

# Entertainment, Arts and Sports Law Journal



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

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## 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.

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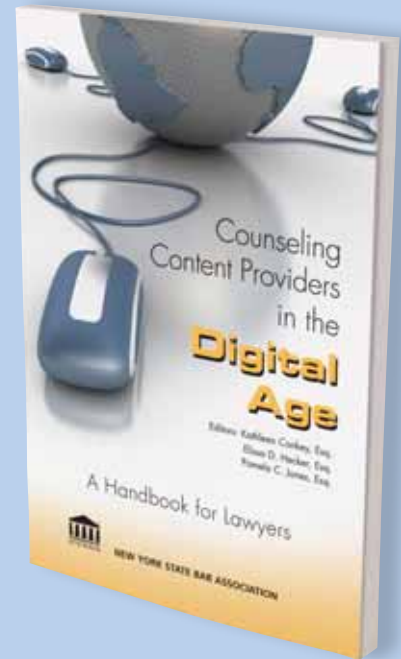
Introduction; Defamation; The Invasion of Privacy Torts; Right of Publicity; Other News-gathering Torts; Copyright Infringement; Trademark Infringement; Rights and Clearances; Errors and Omissions Insurance; Contracting with Minors; Television Standards and Practices; Reality Television Pranks and Sensitive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

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# Remarks from the Chair

My first few months as Chair have been exciting and eventful as we move forward with new initiatives and build on past achievements. In July, I formed an In-House Counsel Committee and appointed Kimberly Ayers Shariff, Esq. as Chair. Kim is the Deputy General Counsel of Lincoln Center for the Performing Arts. The mission of this Committee is to create a forum where members can share information and best practices, as well as address the unique opportunities, challenges and substantive issues that face attorneys practicing in-house in the entertainment, arts and sports law fields. One of the Committee's specific goals is to form an "open source" information bank where in-house attorneys can seek (as well as contribute) advice and substantive guidance akin to the attorney-to-attorney exchange of information that occurs in a law firm environment but less frequently in-house. To facilitate these goals, Kim is already planning programs of great interest to in-house and outside counsel in the entertainment, arts and sports law fields, in both the for-profit and not-for-profit arenas.



As ever, our committee programs and pro bono activities filled the Winter, Spring and Summer calendars.

In March we co-sponsored the annual Sports Law Forum with Fordham Law School, as we have been doing since 2005. This year, the day-long program featured keynote speaker John P. McEnroe, Sr., Esq., and high-level panels addressing some of the most cutting edge legal topics affecting sports, such as licensing, the legality and impact of age restrictions, and salary arbitration. EASL Sports Law Committee Co-Chair Anthony Dreyer and the student organizers at Fordham, especially Cassie Mullman, Managing Editor of the Sports Law Forum, deserve high praise. Also in March, the Fine Arts Committee, which I chair, held a very informative program on Holocaust looted art and recovery. It focused on *Bakalar v. Vavra*, 2008 U.S. Dist. LEXIS 66689 (S.D.N.Y. 2008), the first Holocaust-era art recovery trial in the U.S. In that case, the District Court found that passing the artwork in question through Switzerland gave it clean title. Our guest speaker Raymond Dowd, Esq., partner at Dunnington, Bartholow & Miller, who recently argued the case before the Second Circuit on behalf of the Defendants-Appellants, presented the legal and evidentiary obstacles to litigating Holocaust-era expropriation and provided legal practitioners with basic tools to assemble evidence and prove Nazi property looting. This sold-out program was

held at Sotheby's Institute of Art, where I am a senior faculty member, and was followed by an elegant reception.

Our biennial Popcorn & Ethics Program with Mark Solomon in April proved to be a resounding success, focusing on the recently adopted New York Rules of Professional Conduct (effective April 1, 2009). The audience participated in a lively discussion on ethical dilemmas cleverly illustrated in film clips, and enjoyed popcorn at intermission. Many thanks to Program Co-Chair Tracey Greco and everyone who worked on this excellent program worth 4 CLE credits in Ethics. Whether or not you attended this program, I urge you to read Monica Pa's excellent blog summarizing key points covered, located on the EASL Blog at <http://nysbar.com/blogs/EASL/>. We also co-sponsored the program "CopyRight and Risk in Film Practice" with the Young Professionals Division of the Copyright Society of the U.S.A. in April. This free program was a bonus to our members and wonderful opportunity to network and hear from some experts in the film industry. Thanks to the generous support of the Cardozo Intellectual Property Society, our members enjoyed an open bar and snacks as well.

If you had any gnawing questions about the intricacies of copyright term issues around the world, you were fortunate to have attended the comprehensive program in April organized by Jay Kogan and Neil Rosini, Co-Chairs of the Copyright and Trademark Committee. Dennis Angel, noted authority on United States and foreign copyright law, gave a thorough overview of this complex subject. The Committees on Motion Pictures (Stephen Rodner and Mary Ann Zimmer) and Television & Radio (Pamela Jones and Barry Skidelsky) co-sponsored two back-to-back programs this spring. An enormously successful luncheon and 2 CLE credit program featuring Stan Soocher, Editor-in-chief, *Entertainment Law & Finance*, was held at Pryor Cashman on May 26. On June 16, these Committees co-sponsored another program, this time with the Copyright and Literary Property Committee of the City Bar, regarding the use of music in digital media, with speakers David Oxenford and Robert Driscoll of Davis Wright Tremaine LLP. The City Bar hosted this long-awaited event, which had been postponed last February due to the blizzard.

Pro bono continues to be one of the highest priorities of the NYSBA and EASL and our Pro Bono Committee is working hard under the guidance of its Steering Committee (comprised of Elissa Hecker, Pippa Loengard, Carol Steinberg, Monica Pa and Kathy Kim) in its Spring programs. Over the course of the Spring, the Pro Bono Committee and the Brooklyn Arts Council co-sponsored a pro bono lecture on copyright and trademark basics for artists and art organizations, at the DeKalb branch of the



Brooklyn Public Library, held a Pro Bono Clinic for the Dramatists Guild (co-sponsored by the IP Section and hosted by the Intellectual Property Society at New York Law School), and offered a highly successful non-CLE program focusing on setting up and running an art business, which was held at the School of Visual Arts. More information about these and future EASL Pro Bono Committee programs and clinics can be found in the Pro Bono Update. Please mark your calendar for future events!

Our Summer season has also offered a wide range of programs. In July, EASL's Music and Recording Industry Committee co-sponsored the New Music Seminar (NMS), held over three days in New York City. The program included several invitation-only summits which provided a high-level forum for dialogue about the challenges the music industry is facing. In one summit, panelists Tom Silverman, Adam Ritholz, Jim Cooperman and venture capitalist David Pakman discussed key developing legal and deal-making issues, such as emerging structures of recorded music agreements and emerging economic models. Please see the "New Music Seminar Report" by EASL's blogger extraordinaire, Monica Pa, for a terrific overview of the event. Kudos to Alan Barson and Christine Pepe, Co-Chairs of the Committee on Music and the Recording Industry, for developing this exciting co-sponsorship opportunity. Look for the Committee's expanded involvement with NMS in 2011!

