finding a compelling interest in defeating sex discrimination); *Bob Jones Univ. v. United States*, 461 U.S. 574, 604 (1983) (finding a compelling interest in defeating racial discrimination). *See also* Eugene Volokh, *Freedom of Speech, Permissible Tailoring and Transcending Strict Scrutiny*, 144 U. PA. L. REV. 2417, 2417 n.1, 2419 n.9, 2421 n.21 (1997). *See* Creasy, *supra* note 154 at 1021, n. 45, 1030 n.7, 1035, n. 47, 1045 n. 52 (2010).
167. *Spence*, 418 U.S. 405; Cusack, *supra* note 56 at n. 117; Clay Calvert & Robert D. Richards, *Stopping the Obscenity Madness 50 Years after Roth v. United States*, 9 TEX. REV. ENT. & SPORTS L. 1, 13-14 (2007).
168. *Lawrence v. Texas*, 539 U.S. 558 (2003); Jeffrey G. Sherman, *Love Speech: The Social Utility of Pornography*, 47 STAN. L. REV. 661 (1995).
169. *Miller v. California*, 413 U.S. 15 (1973); *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121.
170. *Id.* *See also* *Stanley v. Georgia*, 394 U.S. 557 (1969); *United States v. Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005).
171. *Miller*, 413 U.S. 15; *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121.
172. *Id.* *See also* *Stanley*, 394 U.S. 557; *Extreme Associates, Inc.*, 431 F.3d 150.
173. *Miller*, 413 U.S. 15; *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121.
174. *Id.*
175. *Id.*
176. *Id.*
177. *Stanley*, 394 U.S. 557.
178. *Miller*, 413 U.S. 15; *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121; Carmen M. Cusack, *Busting Patriarchal Booby Traps: Why Feminists Fear Minor Distinctions in Child Porn Cases, an Analysis of Social Deviance within Gender, Family, or the Home (Etudes 4)*, 39 S. U. L. REV. 43 (2012). "Elaine Wang, *Equal Protection in the World of Art and Obscenity: The Art Photographer's Latent Struggle with Obscenity Standards in Contemporary America*, VAND J. ENT & TECH. L 113 (2006); Pamela Weinstock, *Note: The National Endowment for the Arts Funding Controversy and the Miller Test: A Plea for the Reunification of Art and Society*, 72 B.U.L. REV. 803 (1992); Amy Adler, *Post-Modern Art and the Death of Obscenity Law*, 99 YALE L. J. 6 (1990); Gerard V. Bradle, "The Moral Bases for Legal Regulation of Pornography," http://www.socialcostsofpornography.org/Bradley_Moral_Bases_for_Legal_Regulation.pdf.
179. WIS. DEP'T OF HEALTH SERVS., EXCLUSION GUIDELINES FOR ILL CHILDREN IN CHILD CARE 1 (2002), http://dpi.state.wi.us/ccic/pdf/exclusion_gds.pdf (listing diseases spread through feces).
180. *Id.*
181. Richards & Rathbun, *supra* note 108.
182. *Porn Performer Found HIV-Positive, LA-Area Porn Industry Shuttters Shoots to Investigate*, ASSOCIATED PRESS, Aug. 30, 2011, available at Factiva, Doc. No. APRS000020110830e78u0003c. This headline not only shows that some actors are HIV positive but also implies that the porn industry does not shut down if actors have other less serious types of STDs. *Id.*
183. *Miller*, 413 U.S. 15; *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121.
184. These facts helped to form the basis for the legal analysis targeting the government's argument that protecting minors and unwitting adults amounts to a compelling interest. In essence, what Justice Kennedy did to undercut the argument that public morality can no longer be a legitimate interest, Judge Lancaster has done to the protection of minors and unwitting adults arguments, at least in the narrow circumstances where secured, credit-card entry is required for access to the Internet. And if this line of reasoning stands on appeal, the impact on the adult entertainment industry will be substantial.
- In short, if Internet adult entertainment providers take reasonable steps to provide secure access, which commercial purveyors typically do anyway to collect a fee for their services, then the government would be foreclosed from its primary—and heretofore most successful—compelling interest arguments. As newer technology becomes available, secure access and credit-card verification undoubtedly will become even more reliable, obviating any arguments that minors could sidestep procedures and gain entry. Consequently, the result will be a free trade in adult commerce, all the while protecting individuals who wish to enjoy the services of these businesses in the privacy of their own home.
- Calvert & Richards, *supra* note 25, at 447–48.
185. *Bowen v. Roy*, 476 U.S. 693, 728 (1986) (O'Connor, J., dissenting) ("Only an especially important governmental interest pursued by narrowly tailored means can justify exacting a sacrifice of First Amendment freedoms as the price for an equal share of the rights, benefits, and privileges enjoyed by other citizens.").
186. *See generally* Calvert & Richards, *supra* note 25.
187. *Miller*, 413 U.S. 15; *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121.
188. Edward de Grazia, *Freeing Literary and Artistic Expression During the Sixties: The Role of Justice William J. Brennan, Jr.*, 13 CARDOZO L. REV. 103, 164. N. 258 (1991).
189. *Lawrence*, 539 U.S. at 578 (holding that there can be "no legitimate state interest" to "justify...intrusion into the personal and private life of [an] individual").
190. *Miller*, 413 U.S. 15; *Lawrence*, 539 U.S. 558; Calvert & Richards, *supra* note 25; Goldberg, *supra* note 121.
191. *Id.*
192. 18 U.S.C. §§ 1460–1470 (2006).
193. Richards & Rathbun, *supra* note 108.
194. *See* SPREADING SANTORUM, <http://spreadingsantorum.com>. Due to a comment U.S. Senator Rick Santorum made, a neologism for "Santorum" was created to mean "the frothy mixture of lube and fecal matter that is sometimes the by-product of anal sex." *Santorum*, SPREADING SANTORUM, <http://spreadingsantorum.com>; *see* Campaign for "Santorum" Neologism, WIKIPEDIA, http://en.wikipedia.org/wiki/campaign_for_santorum_neologism (last modified Jan. 27, 2012). The argument is that if Santorum is sometimes the by-product of anal sodomy, and anal sodomy cannot be banned, then under *Lawrence* and *Stanley*, privately creating, possessing, or appreciating depictions of Santorum, or any other fecalphelic materials, cannot be banned. The only question that remains is the question addressed by *Extreme Associates*, what is private? *Santorum*, Santorum, <http://santorum.com>. *Lawrence*, 539 U.S. at 578; *United States v. Extreme Associates, Inc.*, 431 F.3d 150 (3d Cir. 2005); *Stanley v. Georgia*, 394 U.S. 557 (1969).
195. *Lawrence*, 539 U.S. at 578. Scalia analogizes the permissibility of sodomy with the permissibility of prostitution. Prostitution is a public crime, not a private crime. In Scalia's view, the holding in *Lawrence* reaches into the public realm of sex. *Compare* RCW § 9A.88.010 and § 9A.88.030 with § 9.68.015.
196. *Lawrence*, 539 U.S. 558, 582.
197. *Id.*
198. 18 U.S.C. §§ 1460–1470 (2006).
199. *Id.*
200. *Spence*, 418 U.S. 405; *Lawrence*, 539 U.S. 558.