In August, the In-House Counsel Committee and Lawyers in Transition Committee held a breakfast panel on the transition to in-house careers. In-house jobs are in high demand and, among other topics, this panel discussed how to get an in-house position, how to best prepare, and what you can expect as in-house counsel. The program was led by In House Counsel Chair Kim Shariff and EASL Lawyers in Transition Co-Chair Saryn Leibowitz. Panelists included Tracey Knuckles, General Counsel, New York City, Department of Cultural Affairs, and Meg Louis, Director of Legal Affairs/Senior Counsel for NYC Media. This program was held at Frankfurt Kurnit Klein and Selz, PC.

Looking forward to the Fall, the Pro Bono Committee and Fine Arts Committee are co-sponsoring a joint program with Cardozo's Intellectual Property Program and Cardozo's Art Law Society, on legal issues in producing and presenting public art. Our speakers will be Katie Hollander, Deputy Director of Creative Time, and Judi Church, Counsel to Creative Time. This non-CLE program and reception will be held at Cardozo in September.

This year, EASL's ADR Committee, co-chaired by Judith Bresler and myself, is co-sponsoring a full-day CLE program with the NYSBA Dispute Resolution Sec-

tion. The program, which will be held on October 12 at Fordham Law School, will offer six CLE credits, including one Ethics credit. The morning session will be devoted to mediation on an art-related topic, and will feature highly trained mediators in an interactive role play with members of the audience rotating in as the disputing parties. An experienced mediator will serve as a commentator and stop the action in a "freeze frame" fashion at teachable moments throughout the mediation and invite discussion. After lunch, an entertainment law-related program on arbitration will be conducted in a similar teaching format. We hope that this highly interactive, largely unscripted program will provide excellent training for all levels of ADR practitioners.

Our Fall Meeting will be held on October 22, our fourth year, in conjunction with the CMJ Music Marathon & Film Festival. There will be panels on ethics, right of publicity, copyright termination rights, mobile apps and gaming, international issues in digital licensing overseas and distribution, and agreements with minors. Breakout panels will include the latest developments in mobile television issues and film deals.

As most of you know, it is a priority of mine as Chair to vitalize EASL throughout the State and I have appointed a District Representative in each of the 13 Judicial Districts in New York State. To accomplish my goal, I share the good news that I have appointed two District Representative Leaders—Leslie Greenbaum for Upstate and David Faux for Downstate—to serve as points of contact for District Representatives if they have any questions on how to go about organizing a program in their Districts. Both Les and David have done extraordinary work in creating programs and making connections in their Districts. I would like all District Representatives to be involved in this manner, and I am delighted that Les and David have agreed to help in this effort. Les will be the point of contact for the 3rd, 4th, 5th, 6th, 7th and 8th Districts. David will be the point of contact for the 1st, 2nd, 9th, 10th, 11th, 12th and 13th Districts.

Another wonderful piece of news is that I have appointed Kathy Kim to serve as Co-Chair of the Young Entertainment Lawyers Committee with Stephanie Khalifa. Kathy will also continue as member of the Pro Bono Steering Committee. In addition, EASL welcomes two liaisons from the Young Lawyers Section—Jason Aylesworth and Ezgi Kaya. I hope that our Sections will plan interesting and valuable programs for our members.

Who knew the *EASL Journal* would make such exciting end of summer reading? Hope your summer was wonderful!

**Judith B. Prowda**

# Editor's Note

This issue of the *Journal* has a wide array of topics crossing a broad spectrum of entertainment, art and sports law. There are several articles concerning recent case law (from the District Court level to the Supreme Court), potential legislation, personal experiences and VARA. Music, licensing, the copyrightability of plasmation, video game violence and the public funding of sport stadiums are also discussed. Ethics are a hot topic, particularly when conflicts of interest arise between museums and their board members. Also included are pieces about the Writers Guild of America's arbitration process, the rise in enhancement deals between nonprofit theaters and commercial producers, and an overview of unpaid internships in the entertainment industry.

Interestingly, two articles discuss the various political, cultural and social pulls that revolve around national memorials dedicated to conflict and grief, such as the Vietnam Memorial and the National September 11 Memorial & Museum at the World Trade Center Foundation. It is interesting to read the two of them, one an in-depth retrospective of everything that proceeded the erection of the now-familiar and part of the American landscape Vietnam Memorial, and compare that with the article concerning the yet to be built memorial to the events and victims of 9/11.



© Janine Thompson

This issue also contains three wonderful Law Student Initiative winning submissions. I hope you find all of the articles to be as interesting and well written as I have.

Have a wonderful Summer.

Elissa

THE NEXT *EASL JOURNAL* DEADLINE IS FRIDAY,  
SEPTEMBER 24, 2010.

**Elissa D. Hecker of the Law Office of Elissa D. Hecker, located at 90 Quail Close, Irvington, NY 10533, 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*, a frequent author, lecturer and panelist, a member of the Board of Editors for the NYSBA Bar Journal, a member of the Copyright Society of the U.S.A (CSUSA) and a member of the Board of Editors for the *Journal of the CSUSA*. Elissa is the recipient of the New York State Bar Association's 2005 Outstanding Young Lawyer Award. She can be reached at (914) 478-0457 or via email at: EHeckerEsq@yahoo.com. Her website is EHeckerEsq.com.**

## ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

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

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



# Pro Bono Update

## Pro Bono Clinic for the Dramatists Guild

One June 10 we held a highly successful Pro Bono Clinic for the Dramatists Guild at New York Law School. Thanks to the great work of the attorney volunteers, we were able to help all of the Clinic clients. We believe in the importance of making available opportunities for attorneys to provide pro bono assistance, and will continue to offer clinics several times a year for that purpose.



Thank you again to our wonderful volunteers:

Tara Bhupathi  
Lara Corchado  
Gordon Daniell  
Emily K. Den Herder  
Jesse Fox  
Elissa D. Hecker  
Casinova O. Henderson  
Vanessa Kaster  
Diane Krausz

Michael Lawrence  
Philippa Loengard  
Monica Pa  
Kennan Popwell  
Judith B. Prowda  
Neil Rosini  
Innes Smolansky  
Ken Swezey



We would also like to thank David Faux of the Dramatists Guild (and EASL Executive Committee member), the students at New York Law School who helped organize and host the Clinic, and Debra Resnick of the IP Section for helping to publicize the Clinic to her members.

More clinics are in the planning stages for 2010. For those of our members who may not carry professional liability insurance, EASL has coverage through our Section for your participation in EASL Pro Bono Clinics.