201. *United States v. Extreme Associates, Inc.*, 431 F.3d 150, 154, 160 (2005).
202. *Id.*
203. *See, e.g.*, ARK. CODE ANN. § 5-14-122 (2006) (classifying bestiality as a misdemeanor); DEL. CODE ANN. tit. 11, § 775 (2007) (classifying bestiality as a felony).
204. *See, e.g.*, OR. REV. STAT. § 167.062 (2009) (criminalizing sadomasochistic abuse or sexual conduct in live shows). Snuff films are films that supposedly depict the murder of a woman in correlation to a sexual act. Susan W. Brenner, *Complicit Publication: When Should the Dissemination of Ideas and Data Be Criminalized?*, 13 ALB. L.J. SCI. & TECH. 273, 366 n.459 (2003) (noting that a snuff film is one that “records someone’s being killed”).
205. *See, e.g.*, D.C. CODE § 22-3531 (2008) (criminalizing voyeurism).
206. *See e.g.* Jenny Keatinge & Richard Myers, 17 *Animal L.* 415, 417-418 (2011).
207. Barak Y. Orbach and Allison S. Woolston, *Censoring Crimes*, 29 *Cardozo Arts & Ent LJ* 251, 254 (2011).
208. *Id.*
209. Although the sexual content of Extreme Associates’ videotapes and its website may be highly offensive and revolting to many people—the company “sells films of women being gang-raped, defecated on and having their throats slit”—what should come as no shock...is a January 2005 decision by a federal district court protecting that material. The bold decision holds that “the federal obscenity statutes burden an individual’s fundamental right to possess, read, observe, and think about what he chooses in the privacy of his own home by completely banning the distribution of obscene materials.” It was immediately dubbed “a landmark case about what Americans can watch in the privacy of their own homes.”
- Quickly lambasted as the height of judicial activism run amok by several U.S. Senators in a newspaper commentary, the decision in *United States v. Extreme Associates* already has been cited as precedent, albeit unsuccessfully, by other defendants facing federal obscenity prosecutions in different districts....
- ... Why? Because U.S. District Court Judge Gary L. Lancaster held that the federal obscenity statutes “place a burden on the exercise of the fundamental rights of liberty, privacy and speech” and that, after the United States Supreme Court’s precedent-overturning decision in *Lawrence v. Texas*, “the government can no longer rely on the advancement of a moral code i.e., preventing consenting adults from entertaining lewd or lascivious thoughts, as a legitimate, let alone a compelling, state interest.” With this reasoning in mind, Judge Lancaster concluded that “the federal obscenity statutes violate the constitutional guarantees of personal liberty and privacy of consenting adults who wish to view defendants’ films in private.” He thus dismissed the indictment against Extreme Associates and its owners, the husband-and-wife team of Robert Zicari and Janet Romano.
- Calvert & Richards, *supra* note 25 at 427–29 (citations omitted). *See generally Lawrence*, 539 U.S. 558.
210. *Lawrence*, 539 U.S. 558.
211. *Id.*
212. *Bowers v. Hardwick*, 478 U.S. 186 (1986) (holding that there is no longstanding tradition in homosexual sex that merits substantive due process rights.).
213. *Id.*
214. *Id.*
215. This is because “[e]very man is likely to think of himself as the happy exemplification of ‘the reasonable man,’” ergo “the standard he adopts in order to fulfill the law’s prescription will resemble himself, or what he thinks he is, or what he thinks he should be, even if he is not. All these shifts and variations of his personal norm will find reflection in the [law].” *Pinkus v. United States*, 436 U.S. 293, 301 (1978) (quoting Simon E. Sobeloff, *Insanity and the Criminal Law: From McNaghten to Durham, and Beyond*, 41 A.B.A.J. 793, 796 (1955)).
216. *See, e.g.*, *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (Stewart, J., concurring) (“I know it when I see it.”).
217. Cusack, *supra* note 12.
218. *United States v. Williams*, 553 U.S. 285 (2008).
219. *Id.* at 305.
220. *Id.*
221. *Id.*
222. This idea is supported by state legislation that forbids the use of excrement to degrade or humiliate another person. *See, e.g.*, WIS. STAT. § 939.22(34) (2009) (defining “Sexual Contact” as including both “the intentional emission of urine or feces...upon any part of the body, clothed or unclothed, of another person” and the “[i]ntentional[] causing [of] another person to ejaculate or emit urine or feces on any part of the actors body, whether clothed or unclothed,” where it is “done for the purpose of sexual humiliation, degradation, arousal, or gratification”).
223. *See* PETER SINGER, *ANIMAL LIBERATION* 7 (1975) (defining “speciesism” as “a prejudice or attitude of bias toward the interests of members of one’s own species and against those of members of other species”).
224. Peter Singer, *Heavy Petting*, *NERVE* (2001), <http://www.utilitarian.net/singer/by/2001——.htm>.
225. Dworkin, *supra* note 17.
226. HUNGRY BITCHES, *supra* note 74.
227. *See*, Jenefsky, *supra* note 16; Dworkin, *supra* note 17.
228. *Id.* *See* Carmen M. Cusack, J.D., Ph.D. student, *How Pornography Hurts Women*, Power Point Presentation at University of Alaska Southeast (Feb. 16, 2012) (citing Shelley Lubben: Youtube.com, http://youtube.com/results?search_query=Shelley+Lubben&aq=Shelley+Lubben&aq=f&aql=&aql=&gs_sm=3&gs_upl=476711476711014804911110101010102110210.11110)).
229. Jenefsky, *supra* note 16.
230. In *Jacobellis v. Ohio*, Chief Justice Earl Warren wisely and correctly stated there is a “right of the Nation and of the States to maintain a decent society.” *Jacobellis v. Ohio*, 378 U.S. 184 (1964) (Warren, J. dissenting).
231. Volokh, *supra* note 166, at 2417 n.106 (supplying the opposite analysis); Patricia G. Barnes, *A Pragmatic Compromise in the Pornography Debate*, 1 *TEMP. POL. & CIV. RTS. L. REV.* 117, 123, 132 (1992) (criticizing Hudnut for supposedly asserting that “the harm that women suffer from pornography, encompassing everything from sex discrimination to battery and rape, is not as compelling as the message of violence against women that is commercially marketed by the pornography industry”); Daniel L. Chen & Susan Yeh, *Does Obscenity Law Corrode Moral Values and Does It Matter? Evidence from 1958–2008* 37 (April 2011) (unpublished manuscript), <http://duke.edu/~dlc28/papers/Obscenity.pdf> (“Liberal obscenity precedents increase arrests for forcible rapes by about 5 arrests (and offenses) per 100,000 residents four years later....”).
232. RESTATEMENT (SECOND) OF CONTRACTS § 7 (1981) (discussing void and voidable contracts).
233. *Id.*
234. The Associated Press, “Kansas Senate Won’t Budge on Criminal-Defamation Law,” *FREEDOM FORUM* (Feb. 19, 2003), <http://www.freedomforum.org/templates/document.asp?documentID=17579>.
235. *Id.* *But see*, Sam Bayard, *First Circuit Upends Accepted Understanding of Truth Defense in Defamation Cases*, *CITIZEN MEDIA PROJECT* (Feb.