## Pro Bono Lecture About Copyright and Trademark Basics

On March 31, 2010, EASL and the Brooklyn Arts Council co-sponsored a pro bono lecture about copyright and trademark basics for artists and art organizations, at the DeKalb branch of the Brooklyn Public Library. Mon-

ica Pa, EASL Executive Committee member, gave the two-hour presentation, which was free of charge, to members of the general public, covering topics including general copyright and trademark basics, litigation overview, cease and desist letters, and protection for ideas.



## Speakers Bureau

On June 15, EASL's Speakers Bureau sponsored a panel called "Setting Up Your Art Business" held at the School of Visual Arts. Innes Smolansky, Esq. spoke about which business entity to choose and how to work with an accountant. CPA Fred Siegel spoke about tax implications of various forms of businesses. Diane Krausz, Esq. spoke about agreements with fellow collaborators and employees, and Mark Bennett, President of the Graphic Artists Guild, provided the practical perspective. Carol Steinberg, Esq., moderated the panel. Ms. Smolansky, Krausz, and Steinberg are all members of EASL's Speakers Bureau and the latter two are also members of the EASL Executive Committee. The program was free of charge and well attended by working artists who graduated from the School of Visual Arts.



As there is great interest in this subject, the Speakers Bureau plans to present this panel to other interested organizations throughout the City. If you know of other organizations and/or art schools who may be interested, please contact Carol Steinberg at [cs9@hpd.nyc.gov](mailto:cs9@hpd.nyc.gov). In addition, please contact Carol if you would like to be part of the Speakers Bureau.

## Pro Bono and Fine Arts Committees

In September, EASL's Pro Bono and Fine Art Committees are co-sponsoring





a program about "Creative Time and Issues in Making Public Art." Creative Time is a not-for-profit organization located in New York City which produces innovative and ground-breaking public art in the city and across the globe. Katie Hollander, Deputy Director of Creative Time, will describe and show images of various public art projects, and its attorney will discuss legal issues involved in commissioning, producing, and presenting public art.

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 Philippa Loengard are coordinating walk-in legal clinics with various organizations.

- **Elissa D. Hecker**, [heckeresq@yahoo.com](mailto:heckeresq@yahoo.com)
- **Philippa Loengard**, [loengard@law.columbia.edu](mailto:loengard@law.columbia.edu)

## Litigations

Monica Pa is coordinating pro bono litigations.

- **Monica Pa**, [monicapa@dwt.com](mailto:monicapa@dwt.com)

## Speakers Bureau

Carol Steinberg and Kathy Kim are coordinating Speakers Bureau programs and events.

- **Carol Steinberg**, [CS9@hpd.nyc.gov](mailto:CS9@hpd.nyc.gov)
- **Kathy Kim**, [kathykim2007@gmail.com](mailto:kathykim2007@gmail.com)

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

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**MCLE Credit** can be obtained easily once you've completed the course – the form is part of the program! Just fill it out and mail it in for your MCLE certificate.



## Law Student Initiative Writing Contest

Congratulations to LSI winners:

**Bettina L. Hollis**, of St. John's University School of Law, for her article entitled:

**The Performance Rights Act:**

**Recognizing the Contribution of Performing Artists in Terrestrial Radio**

**Leia LeFay**, of Benjamin N. Cardozo School of Law, for her article entitled:

**One Singular Sensation:**

**The Rise of Enhancement Deals Between Nonprofit Theaters and Commercial Producers**

**Frank Poe**, of New York Law School, for his article entitled:

**"Don't Forget to Breathe. Very Important.":**

**An Overview of Unpaid Internships and the Entertainment Industry**

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, law

school club/organization (if applicable), 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, September 24, 2010**
- **Submissions:** Articles must be submitted via a Word email attachment to [heckeresq@yahoo.com](mailto:heckeresq@yahoo.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, September 24, 2010**

# The Phil Cowan Memorial/BMI Scholarship

## 2009 Scholarship Winners:

Jacqueline Tate, Brooklyn Law School, and Britt Simpson, New York Law School

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 12 to 15 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 (which is not part of the page count) should contain the title of the paper, the student's name, school, class year, telephone number and e-mail 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.

## Yearly Deadlines

**December 10th:** Law School Faculty liaison submits three best papers to the EASL/BMI Scholarship Committee;

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

*The winner(s) 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 Web site.* BMI reserves the right to post each winning paper on the BMI Web site, 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. The Scholarship Committee reserves the right to submit all papers it receives to the *EASL Journal* for publication and to the EASL Web site. The Scholarship Committee also reserves the right to award only one Scholarship or no Scholarship if it determines, in any given year that, respectively, only one paper, or no paper, is sufficiently meritorious. All rights of dissemination of the papers by each of EASL and BMI are non-exclusive.

## Payment of Monies

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

## Donations

The Phil Cowan Memorial/BMI Scholarship Fund is pleased to accept donations. The donations are tax-deductible. All donations should be made by check, and be payable to **The New York Bar Foundation**. Each donation should indicate that it is designated for the Phil Cowan Memorial/BMI Scholarship. **All donations should be forwarded to The New York Bar Foundation, One Elk Street, Albany, NY 12207, Attention: Director of Finance.**

## 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 almost 1,700 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, *EASL Journal*, and the EASL Blog, located at <http://nysbar.com/blogs/EASL>.

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# NYSBA Guidelines for Obtaining MCLE Credit for Writing

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

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

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

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

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

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

# Tiffany v. eBay: Second Circuit Rejects Contributory Trademark Infringement Claim Against Operator of Online Marketplace

By Jonathan Bloom and Sabrina A. Perelman

In a highly anticipated decision with sweeping implications for both Internet commerce and for intellectual property rights holders, the Second Circuit ruled on April 1, 2010, that eBay Inc. was not liable for direct or contributory trademark infringement or trademark dilution arising out of the availability of allegedly counterfeit Tiffany silver jewelry on eBay's website. The Court also affirmed the District Court's finding that eBay advertisements for Tiffany goods were not literally false, given the availability of authentic Tiffany merchandise, but it remanded on the narrow question of whether the advertisements were false by implication and likely to mislead consumers.