17, 2009), <http://www.citmedialaw.org/blog/2009/sam-bayard/first-circuit-upends-accepted-understanding-truth-defense-defamation-cases>.

236. RESTATEMENT (SECOND) OF CONTRACTS § 7 (1981); see *Austin v. Mich. Chamber of Commerce*, 494 U.S. 652, 655 (1990); *Boos v. Barry*, 485 U.S. 312, 334 (1988); *Burson v. Freeman*, 504 U.S. 191, 198 (1992); *Bd. of Airport Comm'rs v. Jews for Jesus, Inc.*, 482 U.S. 569, 573 (1987); *Cornelius v. NAACP Legal Def. & Educ. Fund, Inc.*, 473 U.S. 788, 800 (1985); *Roberts v. U.S. Jaycees*, 468 U.S. 609, 623 (1984) (finding a compelling interest in defeating sex discrimination); *Bob Jones Univ. v. United States*, 461 U.S. 574, 604 (1983) (finding a compelling interest in defeating racial discrimination); see also *Volokh*, *supra* note 166, at 2417 n.1, 2419 n.9, 2421 n.21.
237. *Id.*
238. *Cusack*, *supra* note 12.
239. *Id.*
240. *Id.*
241. *Id.*
242. RESTATEMENT (SECOND) OF CONTRACTS § 7 (1981); see *Austin*, 494 U.S. at 655; *Barry*, 485 U.S. at 334; *Freeman*, 504 U.S. at 198; *Jews for Jesus*, 482 U.S. at 573; *Cornelius*, 473 U.S. at 800; *Roberts*, 468 U.S. at 623; *Bob Jones Univ.*, 461 U.S. at 604; see also *Volokh*, *supra* note 166, at 2417 n.1, 2419 n.9, 2421 n.21 (1997).
243. *Id.*
244. Aya Gruber, *The Feminist War on Crime*, 92 IOWA L. REV. 741 (2007).
245. *Id.*; Carmen M. Cusack, *Beating the System: The Feminist Criminological Critique of Patriarchal Attitudes and Paternalistic Justice, An Analysis of Social Deviance within Gender, Family, or the Home* (Etudes 5) (Oct. 2011) (unpublished paper) (on file with Carmen Cusack, ProfessorCusack@gmail.com).
246. *Id.*; see generally EDWARD DE GRAZIA, *GIRLS LEAN BACK EVERYWHERE: THE LAW OF OBSCENITY AND THE ASSAULT ON GENIUS* (1993), as reprinted in 11 CARDOZO ARTS & ENT L.J. 777 (1993).
247. *Miller v. California*, 413 U.S. 15 (1973); *United States v. Isaacs*, No. CR 07-732-GHK, 2008 U.S. Dist. LEXIS 81149 (C.D. Cal. Sept. 19, 2008), *aff'd*, 359 Fed. Appx. 875 (9th Cir. 2009), *cert. denied*, 130 S. Ct. 3519 (2010); *Calvert & Richards*, *supra* note 25, at 446-47; *Freeman*, *supra* note 45; *Hakken*, *supra* note 45; *Calvert et al.*, *supra* note 45, at 14; *Newman*, *supra* note 45, at 142; *Cohen v. California*, 403 U.S. 15, 25 (1971) (“[O]ne man’s vulgarity is another’s lyric.”).
248. *Weinstock*, *supra* note 150 (“Adler’s third test is reminiscent of *Kois v. Wisconsin* because it looks to the artist’s intent, regardless of the ultimate product.”); see *Miller*, 413 U.S. 15.
249. *Miller*, 413 U.S. at 24 (citations omitted) (internal quotation marks omitted). See Michelle Freeman, *First Amendment Protection for the Arts After NEA v. Finley*, 38 BRANDEIS L.J. 405 (2000); *Hakken*, *supra* note 45; *Calvert et al.*, *supra* note 45; *Newman*, *supra* note 45.
250. *Miller*, 413 U.S. 15.
251. See discussion *supra* Part II and III.

Carmen M. Cusack, J.D. is Criminal Justice Ph.D. student at Nova Southeastern University where she specializes in Behavioral Science. She teaches Sociology of Deviant Behavior for University of Alaska Southeast, Animals in the Criminal Justice System for Nova Southeastern University, and Theory of Child Protection, Investigation, and Advocacy for Nova Southeastern University. She serves as the Editor of the *Journal of Law and Social Deviance*.

Music Licensing for Film and Television in the Digital Age

On June 14, 2012, the Television and Radio, Music and Recording Industry, and Motion Pictures Committees, presented at the New York City offices of Herrick Feinstein a program on Music Licensing for Film and Television in the Digital Age, which examined emerging digital business models and related issues from the creative, business and legal perspectives. The program, which sold out shortly after being announced, was subsequently acknowledged by many of the approximately 80 professionals in attendance as a huge success with excellent presentations and colloquy among the panelists and attendees.



The four program panelists, from left to right: Barry Skidelsky (moderator and co-chair of EASL’s TV and Radio Committee), Jeff Braebec (BMG Chrysalis), Ben Marks (Weil, Gotshal and Manges) and Matthew DeFilippis (ASCAP).

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

**Next EASL Journal
Submission Deadline:
Friday, December 28, 2012**

The Quiz Show Scandal: Real vs. Reel

By David Krell

In 1956, two gladiators captured the nation's heart.

They did not compete to the death, nor did they compete in a boxing ring, on a gridiron, or on a baseball diamond.

They competed in glass booths, guided by a silky smooth referee announcing the rules, guiding the course of play, and emanating charisma.

They were Charles Van Doren and Herbert Stempel.

Van Doren and Stempel competed on NBC's *Twenty One*, a television quiz show in the 1950s. The quiz show format was a staple of 1950s television—everyday people answered arcane questions for massive prizes.

Quiz shows were exciting.

Quiz shows were tense.

Quiz shows were rigged.