Notwithstanding the narrow remand, the decision was a victory for eBay that provides valuable insight into the contours of potential contributory trademark infringement liability for online marketplace providers such as eBay, while reaffirming the trademark policing responsibilities of rights owners such as Tiffany. At the same time, the Second Circuit side-stepped important doctrinal issues and left certain open questions to be resolved in future cases. Among them is how a defendant might fare that, unlike eBay, had not been uniformly responsive to the plaintiff's infringement notifications and had not taken extensive proactive measures to root out counterfeiting on its site.<sup>1</sup>

## The District Court Grants Judgment for eBay on All Claims

In November 2007, Judge Richard J. Sullivan of the Southern District of New York held a five-day bench trial on Tiffany's claims that eBay (1) directly infringed Tiffany's registered trademarks by advertising the availability of Tiffany silver jewelry on its website through the use of sponsored links on Google and Yahoo and by being jointly and severally liable with the sellers of allegedly counterfeit Tiffany goods; (2) contributorily infringed Tiffany's registered trademarks by knowingly permitting the sale of allegedly counterfeit Tiffany silver jewelry on its site; (3) directly and contributorily diluted Tiffany's trademarks by using the Tiffany name to advertise and sell products that it knew to be counterfeit; and (4) engaged in false advertising by using the Tiffany name to advertise the availability of Tiffany silver jewelry on its website when it knew that a substantial amount of those goods were counterfeit. Following trial testimony from numerous witnesses and extensive pre- and post-trial briefing, the court issued a ruling in 2008 rejecting all of Tiffany's claims and granting judgment to eBay.<sup>2</sup>

The fulcrum of Tiffany's case at trial—as well as on appeal—was its contention that an online service such as eBay, which creates a marketplace for counterfeit merchandise (even if unintentionally), should bear the burden of policing rights owners' marks and of preventing counterfeiting on their sites. Although Tiffany acknowledged that individual users of eBay, rather than eBay itself, were primarily responsible for listing and selling counterfeit Tiffany items, Tiffany argued that eBay was on notice that a counterfeiting problem existed and that eBay therefore had an obligation to investigate and restrict the activities of those sellers. Specifically, Tiffany demanded that eBay block sellers from listing five or more Tiffany items and immediately suspend sellers that had engaged in potentially infringing activity.

In response, eBay contended that it was Tiffany's burden to police its trademarks and to bring to eBay's attention listings that offer potentially counterfeit merchandise through eBay's Verified Rights Owner (VeRO) Program, at which time eBay would remove the listings from its site. eBay also argued that although it never had physical custody of items offered for sale on its site and lacked the expertise needed to determine the authenticity of Tiffany silver items, it nonetheless—acting in its own best interest—took numerous proactive steps to combat fraudulent activity by sellers. As the District Court noted, although “Tiffany and eBay alike have an interest in eliminating counterfeit Tiffany merchandise from eBay,” the heart of the dispute was...who should bear the burden of policing Tiffany's valuable trademarks in Internet commerce.”<sup>3</sup> In a thorough opinion, the court held that Tiffany “must ultimately bear the burden of protecting its trademark.”<sup>4</sup>

## Contributory Trademark Infringement Requires Specific Knowledge, Not Reasonable Anticipation or General Knowledge, of Infringement

Tiffany's principal cause of action—contributory trademark infringement—presented a host of legal and factual issues. As a threshold matter, the District Court had to determine whether contributory infringement claims are governed by the test articulated by the Supreme Court in *Inwood Labs., Inc. v. Ives Labs., Inc.*,<sup>5</sup> or rather by the test espoused in the Restatement (Third) of Unfair Competition, § 27.<sup>6</sup> Despite not being a manufacturer or distributor, eBay urged the court to follow *Inwood*, in which the Supreme Court held that “if a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringe-



ment, the manufacturer or distributor is contributorily responsible for any harm done as a result of the deceit.”<sup>7</sup>

By contrast, Tiffany advocated the Restatement standard, under which a party can be held liable for contributory trademark infringement where it “fails to take reasonable precautions against the occurrence of the third person’s infringing conduct in circumstances in which the infringing conduct can be reasonably anticipated.”<sup>8</sup>

The court rejected the application of the Restatement test, concluding that “Tiffany’s argument is foreclosed by *Inwood* itself.”<sup>9</sup> In *Inwood*, the court noted, the Supreme Court described the Restatement’s “reasonable anticipation” standard as “‘watered down’ and incorrect.”<sup>10</sup> Thus, relying on *Inwood* and subsequent decisions that followed *Inwood*, the District Court held that “[i]n determining whether eBay is liable, the standard is not whether eBay could reasonably anticipate possible infringement, but rather whether eBay continued to supply its services to sellers when it knew or had reason to know of infringement by those sellers.”<sup>11</sup> The court held that the *Inwood* standard applied to service providers such as eBay as well as to manufacturers and distributors.<sup>12</sup>

In interpreting *Inwood*, the court rejected Tiffany’s contention that generalized knowledge on the part of eBay that some percentage of the Tiffany goods sold on its site was counterfeit shifted the burden of enforcement onto eBay. Rather, acknowledging that the Second Circuit had not yet opined on the amount or type of knowledge that sufficed under *Inwood*,<sup>13</sup> the court found that under *Inwood*, liability could be imposed only upon a showing of knowledge that *specific items* on eBay’s website were counterfeit and that eBay failed to take action when it had such knowledge.<sup>14</sup> As support for this specific knowledge requirement, the court pointed to the reference in *Inwood* to a party that “continues to supply its product to *one* whom it knows or has reason to know is engaging in trademark infringement.”<sup>15</sup> The court concluded that “neither precedent nor policy supports Tiffany’s contention that generalized allegations of infringement provide defendants with knowledge or reason to know of the infringement.”<sup>16</sup>

The court recognized that the “generalized knowledge/reasonable anticipation” standard urged by Tiffany was inappropriate given that “a substantial number of authentic Tiffany goods are sold on eBay.”<sup>17</sup> As a consequence, “[w]here Tiffany to prevail on its argument that generalized statements of infringement were sufficient to impute knowledge to eBay of any and all infringing acts, Tiffany’s rights in its mark would dramatically expand, potentially stifling legitimate sales of Tiffany goods on eBay.”<sup>18</sup> Indeed, the court noted the evidence that among Tiffany’s objectives in bringing suit was to stifle the legitimate secondary market in authentic Tiffany goods.<sup>19</sup>

Applying these principles to the record, the court concluded that the evidence did not support a finding of contributory infringement.<sup>20</sup> Tiffany based its contribu-

tory infringement claim primarily on two categories of evidence: (1) two demand letters that Tiffany had sent to eBay asserting that counterfeit Tiffany goods were being offered on eBay’s site and that any listing of five or more Tiffany items was presumptively counterfeit; and (2) the results of two “buying programs” Tiffany had conducted in an effort to determine the proportion of counterfeit Tiffany items listed on eBay.<sup>21</sup> The District Court held that the demand letters were insufficient to establish the requisite specific knowledge and that, in any event, the so-called “five-or-more” rule had been essentially disavowed by Tiffany on cross-examination at trial.<sup>22</sup> The court largely discredited the buying programs, finding them to be “of questionable value” because, among other things, “they did not even purport to reflect the number of potentially counterfeit items available [on eBay] on a typical day.”<sup>23</sup>

On the other hand, the court found that when eBay did obtain knowledge of specific listings that offered potentially infringing items, it always responded appropriately.<sup>24</sup> The trial evidence demonstrated that when Tiffany filed a “Notice of Claimed Infringement” (NOCI) through eBay’s VeRO Program,<sup>25</sup> eBay’s consistent practice was to remove the listing from its website promptly.<sup>26</sup> Indeed, Tiffany conceded that eBay always acted in good faith and never refused to remove a listing after a NOCI had been filed.<sup>27</sup> The court also found that upon receipt of such notification eBay “warned sellers and buyers, cancelled all fees associated with the listings, and directed buyers not to consummate the sale of the listed item.”<sup>28</sup> Based on this evidence, the court rejected Tiffany’s contention that eBay failed to remove listings after they were reported.