The revelations about the scandal broke the nation's heart. Yet the scandal did not begin with Van Doren and Stempel as was portrayed in the 1994 movie *Quiz Show*. Rather, it began with an aspiring actor and comedian in his mid-twenties—Edward Hilgemeier, a standby contestant on CBS' *Dotto*.

On August 16, 1958, Hilgemeier met with Melvin Stein and Joseph Stone of the Manhattan District Attorney's office.

A senior assistant district attorney, Stone ran the Complaint Bureau. CBS had cancelled the daytime version of *Dotto* on the previous day and NBC had cancelled *Twenty One* three days prior.

Stein was a recent Columbia Law School graduate, with the D.A.'s office only a few months; I had fifteen years' experience as a city prosecutor dealing with more kinds of fraud than most people could imagine existed, but I had never heard this one before. But after spending an hour with the complainant, a tall, thin aspiring actor in his mid-twenties named Edward Hilgemeier, I was not

inclined to give much credence to his story: discovering that a contestant on a daytime quiz called "Dotto" was given answers in advance to questions used on the air, he complained to the producers who then paid him \$1,500 in return for his signature on documents that waived any further claim against them.¹

Hilgemeier met with representatives from the D.A.'s office again on August 22, 1958. His argument relied on a notebook that he discovered while waiting as a standby contestant for *Dotto*, a game based on connect-the-dots. Each correct answer created a connection between two dots—when all the dots connected, they formed the face of a famous person.

Before the May 20, 1958 live broadcast, Hilgemeier served as a standby contestant. The two contestants for the broadcast were Marie Winn and Yeffe Kimball Slatin.

As Hilgemeier related it, two "Dotto" staff members, associate producers named Art Henley and Gil Cates, came in to take the two women separately to another room for "warm-up" sessions, during which they went over scripted dialogue to be used in the so-called interview segment or chat before the actual quizzing; material used in the interviews was based on personal background information provided to the producers by the contestants. After returning to the dressing room from her warm-up, Hilgemeier observed, Winn spent some time writing in a notebook, holding it tightly on her knee to keep what she was writing to herself.

Shortly before the broadcast, a dress rehearsal took place before the cameras, and Hilgemeier noted what he called "an undue amount of familiarity" between Winn and the studio personnel. When the broadcast began, he watched from the wings and thought that Winn "had everything on the tip of her tongue." Suspicious, he returned to the dressing

room and found Winn's notebook on a table, where she had left it, and thumbed through it. On one page he saw what he thought could be answers to the questions Winn was being asked on the broadcast, and he tore the page out.²

Stone analyzed the legal implications of the events surrounding Hilgemeier—possible extortion by Hilgemeier and Slatin, larceny if the producers rigged *Dotto* to favor one contestant over another, and bribery if the producers received a kickback from the winner.³

On August 25, 1958, the Manhattan District Attorney's office announced its investigation of *Dotto*. Hilgemeier's identity remained unknown at this point, though press reports revealed his persona and his affidavit to the Federal Communications Commission (F.C.C.).

It has been said in trade circles that the complainant is an actor who occasionally has appeared in off-Broadway stage productions. He was a stand-by contestant for "Dotto" last May but never appeared on the program.

Broadcasting magazine, a trade publication, quoted an F.C.C. source yesterday as acknowledging that a complaint about "Dotto" had been received and that the F.C.C. had asked C.B.S.-TV for an explanation.⁴

Three days later—August 28, 1958—the Manhattan District Attorney's office incorporated NBC's *Twenty One* into the investigation. A former contestant triggered the decision.

Gotham's latest TV spectacular—District Attorney Frank Hogan's investigation of small-screen quiz shows—added a big name yesterday with the disclosure that question-and-answer titan "Twenty-One" was one of the programs being probed.

A spokesman for Hogan's office admitted that "Twenty-One" was brought into the widening inquiry as the result of a complaint from a former contestant, one time "Human Univac" Herbert Stempel [sic].⁵

Stempel won \$49,500 on *Twenty One* until Charles Van Doren dethroned him. Daniel Enright, the co-producer of *Twenty One*, responded to Stempel's allegation immediately. On August 29, 1958, Enright publicized a prior written statement contradicting the allegation.

In a statement signed Mar. 7, 1957, and made public today, Stempel says he never had been given any answers before ap-

pearing on the show. Daniel Enright, co-producer of the show, said Stempel made the written statement after the producers learned Stempel "had been making charges damaging to the integrity of Dan Enright and the '21' program."⁶

Enright produced the show through the company he co-owned with host Jack Barry & Enright Productions. NBC bought the company for \$4.8 million dollars in 1957, giving it ownership of *Twenty One* and five additional programs.⁷ The purchase price reflected NBC's confidence in the potential investment return. "Although \$4,800,000 is a huge sum to pay for a show, N.B.C. calculated that it could get a favorable return on its investment if *Twenty One* remained on the air for another three years, or until the summer of 1960."⁸

Enright amplified his defense against Stempel at a press conference on September 2, 1958 in the Biltmore Hotel. Along with Jack Barry, Enright played a tape recording of a conversation indicating that Stempel attempted to blackmail Enright. The recording documented a meeting in Enright's office on March 1, 1957, when Stempel allegedly demanded \$50,000 or he would tell the newspapers that the producers rigged *Twenty One* by giving contestants the answers and directing him to purposely lose to Charles Van Doren on a specific date.

On the tape recording a voice, presumably Mr. Enright's, was heard to say:

"You came in with a blackmail scheme Friday, and I think to describe it any other way would be avoiding the issue. It was a blackmail scheme. Do you agree?"

The voice purported to be that of Mr. Stempel replied: "Uh [pause] yes."⁹

Enright's defense weakened as further information revealed that Stempel's allegations rested on truth, not fabrication. James E. Snodgrass, a *Twenty One* contestant during April, May, and June 1957, also alleged the fixing of *Twenty One*. However, Snodgrass had more than an allegation—he had written proof. With a grand jury convening to investigate the quiz shows, Hogan's office subpoenaed Snodgrass. The 35-year-old artist told his story to the press on September 26, 1958:

He said that he had given the grand jury three sealed letters that he had sent to himself by registered mail. These letters, he asserted, contained the questions and answers for the second, third and fourth programs in which he participated.

He mailed them, he said, before the shows were televised. The letters are being examined by the police to insure that the seals have not been tampered with.¹⁰

Snodgrass also indicated a mystery person behind the rigging.

Mr. Snodgrass said that an official of Barry & Enright, producers of “Twenty-One,” had approached him after his first appearance on the show and said that there would be a long series of tie matches with his opponent, Hank Bloomgarden, and that he would eventually lose. He did not identify the official.

He emphasized, however, that he had had no dealings with Jack Barry or Dan Enright, or with Mr. Bloomgarden. The latter, who won a total of \$92,500, also testified at the District Attorney’s office yesterday, but he declined public comment. Barry & Enright announced that they had been advised by their attorneys to “release no statements at this time.”¹¹

Snodgrass also indicated that the subpoena ignited his revelation.

Mr. Snodgrass said he would never had brought up the matter had he not been subpoenaed, along with many other former quiz show contestants, by the investigating units.

He said that when he had first been given the answers he had “assumed it was an accepted practice being given answers so I would not fail on the first round.”¹²

The revelations peeled back the layers of illusion regarding the quiz show genre. What was thought to be tests of knowledge soon became known as farcical exercises in acting. The most famous perpetrator was Charles Van Doren, a scion of a literary family, a college professor at Columbia, and the contestant responsible for dethroning Stempel. Vivienne Nearing toppled Van Doren, but not before he won \$129,000, appeared on NBC’s *Today* as a regular contributor, and fascinated the nation with his apparent recall of arcane historical information.

In downtown Manhattan, quiz show contestants became targets of the D.A.’s office, primarily for perjury charges. Ultimately, their involvement in the quiz show scandal led to a dead end regarding penalties.

One by one the defendants came to the end of their legal tethers. The first, Nearing, pleaded guilty on May 8 [1961] and received a suspended sentence. Thirteen more motions to dismiss the informations [sic] were filed on behalf of the remaining defendants, each requiring a rebuttal by us, each occasioning a delay of the final reckoning. In addition to fine points

and variations on the theme of Nearing’s previous motions regarding the legality of the original grand jury investigation and questions of self-incrimination and immunity, there were demands to examine grand jury minutes and a frivolous attempt to invalidate the charges on the basis of the contention that since I lived in Queens I was not legally an assistant district attorney of Manhattan.

Between June and the end of December 1961, Dudley, Horan, Miller, Rosner, and Truppin pleaded guilty and received suspended sentences. As 1962 opened, the cases of thirteen of the original twenty remained to be tried. Finally, on January 17, Van Doren, Von Nardroff, Bloomgarden, and the others pleaded guilty. Judge Breslin, a former chief assistant district attorney in the Bronx who on the bench dealt mostly with street crime, was mellow when he asked for my recommendation in sentencing. I told the judge I had lived with the cases for a long time and was in a position to say how contrite the defendants were. No one involved could see any point in punishing them more than they had already been. Breslin suspended the sentences without imposing probation.¹³

No participants in the quiz show scandals went to prison—the Manhattan District Attorney’s charges concerned perjury, not fraud.

In addition to the Manhattan District Attorney, the House of Representatives Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce investigated the quiz show scandals. Its hearings led to passage of 1960 amendments to the Communications Act of 1934—the amendments outlawed the fixing of television game shows.

During the hearings, Charles Van Doren admitted his culpability. A model for education because of his prominent celebrity sourced in being a *Twenty One* juggernaut, Van Doren fell from grace on November 2, 1959. His prepared statement began with an acknowledgment of his fraud.

I would give almost anything I have to reverse the course of my life in the last 3 years. I cannot take back one word or action; the past does not change for anyone. But at least I can learn from the past.

I have learned a lot in those 3 years, especially in the last 3 weeks. I’ve learned a lot about life. I’ve learned a lot about

myself, and about the responsibilities any man has to his fellow men. I've learned a lot about good and evil. They are not always what they appear to be. I was involved, deeply involved, in a deception. The fact that I, too, was very much deceived cannot keep me from being the principal victim of that deception, because I was its principal symbol.

There may be a kind of justice in that. I don't know. I do know, and I can say it proudly to this committee, that since Friday, October 16, when I finally came to a full understanding of what I had done and of what I must do, I have taken a number of steps toward trying to make up for it.

I have a long way to go. I have deceived my friends, and I had millions of them. Whatever their feeling[s] for me now, my affection for them is stronger today than ever before. I am making this statement because of them. I hope my being here will serve them well and lastingly.¹⁴

Van Doren reigned as the *Twenty One* champion for 14 weeks in the Winter of 1956 and the Spring of 1957. It began on the December 5, 1956 broadcast with beating Herbert Stempel, an ex-G.I. and student at City College of New York. In a 2008 article authored for *The New Yorker*, Van Doren described Stempel's manufactured persona, coached mannerisms, and earned status.

Each week, Stempel had been told what to do: how many points to choose, how to deliver his answers. He was to pat his brow (it was hot in those glass booths) but not rub it, to avoid smearing his makeup. In addition, he was instructed to get a Marines-type "whitewall" haircut, to wear an ill-fitting suit (it had belonged to his deceased father-in-law), and to describe himself as a penurious student at City College. In fact, he was a Marines veteran married to a woman of some means who once appeared on the set wearing a Persian-lamb coat and was quickly spirited away so that she wouldn't blow his cover.

Stempel was also told to wear a six-dollar wristwatch that "ticked away like an alarm clock," as he later testified, and was audible when he stood sweating in the booth, earphones supposedly damping all outside sound. Once, he wore a new suit and had let his hair grow out,

for which he was severely chastised by Enright. As Enright apparently believed, a successful game show needed two distinct personalities, one unsympathetic and unattractive, the other the opposite.¹⁵

Apparently cast as the fair-haired prince, Van Doren complied with the quiz-show paradigm—get the answers in advance of the broadcast. He stood out like a beacon in the darkness because of his appearance, family status, and educational background. His celebrity continued to be synonymous with the 1950s quiz show scandal.

Joseph Stone sought Van Doren's assistance during the research phase for his book *Prime Time and Misdeemeanors*. "Many years later [after the quiz show scandals], Stone wrote to me asking me to help him publish a book about the quiz-show scandal. He said that he'd never meant to hurt me and in fact had tried to protect me. I threw his letter away and never answered it."¹⁶

Van Doren also refused a \$100,000 consulting fee for the 1994 film *Quiz Show*.¹⁷

Quiz Show condenses the events from the perspective of Richard Goodwin, Special Counsel to the Subcommittee on Legislative Oversight. It ignores, however, the initial role of the Manhattan District Attorney. In fact, it creates a fictional relationship between Goodwin and Van Doren bordering on friendship. Actually, Van Doren did not meet Goodwin until August 1959 while *Quiz Show* indicates that they met in 1956 as Goodwin followed a hunch regarding the fixing of quiz shows.

Additionally, *Quiz Show* portrays Van Doren as purposely losing a question to relieve himself of the pressure concurrent with celebrity—attention can be overwhelming, particularly if it is based on a fraud.

The question concerned foreign royalty, correctly depicted in *Quiz Show*. But Van Doren had received instructions to lose to Vivienne Nearing, an attorney. He did not singularly take a dive.