The District Court also rejected Tiffany’s contention that eBay allowed repeat infringers to sell counterfeit items after Tiffany had filed a NOCI identifying that infringer. Rather, eBay’s practices with regard to suspensions were appropriate: “[W]hen eBay had knowledge that a seller was repeatedly engaging in counterfeit activity, eBay’s pattern was to suspend that seller and take further corrective action.”<sup>29</sup> In fact, the evidence showed that eBay had suspended hundreds of thousands of users each year, tens of thousands of them for having engaged in infringing conduct.<sup>30</sup>

Finally, while acknowledging that “willful blindness” can constitute the requisite level of knowledge for contributory trademark infringement, the court rejected Tiffany’s argument that eBay had been willfully blind.<sup>31</sup> Tiffany had argued that, faced with its demand letters and other evidence that there was a counterfeiting problem on its site, eBay had a duty to investigate the extent of counterfeit Tiffany jewelry on its site and to take further steps to address the problem. However the District Court found that, far from sitting on its hands, eBay had taken a number of significant, expensive proactive steps that were inconsistent with willful blindness. Among other things, eBay had committed as much as \$20 million each year on tools to promote trust and safety on its site; one-quarter of eBay’s workforce was devoted to trust and safety; and

eBay proactively searched listings on its site for indications of fraudulent activity using both a technologically advanced “fraud engine” and manual searches conducted by its consumer service representatives.<sup>32</sup>

The fact that eBay did not undertake the additional measures requested by Tiffany was immaterial, as without knowledge or reason to know of specific infringing activity, the law did not impose an affirmative duty to ferret out potential infringement.<sup>33</sup> The court concluded: “Put simply, it cannot be said that eBay purposefully contrived to avoid learning of counterfeiting on its website, or that eBay failed to investigate once it learned of such counterfeiting.”<sup>34</sup> Significantly, the court held that “[w]here Tiffany to prevail in its argument that eBay was willfully blind” on this record, “the ‘reason to know’ standard of the *Inwood* test would be inflated into an affirmative duty to take precautions against potential counterfeiters, even when eBay had no specific knowledge of the individual counterfeiters. The law explicitly precludes such an expansion of the ‘reason to know’ standard.”<sup>35</sup>

### Tiffany’s Remaining Claims

The court also dismissed Tiffany’s other claims. As for Tiffany’s claim of direct trademark infringement based on eBay’s advertising, the court concluded that this conduct was protected under the doctrine of nominative fair use, and it rejected Tiffany’s theory that eBay was jointly and severally liable with its users.<sup>36</sup> The court dismissed Tiffany’s false advertising claim because (i) eBay’s advertising was not literally false insofar as genuine Tiffany merchandise was available on its website,<sup>37</sup> and (ii) Tiffany “failed to establish that eBay’s ads were likely to mislead consumers because authentic items were offered for sale, and inauthentic items were only listed on eBay due to the illicit acts of third parties.”<sup>38</sup>

The court readily found Tiffany’s trademark dilution claims deficient, concluding that Tiffany “failed to show that eBay used the marks in a way that was likely to cause either dilution by blurring or dilution by tarnishment,” primarily because eBay did not itself sell any products and did not use Tiffany’s trademarks to identify its own goods or services.<sup>39</sup> Finally, while acknowledging that the Second Circuit had never expressly recognized a cause of action for contributory trademark dilution, the court held that even if such a claim existed, Tiffany’s claim would fail for the same reasons as its contributory infringement claim.<sup>40</sup>

### The Second Circuit Ruling

Tiffany appealed, and the Second Circuit heard argument in July 2009. On April 1, 2010, the Court handed down a decision, written by Judge Robert D. Sack, which substantially endorsed the District Court’s analysis.<sup>41</sup>

In setting forth the facts of the case, the Second Circuit recounted in detail eBay’s extensive voluntary efforts to remove listings for counterfeit Tiffany silver jewelry items

and proactively police its site for such listings. Specifically, the Court credited the District Court’s findings that:

- eBay spends millions of dollars each year on tools to promote trust and safety on its website and has established an entire department, comprised of some 4,000 employees, devoted to such efforts;<sup>42</sup> eBay has developed extensive procedures—including a notice-and-takedown system under its VeRO Program—pursuant to which intellectual property rights owners can identify claimed counterfeit listings and report them to eBay;<sup>43</sup>
- upon receipt of such notifications, eBay promptly removes the reported listings from its website;<sup>44</sup> and
- eBay has implemented numerous other measures to address potentially counterfeit items on its website, ranging from automated filters to manual reviews, and it suspends users who repeatedly violate its policies relating to fraudulent activity.<sup>45</sup>

### Contributory Trademark Infringement

The Court observed that the most difficult issue in the case, “and the one that the parties have properly focused [the Court’s] attention on,” was whether eBay was liable for contributory trademark infringement based on the availability of counterfeit Tiffany items on its Web site.<sup>46</sup> It noted that the Supreme Court had most recently addressed the subject in *Inwood*, and, although a few other appellate courts had applied *Inwood* in varying circumstances, the Second Circuit was the first to consider and to apply the law of contributory trademark infringement to an online marketplace.<sup>47</sup> Moreover, because the parties agreed that *Inwood* applied, the Court assumed, without deciding, that it did.<sup>48</sup> The dispute concerned the level of knowledge required to establish liability under *Inwood*. Like the District Court, the Second Circuit rejected Tiffany’s argument that generalized knowledge was sufficient and held that “[f]or contributory trademark infringement liability to lie, a service provider must have more than a general knowledge or reason to know that its service is being used to sell counterfeit goods. Some contemporary knowledge of *which particular listings are infringing* or will in the future is necessary.”<sup>49</sup> The Court noted that although the *Inwood* Court did not actually apply the “knows or has reason to know” prong of its stated test,<sup>50</sup> the Supreme Court’s use of the phrase “continues to supply its product to *one* whom it knows or has reason to know is engaging in trademark infringement” supported the conclusion that specific knowledge of infringement is required.<sup>51</sup>

The Court found additional support for this interpretation in *Sony Corp. of America v. Universal City Studios, Inc.*, a copyright case in which the Supreme Court distinguished contributory liability in trademark and copyright law as follows:

If *Inwood*’s narrow standard for contributory trademark infringement governed

here, [the plaintiffs'] claim of contributory infringement would merit little discussion. Sony certainly does not 'intentionally induce[]' its customers to make infringing users of [the plaintiffs'] copyrights, nor does it supply its products to *identified individuals known by it* to be engaging in continuing infringement of [the plaintiffs'] copyrights."<sup>52</sup>

The Second Circuit noted that although the discussion in *Sony* was dicta, it "constitute[d] the only discussion of that prong by the Supreme Court of which [it was] aware" and thus considered it to be persuasive authority.<sup>53</sup>

Applying *Sony's* interpretation of *Inwood*, the Circuit Court agreed with the District Court that Tiffany's general allegations of counterfeiting "failed to provide eBay with the knowledge required under *Inwood*" because it failed to identify particular sellers whom Tiffany thought were offering or would offer counterfeit goods.<sup>54</sup> The Court went on to hold that although Tiffany's NOCI's and buyer complaints gave eBay the requisite specific knowledge of counterfeiting by specific sellers, the evidence supported the district court's conclusion that "those sellers' listings were removed and repeat offenders were suspended from the eBay site."<sup>55</sup> Accordingly, the Second Circuit held that Tiffany "failed to demonstrate that eBay was supplying its service to individuals who it knew or had reason to know were selling counterfeit Tiffany goods."<sup>56</sup>

In reaching this conclusion, the Second Circuit was cognizant of the concern raised by Tiffany and its amici that if eBay were not held liable except when it had specific knowledge of an infringing listing, eBay would have no incentive to root out such listings, and rights owners such as Tiffany would be placed in an untenable position of having to police eBay's website on a continual basis.<sup>57</sup> The Court allayed these concerns in three principal ways. First, it made clear that its holding was limited to the facts of the case.<sup>58</sup> Second, it found that the record suggested that private market forces give eBay a strong incentive to minimize the presence of counterfeit goods on its site.<sup>59</sup> Finally, third, willful blindness can form the requisite knowledge under *Inwood*, although the record supported the District Court's finding that eBay had not been willfully blind.<sup>60</sup>

#### Direct Trademark Infringement and Trademark Dilution

With respect to Tiffany's direct trademark infringement claim, the District Court had ruled in favor of eBay on the ground that eBay's use of Tiffany's mark was protected by the doctrine of nominative fair use.<sup>61</sup> After reviewing the nominative fair use doctrine, the Second Circuit declined to adopt it.<sup>62</sup> Instead, it relied on existing Second Circuit precedent under which "a defendant may lawfully use a plaintiff's trademark where doing so is necessary to describe the plaintiff's product and does not imply a false affiliation or endorsement by the plaintiff of the defendant."<sup>63</sup>

Applying this variant of nominative fair use, the Court agreed with the District Court that "eBay's use of Tiffany's mark [in its advertising] on its website and in sponsored links was lawful" because "eBay used the mark to describe accurately the genuine Tiffany goods offered for sale on its website. And none of eBay's uses of the mark suggested that Tiffany affiliated itself with eBay or endorsed the sale of its products through eBay's website."<sup>64</sup>

The Court also rejected Tiffany's argument that eBay had directly infringed because it knew or had reason to know that there was a substantial problem with the sale of counterfeit Tiffany silver jewelry on its website. That argument, the Court found, was relevant only to Tiffany's contributory infringement claim and was not the basis of a claim for direct infringement, and "it is undisputed that eBay promptly removed all listings that Tiffany challenged as counterfeit and took affirmative steps to identify and remove illegitimate goods."<sup>65</sup> Echoing the District Court, the Court of Appeals observed that "[t]o impose liability because eBay cannot guarantee the genuineness of all the purported Tiffany products offered on its website would unduly inhibit the lawful resale of genuine Tiffany goods."<sup>66</sup>

In an extremely brief discussion of Tiffany's trademark dilution claims, the Court affirmed the District Court's finding of no dilution where "[t]here is no second mark or product at issue here to blur with or tarnish 'Tiffany.'"<sup>67</sup> As Tiffany did not appeal the District Court's judgment dismissing its contributory trademark dilution claim, the Court did not address whether the cause of action existed under Second Circuit law.<sup>68</sup>

#### False Advertising

Tiffany argued on appeal, as it did at trial, that "because eBay advertised the sale of Tiffany goods on its website, and because many of those goods were in fact counterfeit, eBay should be liable for false advertising."<sup>69</sup> In reviewing the legal standards applicable to Tiffany's false advertising claim, the Second Circuit was careful to point out that different standards apply to claims of literal falsity as compared to claims of implied falsity. It noted that "[w]here an advertising claim is literally false, the court may enjoin the use of the claim without reference to the advertisement's impact on the buying public."<sup>70</sup> However, to prevail on a claim of implied falsity, "a plaintiff must demonstrate, by extrinsic evidence, that the challenged commercials tend to mislead or confuse consumers, and must demonstrate that a statistically significant part of the commercial audience holds the false belief allegedly communicated by the challenged advertisement."<sup>71</sup>

In reviewing the advertisements in question, the Court of Appeals agreed with the District Court that they "were not literally false inasmuch as genuine Tiffany merchandise was offered for sale through eBay's website."<sup>72</sup> However, the Court declined to affirm the District Court's judgment with respect to the implied falsity claim on the



ground that the District Court did not address whether extrinsic evidence indicated that the challenged advertisements were misleading or confusing, as the Lanham Act requires.<sup>73</sup> Accordingly, the Court remanded to the District Court for consideration of the implied falsity theory.<sup>74</sup>

The Court noted, but discounted, concerns expressed by eBay and its amici as to “the deterrent effect that will grip online advertisers who are unable to confirm the authenticity of the goods they advertise for sale.”<sup>75</sup> It suggested that even if advertisements of the type used by eBay on its site and in sponsored links could be shown to be misleading to consumers (a conclusion the Court instructed the District Court to address on remand), nevertheless “[a]n online advertiser such as eBay need not cease its advertisements for a kind of good only because it knows that not all of those goods are authentic. A disclaimer might suffice.”<sup>76</sup> The Court did not, however, suggest the kind of disclaimer that would withstand judicial scrutiny.

### Implications and Questions Left Unanswered

*Tiffany v. eBay* is likely to have far-reaching implications for rights owners and Internet commerce service providers. Although the Second Circuit clarified the standard for contributory trademark infringement in the Second Circuit, it effectively dodged important doctrinal questions, and the decision may end up being as significant for what it did not hold as it is for what it did.

### Next Steps

As noted, the Second Circuit remanded for the District Court to reconsider whether Tiffany shouldered its burden to “demonstrate, by extrinsic evidence, that the challenged commercials tend to mislead or confuse consumers” and to “demonstrate that a statistically significant part of the commercial audience holds the false belief allegedly communicated by the challenged advertisement.” The Second Circuit’s mandate, which returned jurisdiction to the District Court,<sup>77</sup> issued on May 7, 2010, and although Tiffany has indicated that it intends to pursue the false advertising claim, as of this writing a status conference has been scheduled, but no further action has been taken place. Tiffany has suggested that it intends to petition for Supreme Court review.