I didn't know what to do nor where to turn and, frankly, I was very much afraid. I told [*Twenty One* producer Al] Freedman of my fears and misgivings, and I asked him several times to release me from the program. At the end of January 1957, when I had appeared 8 or 10 times, I asked him once more to release me, and this time more strongly. He agreed to allow me to stop, but it was some time before it could be arranged. He told me that I had to be defeated in a dramatic manner. A series of ties had to be planned which would give the program the required excitement and suspense. On February 18 I played a tie with Mrs. Vivian

Nearing, and the following week played two more ties with her. Freedman then told me that she was to be my last opponent, and that I would be defeated by her. I thanked him. He told me that I would have to play twice more after February 25. The next program was on March 11. When I arrived at the studio Freedman told me that since there were now only three programs a month, this was not time enough to “build up” another contestant and so I was to lose that very night. I said: “Thank God.” Mrs. Nearing defeated me in the first game played that night. My total winnings after 14 appearances were \$129,000.¹⁸

The revelations regarding the quiz shows—*Twenty One*, *The \$64,000 Question* and *Dotto*, among others, replaced the awe of contestants’ erudition with the shock of contestants’ fraud. After the scandals, Van Doren lost his teaching position at Columbia and his contract with NBC for appearances on *Today*. He later worked for *Encyclopedia Britannica*. Currently, he teaches at the University of Connecticut.

Quiz shows went dormant as prime time fodder but returned to a golden era in the 1970s and 1980s daytime programming blocks.

Additionally, *Twenty One* returned to prime time on NBC in 2000 after ABC’s extraordinarily successful prime time game show—*Who Wants To Be A Millionaire?*

The *Twenty One* envisioned for the 21st century lasted less than a year. Perhaps it would have fared better featuring a rematch of Herbert Stempel and Charles Van Doren.

Endnotes

1. Joseph Stone and Tim Yohn, *Prime Time and Misdemeanors: Investigating the 1950s TV Quiz Scandal—A D.A.’s Account* 13-14 (Rutgers University Press 1992).
2. *Id.* at 16.
3. *Id.* at 19.
4. Val Adams, *Inquiry Is Begun Into ‘Dotto’ Show: District Attorney’s Office Investigating ‘Irregularities’ on TV Quiz Show*, N.Y. Times, Aug. 26, 1958, at 59.
5. Harvey Aronson, *DA Adds ‘Twenty-One’ To TV Quiz-Show Quiz*, Newsday, Aug. 29, 1958, at 5.

6. *Stemple Statement In 1956 Refutes His Quiz Show Charges*, Daily Boston Globe, Aug. 30, 1958, at 1.
7. *‘21’ On TV Tonight Amid Controversy*, N.Y. Times, Sept. 1, 1958, at 27.
8. *Id.*
9. Val Adams, *Record Is Played On TV ‘Blackmail’: ‘21’ Producers Offer Taped Conversations to Support Their Extortion Charge*, N.Y. Times, Sept. 3, 1958, at 67.
10. Richard F. Shepard, *‘Twenty-One’ Quiz Is Accused Again: Second Contestant Says He Got Answers in Advance—Talks to Grand Jury*, N.Y. Times, Sept. 27, 1958, at 42.
11. *Id.*
12. *Id.*
13. Stone and Yohn, *supra* note 1, at 308-309.
14. *Investigation of Television Quiz Shows: Hearing Before the H. Committee on Interstate and Foreign Commerce*, 86th Cong. (1959) (statement of Charles Van Doren), <http://historymatters.gmu.edu/d/6566/>.
15. Charles Van Doren, *All the Answers: The quiz-show scandals – and the aftermath*, The New Yorker, July 28, 2008, available at http://www.newyorker.com/reporting/2008/07/28/080728fa_fact_vandoren.
16. *Id.*
17. *Id.*
18. *Hearing*, *supra* note 14.

David Krell is the author of *Blue Magic: The Brooklyn Dodgers, Ebbets Field, and the Battle for Baseball’s Soul*. Publication in 2013 is expected. David has spoken at the Society for American Baseball Research’s Frederick Ivor-Campbell 19th Century Baseball Conference, National Baseball Hall of Fame’s Annual Cooperstown Symposium on Baseball and American Culture, New York Mets 50th Anniversary Conference, Society for American Baseball Research’s Jerry Malloy Negro Leagues Conference, and the Mid-Atlantic Nostalgia Convention. David is a featured guest on the podcast *Dishing Up the Dodgers* where he talks about the history of the Dodgers baseball team. Additionally, David has written for the Dodgers-themed web site lasordaslair.com, the publishing industry web site publishingperspectives.com, and magazines including *Patriots of the American Revolution*, *Mi Patente*, and *Filmfax*. David is the Co-Editor of the New York State Bar Association’s sports law book *In the Arena*, to be published in 2013. David is a member of the Bars of New York, New Jersey, and Pennsylvania. David’s web site is www.davidkrell.com.

The Entertainment, Arts and Sports Law Section Welcomes New Members

Shauna Aaron
Julie Anne Angell
David B. I. Antler
Michael Antonucci
Julia Catherine Atcherley
Suzanne M. Bagert
Alice Robie Baker
Joseph G. Barile
Neal Alexander Bass
Steven Craig Beer
Henri Stephan Benaim
Peter J. Bernbaum
Alexander Stephenson Birkhold
Rachel Meredith Birnbach
Ruth Ilana Bloom
Joshua A. Bloomgarden
Harold Gerard Brantley
Laura Anne Brooks
Christina Brown
Jessica Rozier Brown
Atty Kathleen Bruggemann
Sarah Jane Bruno
Joanna Stephanie Cazilas
Adam Bradley Chertok
Jeffrey Chery
Jordan Choy
Diarra Clemons
Elizabeth K. Clyne
Crystal L. Cochren
Jestina Danielle Collins
Sean Comerford
Matthew G. Coogan
Daniel Cracco
Nicole Denise Cubides
Alison Cullen
Jessica Margaret Curley
Melissa Daniels
Madalyn Rosa DeThomasis
Jeremy Timothy Dixon
Annmarie Donahue
Helen A. Drew
Amanda Dworetzky
Andrew Eggleton
Jacques Erdos
Twaji Ewool
Aisling Fahy
Emmanuel Fashakin
Rebecca Lisbeth Fine
Israel Fried
Joseph M. Gagliardo
Matthew Giger

Beth Goldman
Carley Ann Groobman
Jamie Melissa Grosz
Michael Gucker
Keith Hammeran
Stephen B. Hanse
John R. Harney
Stacia Harrison
Eleni Hatzis
Jonathan Himmelstein
Isabella A. Hoedl
C.A. Hoey
Diana Hoover
Adam B. Horowitz
Chelsea Horowitz
Nicole Dornbusch Horowitz
Collin R. Hu
Said Ibrahim
Cara Janes
Alan Gustave Johnson
Jennifer Johnson
Kelly M. Johnson
Dinara Kamalova
Hwangi Kim
Emily Lynne Kimmel
Gillian Kirsch
Joshua Seth Kirschner
Kara Krueger
Seung Woo Lee
Cathy Elizabeth Levin
Kerin Patricia Lin
Jennifer Marie Littell
Eduardo Jose Lopez
Matthew Scott Makover
LaKeshia McCloud
Stephanie Kyoko McKinnon
Luca Melchionna
Justin Harry Ryann Mercer
Morten Albert Michelsen
Debra Weinstein Minoff
Angelo Miranda
Kate Taylor Moore
Timothy George Moore
Sarah Moraly
Colin William Morrissey
Sarah Ferguson Mutty
Kana Nakako
Dante A. Nicolello
Martha H. Nimmer
Nicholas Michael O'Donnell
Luca S. Ognibene

David Neal Ollison
Taryn Pahigian
Navin Pal
Caroline Selleck Parker-Beaudrias
Justin Pifer
Joshua C. Polster
Michael J. Poropat
Bianca Eva Prikazsky
Garrett Kent Quillia
Melissa Radin
Irwin Perry Raij
Christopher Garvey Reid
Candace Jeanine Rodney
Brian P. Rohan
Amy Lauren Rosenberg
Agustin Ruiz Miller
Ali Sachedina
Robert Sainvil
Shaun Elizabeth Salmon
Bradley Schloss
George Sciarrino
Ellen M. Seigerman
Alexis H. Shapiro
Jared Lee Sheer
Valentina Shenderovich
Scott Jonathan Sholder
Bradley Silver
Sean Patrick Smith
Angelo Michael Solomita
Darren Stakey
Amy Stein
Bryan McGlynn Sullivan
Jeffrey Joseph Rodrigues Sundram
Tiombe Tallie Carter
Alexander J. Threadgold
Jena Leigh Tiernan
Vivian Wei-chieh Tseng
Rebecca Tweneboah
Benjamin Daniel Van Horn
Annalisa Venezia
Paula Nicole Viola
Jack Louis Waldman
Ettie Ward
Demetrius Antonio Warrick
Joshua Wueller
Alexander Colin Wynn
Tzipora Zelmanowitz
James D. Zerafa
Genan Faye Zilkha

Your key to professional success...

A wealth of practical resources at www.nysba.org

- Downloadable Forms organized into common practice areas
- Free legal research from Loislaw.com
- Comprehensive practice management tools
- Forums/listserves for Sections and Committees
- Ethics Opinions from 1964 – present
- NYSBA Reports – the substantive work of the Association
- Legislative information with timely news feeds
- Online career services for job seekers and employers
- Learn more about the Lawyers Assistance Program at www.nysba.org/lap

The practical tools you need. The resources you demand. Available right now.

Our members deserve nothing less.

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

The screenshot shows the NYSBA website interface. At the top, there is a navigation bar with links: My NYSBA | Login | Join | Renew | Web Survey | FAQ | Online Store | About NYSBA | Contact | Site Map. Below this is the NYSBA logo and the text "NEW YORK STATE BAR ASSOCIATION" and "Serving the legal profession and the community since 1876". The main content area is titled "Entertainment, Arts and Sports Law Journal" and includes a "About this publication" section, a "Reprint Permission" link, and a "Past Issues" section with a list of issues: Summer 2012, Searchable Index (2000-present), Summer 2012 (Vol. 23, No. 2) (PDF), and Spring 2012 (Vol. 23, No. 1) (PDF). A sidebar on the left contains a "JOIN / RENEW" button and a list of links: Home, My NYSBA, Blogs, CLE, Committees, Events, For Attorneys, For the Community, Forums / Listserves, Membership, Practice Management, Publications / Forms, and Sections.

Go to www.nysba.org/EASLJournal to access:

- 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. For questions or log-in help, call (518) 463-3200.

For more information on these and many other resources go to www.nysba.org



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

Judith B. Prowda
Sotheby's Institute of Art
15 West 75th Street
New York, NY 10023
judithprowda@aol.com

Jason Aylesworth
Sendroff & Baruch, LLP
1500 Broadway, Suite 2201
New York, NY 10036
jaylesworth@sendroffbaruch.com

Copyright and Trademark

Jay Kogan
DC Comics
1700 Broadway
New York, NY 10019
jay.kogan@dccomics.com

John Britton Payne
Foley & Lardner LLP
90 Park Avenue
New York, NY 10016-1314
bpayne@foley.com

Digital Media

Jason Aylesworth
Sendroff & Baruch, LLP
1500 Broadway, Suite 2201
New York, NY 10036
jaylesworth@sendroffbaruch.com

Megan Laurel Maxwell
7 Park Avenue
New York, NY 10016
megan.maxwell@gmail.com

Andrew Howard Seiden
Curtis, Mallet-Prevost, Colt & Mosle
LLP
101 Park Avenue, Ste. 3500
New York, NY 10178-0061
aseiden@curtis.com

Diversity

Anne S. Atkinson
Pryor Cashman LLP
7 Times Square
New York, NY 10036-6569
aatkinson@pryorcashman.com

Cheryl L. Davis
Menaker & Herrmann LLP
10 East 40th Street, 43rd Fl.
New York, NY 10016
cdavis@mhjur.com

Ethics

Pery D. Krinsky
Krinsky, PLLC
Woolworth Building
233 Broadway, Ste. 707
New York, NY 10279
pkrinsky@krinskypllc.com

Fashion Law

David H. Faux
Law Office of David H. Faux
255 West 36th Street, Ste. 800
New York, NY 10018
davefaux@dhf-law.net

Lisa Marie Willis
207 Prospect Park SW
Brooklyn, NY 11218-1553
lisamwillis@gmail.com

Fine Arts

Judith B. Prowda
Sotheby's Institute of Art
15 West 75th Street
New York, NY 10023
judithprowda@aol.com

In-House Counsel

Kimberly Ayers Shariff
Lincoln Center for the Performing
Arts, Inc.
70 Lincoln Center Plaza, Front 9
New York, NY 10023
kshariff@lincolncenter.org

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

Lawyers in Transition

Saryn Elyse Leibowitz
Ellenoff Grossman and Schole
150 East 42nd St, 11th Fl.
New York, NY 10017
sarynl@aol.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

Judith B. Bass
Law Offices of Judith B. Bass
1325 Avenue of the Americas, 27th Fl.
New York, NY 10019
jbb@jbbasslaw.com

Kenneth N. Swezey
Cowan, DeBaets, Abrahams
& Sheppard LLP
41 Madison Avenue, 34th Fl.
New York, NY 10010
kswezey@cdas.com

Litigation

Paul V. LiCalsi
Mitchell Silberberg & Knupp LLP
12 East 49th Street, 30th Fl.
New York, NY 10017
pvl@msk.com

Stanley Pierre-Louis
Viacom Inc.
Intellectual Property & Content
Protect.
1515 Broadway
New York, NY 10036
stanley.pierre-louis@viacom.com