### Implications

Several aspects of the Second Circuit’s decision are noteworthy. The first is that the Second Circuit declined to address squarely whether *Inwood* applies to service providers like eBay in addition to manufacturers and distributors of goods. (As noted, because the parties did not dispute the point, the court assumed without deciding that *Inwood* applied.) Thus, while the Court’s conclusion that specific knowledge of infringing conduct is required under *Inwood* provides substantial guidance in this arena, the decision leaves the door open for future service providers to continue to argue that *Inwood* should not apply.<sup>78</sup>

However, to the extent *Inwood* is applied in future litigation, the Second Circuit has made several principles abundantly clear. First, under *Inwood* the onus lies with the rights owner—even in the context of a vast online marketplace such as eBay—to police its marks and to provide service providers with specific information concerning suspected infringement before the latter will be obliged to act. To be sure, this presents no small task for rights owners—both large and small—who now have been instructed that it is their burden to expend potentially significant resources to actively police their marks and to provide specific information of claimed infringements to intermediaries such as eBay. Yet this division of responsibility allocates the burden in accordance with each party’s unique strengths: a rights owner such as Tiffany is in a better position to identify and flag listings that potentially infringe its marks than is an intermediary such as eBay, which is best situated to respond to specific notices of infringement and to remove offending listings, as eBay historically has done.

Second, the Second Circuit has made clear that intellectual property rights owners such as Tiffany may not seek to stifle the legitimate secondary or resale market of authentic brand-name goods by means of contributory trademark infringement claims. If the burden of policing individual rights-owners’ marks were imposed on intermediaries like eBay, it could cause such services to implement prophylactic measures to avoid the risk of liability that would have the effect of stifling legitimate sales of authentic goods and harming consumers.

However significant questions arguably remain. For one, although eBay’s aggressive, proactive efforts to eliminate counterfeiting and fraudulent conduct on its site certainly aided its litigation position, the Second Circuit did not hold that such proactive measures are required by *Inwood*. Thus, it is unclear—and surely highly dependent on the facts of the case—how much proactive conduct is required to avoid a finding of willful blindness in a comparable context. For example, is an Internet commerce site required to establish a “notice-and-takedown” system such as eBay’s VeRO Program to respond to assertions of trademark infringement? Is a service provider required to take steps to proactively identify infringement? If so, how extensive must they be? With respect to advertising, how much counterfeiting is a “substantial amount,” and what kind of disclaimer might suffice to avoid liability? These questions may continue to challenge service providers and rights owners alike, as the precise contours of trademark and false advertising property law in the online marketplace continue to be drawn.

### Endnotes

1. Tiffany (NJ) Inc. and Tiffany & Co. (“Tiffany”) were represented at trial and on appeal by Arnold & Porter LLP. eBay was represented at trial and on appeal by Weil, Gotshal & Manges LLP.
2. See generally *Tiffany (NJ) Inc. v. eBay Inc.*, 576 F. Supp. 2d 463 (S.D.N.Y. 2008).
3. *Id.* at 469.



4. *Id.* at 470.
5. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844 (1982).
6. *Id.* at 502-03.
7. *See id.* at 502 (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 854 (1982)).
8. *Id.* (quoting Rest. (3d) Unfair Competition § 27 (1995)).
9. *Id.*
10. *Id.* at 503 (quoting *Inwood*, 456 U.S. at 854 n.13).
11. *Id.* at 470.
12. *See id.* at 503-507.
13. *Id.* at 508.
14. *Id.* at 470 (“Quite simply, the law demands more specific knowledge as to which items are infringing and which seller is listing those items before requiring eBay to take action.”).
15. *Id.* at 508 (quoting *Inwood*, 456 U.S. at 854) (emphasis in original).
16. *Id.* at 510.
17. *Id.* at 509.
18. *Id.* at 510.
19. *See, e.g., id.* at 473 (noting that the lack of record evidence on the “crucial topic of the size of the legitimate secondary market in Tiffany goods” was “significant, since the law clearly protects such secondary markets in authentic goods”); *id.* (“Clearly, eBay and other online market websites may properly promote and facilitate the growth of legitimate secondary markets in brand-name goods.”); *id.* at 483 (noting that Tiffany’s “five-or-more” rule was used “not as an anticounterfeiting tool, but instead, as an anti-diversion tool—that is, to guard against the growth of a secondary market in authentic Tiffany goods”); *id.* at 510 n.36 (noting that “in Tiffany’s pre-litigation letters to eBay, Tiffany demanded that eBay ‘ban the sale of Tiffany silver jewelry’ altogether. Accordingly, there is at least some basis in the record for eBay’s assertion that one of Tiffany’s goals in pursuing this litigation is to shut down the legitimate secondary market in authentic Tiffany goods.”).
20. *Id.* at 519.
21. *See generally id.* at 511-513.
22. *Id.* at 483, 512.
23. *Id.* at 512; *see also id.* at 485-86.
24. *Id.* at 513.
25. The District Court found that eBay had established the VeRO Program to allow rights owners like Tiffany to monitor eBay’s site and to report to eBay listings for items that they had a good-faith belief infringed on a trademark or copyright. *See id.* at 478.
26. The evidence adduced at trial demonstrated that eBay consistently removed any listings subject to a NOCI within 24 hours and that the vast majority of NOCI’s (i.e., between 70% and 80%) resulted in removal of listings within four to 12 hours. *Tiffany*, 576 F. Supp. 2d at 478-79.
27. *Id.*
28. *Id.* at 516.
29. *Id.* at 518.
30. *Id.* at 489.
31. *See id.* at 513-15.
32. *Id.* at 514.
33. *Id.* at 515.
34. *Id.*
35. *Id.*
36. *Id.* at 494-501.
37. *Id.* at 520.
38. *Id.* at 521.
39. *Id.* at 521-26.
40. *Id.* at 526. Tiffany had also alleged a separate claim for unfair competition under federal and common law. The District Court concluded that these claims failed for all the same reasons that its Lanham Act claims failed. *Id.* at 519.
41. *See generally Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93 (2d Cir. 2010).
42. *Id.* at 98.
43. *Id.* at 99.
44. *Id.* at 106.
45. *Id.* at 99-100.
46. *Id.* at 103.
47. *Id.* at 104-05.
48. *Id.* at 105-06.
49. *Id.* at 107.
50. *Id.* at 107-08.
51. *Id.* at 108.
52. *Id.* (quoting 464 U.S. 417, 439 n.19 (1984)) (emphasis added by Second Circuit).
53. *Id.*
54. *Id.* at 109.
55. *Id.*
56. *Id.*
57. *Id.*
58. *Id.*
59. *Id.* The Court echoed the District Court in this regard, as the lower court had similarly found that “Tiffany and eBay alike have an interest in eliminating counterfeit Tiffany merchandise from eBay.” *Tiffany*, 576 F. Supp. 2d at 469.
60. *Id.* at 109-10.
61. *See supra* note 34; *Tiffany*, 576 F. Supp. 2d at 495-98.
62. *Id.* at 102.
63. *Id.* at 102-03.
64. *Id.* at 103.
65. *Id.*
66. *Id.*
67. *Id.* at 112.
68. *Id.*
69. *Id.* at 113.
70. *Id.* at 112.
71. *Id.* at 112-13.
72. *Id.* at 113.
73. *Id.* at 113-14.
74. *Id.* at 114.
75. *Id.*
76. *Id.*
77. *See* Fed. R. App. P. 40, 41.
78. The Court also declined to endorse either the doctrine of nominative fair use or to state definitively whether Second Circuit law recognizes the existence of a cause of action for contributory trademark dilution.