Membership

Ethan Yale Bordman
Ethan Y. Bordman, PLLC
244 Godwin Avenue
Ridgewood, NJ 07450
ethan@ethanbordman.com

Jessica D. Thaler
Law Offices of Jessica Thaler Esq.
125 E .87th Street, Ste. 7F
New York, NY 10128
jthaleresq@gmail.com

Robert Louis Thony
605 E 38th St
Brooklyn, NY 11203-5612
robert.thony1@gmail.com

Motion Pictures

Stephen B. Rodner
Pryor Cashman LLP
7 Times Square
New York, NY 10036-6569
srodner@pryorcashman.com

Mary Ann Zimmer
Law Office of Mary Ann Zimmer
401 East 74th Street
New York, NY 10021
mazimmer74@aol.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 Floor
New York, NY 10019
kpopwell@sesac.com

Not-for-Profit

Karen Kolodny
1395 Lexington Avenue
New York, NY 10128-1647
kkolodny@92y.org

Phil Cowan Memorial Scholarship

Judith A. Bresler
Withers Bergman LLP
430 Park Avenue, 9th Fl.
New York, NY 10022
judith.bresler@withers.us.com

Richard A. Garza
Broadcast Music, Inc. (BMI)
250 Greenwich Street
7 World Trade Center
New York, NY 10019
rgarza@bmi.com

Barbara Jaffe
Supreme Court of the State
of New York
111 Centre Street
New York, NY 10013-4306
bjaffe@courts.state.ny.us

Programs

Ethan Yale Bordman
Ethan Y. Bordman, PLLC
244 Godwin Avenue
Ridgewood, NJ 07450
ethan@ethanbordman.com

Diane F. Krausz
D. Krausz & Associates
Attorneys At Law
322 Eighth Avenue, Ste. 601
New York, NY 10001
DKrausz@aol.com

Pro Bono Steering

Elissa D. Hecker
Law Office of Elissa D. Hecker
64 Butterwood Lane East
Irvington, NY 10533
eheckeresq@eheckeresq.com

Kathy Kim
48 East End Avenue
New York, NY 10028-7976
KathyKim2007@gmail.com

Carol J. Steinberg
74 East 7th Street
New York, NY 10003
elizabethcjs@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, PC
488 Madison Ave
New York, NY 10022-5702
erosenthal@fkks.com

Sports

Ayala Deutsch
NBA Properties Inc.
645 Fifth Avenue, 16th Fl.
New York, NY 10022
adeutsch@nba.com

Matthew D. Pace
Arent Fox LLP
1675 Broadway
New York, NY 10019-5820
pace.matthew@arentfox.com

Kathleen J. Wu
Andrews Kurth LLP
1717 Main Street, Ste. 3700
Dallas, TX 75201
kwu@akllp.com

Television and Radio

Pamela Cathlyn Jones
Law Offices of Pamela Jones
1495 Cross Highway
Fairfield, CT 06824
pamelajonesesq@aol.com

Barry Skidelsky
185 East 85th Street, 23d
New York, NY 10028
bskidelsky@mindspring.com

Theatre and Performing Arts

Jason P. Baruch
Sendroff & Baruch, LLP
1500 Broadway, Ste. 2201
New York, NY 10036-4052
jbaruch@sendroffbaruch.com

Diane F. Krausz
D. Krausz & Associates
Attorneys At Law
322 Eighth Avenue, Ste. 601
New York, NY 10001
DKrausz@aol.com

Website

Jennifer Meredith Liebman
New York State Division of
Human Rights
1 Fordham Plz, 4th Fl.
Bronx, NY 10458-5871
jennifermliedman@gmail.com

Young Entertainment Lawyers

Ezgi Kaya
110 Horatio Street
New York, NY 10014
ezgivkaya@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.

©2012 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

Zachary Strebeck (zastrebe@pepperdine.edu)
Peter Stecker (pstecker@albanylaw.edu)

Section Officers

Chair

Rosemarie Tully
Rosemarie Tully, PC
44 Elm Street, Suite 7
P.O. Box 1054
Huntington, NY 11743
rosemarie@tullylaw.com

First Vice-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

Second Vice-Chair

Diane F. Krausz
D. Krausz & Associates, Attorneys At Law
322 Eighth Avenue, Suite 601
New York, NY 10001
DKrausz@aol.com

Secretary

Pamela Cathlyn Jones
Law Offices of Pamela Jones
1495 Cross Highway
Fairfield, CT 06824
pamelajonesesq@aol.com

Assistant Secretary

Jay Kogan
DC Comics
1700 Broadway
New York, NY 10019
jay.kogan@dccomics.com

Treasurer

Jason P. Baruch
Sendroff & Baruch, LLP
1500 Broadway, Suite 2201
New York, NY 10036-4052
jbaruch@sendroffbaruch.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 their client's or their firm's Web site.

Table of Contents

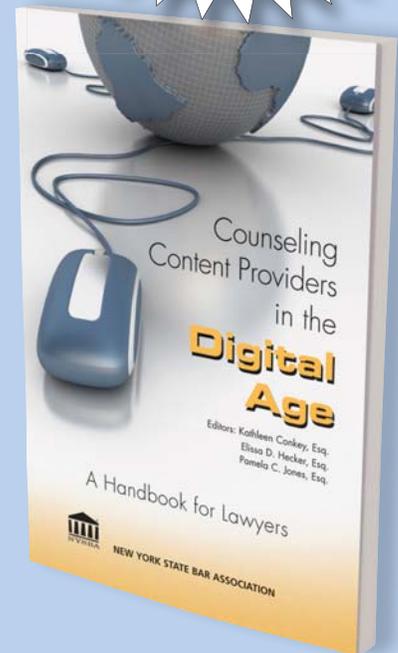
Introduction; Defamation; The Invasion of Privacy Torts; Right of Publicity; Other News-gathering Torts; Copyright Infringement; Trademark Infringement; Rights and Clearances; Errors and Omissions Insurance; Contracting with Minors; Television Standards and Practices; Reality Television Pranks and Sensitive Subject Matter; Miscellaneous Steps in Pre-Broadcast Review.

Get the Information Edge

1.800.582.2452 www.nysba.org/pubs

Mention Code: PUB1622N

**Section Members
get 20% discount***
with coupon code
PUB1622N



EDITORS

Kathleen Conkey, Esq.
Elissa D. Hecker, Esq.
Pamela C. Jones, Esq.

PRODUCT INFO AND PRICES

2010 / approx. 430 pages,
softbound / PN: 4063

\$50 NYSBA Members

\$65 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 December 31, 2012.





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

NEW YORK STATE BAR ASSOCIATION

Annual Meeting

January 21-26, 2013

Hilton New York

1335 Avenue of the Americas
New York City

Entertainment, Arts
and Sports Law
Section Program

Tuesday, January 22, 2013

Save the Dates