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# *American Needle, Inc. v. National Football League*— A Driving Force in Determining the “Midnight Hour” in the Current NFL Collective Bargaining Negotiations

By Brian C. Laskiewicz

## I. Introduction

Throughout approximately the last year, there has been relatively little progress in the current collective bargaining negotiations presently being held between the National Football League (NFL or League) and National Football League Players Association (NFLPA). While this lack of progress has included statements by each side that could be characterized as posturing, grandstanding, or negotiating tactics, there is another aspect to the current round of NFL-NFLPA negotiations that was not present in prior labor discussions. Observers have noted that there is no clear sense of when the “midnight hour” arrives with respect to these sessions.<sup>1</sup> This very likely is at least one factor that has resulted in a long negotiation that has yielded relatively little in terms of progress, resulted in a somewhat acrimonious level of communication between the two sides, and as of March 5, 2010 has ensured that the 2010 NFL season will be the first since 1994 to be held without a salary cap (or salary floor) for each of the NFL’s 32 teams, with little progress as of this June.<sup>2</sup>

It is quite possible that one of the main reasons for a lack of a midnight hour, at least prior to March 2011, when the current Collective Bargaining Agreement (CBA) expires, is that the case of *American Needle, Inc. v. National Football League*, which was pending before the United States Supreme Court and decided on May 24, 2010, has played a dramatic role in shaping the business and legal tactics available to the NFL and NFLPA.<sup>3</sup> An analysis of the background indicates that the outcome and timing of the *American Needle* case decided by the Supreme Court has directly impacted the ongoing negotiations, in significant part because of the Court’s consideration of antitrust issues that touch and concern labor law. Since the announcement of this decision, at least some of the various dominoes related to the current labor situation have begun to fall into place, and illuminate possible manners in which the negotiations may be resolved. Ultimately, it may determine whether the 2011 NFL season will be played as scheduled or be subject to a work stoppage, a development not lost on commentators and attorneys well-versed in sports law-related topics concerning antitrust or labor law.<sup>4</sup> For example, the NFLPA has used its recently reaffirmed negotiating position to file a legal challenge against the NFL’s broadcast agreement, which provides for approximately four billion dollars in guaranteed television contract revenues for the 2011 season, even if it is cancelled due to a lockout, asserting that such tactic provides an improper NFL team owners’ fund by

which to ride out any NFL work stoppage.<sup>5</sup> As set forth below, the retention of the status quo in antitrust law with respect to professional sports leagues and the single entity defense has clarified the availability of various negotiating tactics for both the NFL and NFLPA, which may assist in breaking the logjam that has plagued current CBA negotiations and will play a very significant role in the ultimate resolution of this matter.<sup>6</sup>

## II. Background of the Parties and Lower Court Litigation

### A. National Football League

The NFL is the preeminent professional sports league that conducts competitive games of professional American football. It was formed in 1920 by a number of independent professional football clubs, and prior to 1922 was known as the American Professional Football Association. Originally existing on the fringe of the American college and professional sporting landscape, the NFL gradually obtained stability of its franchises and increased its standing in the world of sports and entertainment. The NFL grew in size through a series of self-initiated expansions and mergers with other leagues, including a partial merger with the All-America Football Conference in 1950, as well as a full merger with the American Football League (AFL) (1960-1970) that received the formal approval of Congress in 1966, which exempted the merger from antitrust scrutiny.<sup>7</sup>

Along with the growth of television and mass media, the NFL became the most popular professional sports league in America. The NFL-AFL merger brought about the Super Bowl championship game, which has grown from a non-sellout debut in 1967 to the unofficial national holiday that currently exists. The NFL has certainly used its increased attention to promote the game, including legendary players, such as Jim Brown, Jerry Rice, Barry Sanders, and Peyton Manning, just to name just a few. Historic championship teams have also been heavily promoted, from the 1960s Green Bay Packers, the undefeated 1972 Miami Dolphins, the 1970s Pittsburgh Steelers, the 1980s-1990s San Francisco 49ers, the 1990s Dallas Cowboys, the 2000s New England Patriots, all the way to the current Super Bowl XLIV champions in 2010, the New Orleans Saints. Much, if not all, of this increased attention by sports fans and the general public has come by way of tremendous television, multimedia, and Internet exposure, as well as through the extensive intellectual

property licensing and promotion conducted by the NFL since the 1960s.<sup>8</sup>

#### **B. NFL Intellectual Property Promotion—NFL Properties**

The NFL arguably first burst into the national collective consciousness of the sporting scene in 1958 when the Championship Game between the Baltimore Colts and New York Giants became the first game in League history to go into sudden-death overtime. Almost instantly referred to as “the greatest game ever played,” the drama helped the NFL to obtain numerous lucrative television contracts, a process that continues to the present day.<sup>9</sup> NFL Enterprises was created in 1959 as a division of Roy Rogers Enterprises. In 1963, NFL Commissioner Pete Rozelle brought this entity in-house and renamed it NFL Properties, a joint venture among the League’s teams and the intellectual property licensing arm of the NFL, which began to produce significant profits by the late-1980s and became a marketing powerhouse in the 1990s. Gross revenues rose from \$1.5 million in 1969 to \$100 million by 1979, and \$500 million by 1986, to a staggering \$2.5 billion by 1993, creating significant profits in the process.<sup>10</sup> The proliferation of licensees into the sports apparel marketplace, however, diluted the profits enjoyed by NFL Properties, which helped to encourage a different business model whereby the number of licensees would be reduced, giving NFL Properties greater control over the use of the “club marks” of each of the teams and creating a marketing campaign designed to increase the demand and novelty of NFL team apparel.<sup>11</sup>

#### **C. American Needle and Litigation Against the NFL**

American Needle, Inc. (American Needle) is a manufacturer of apparel that has been involved in the sports apparel market since 1918, including serving as a licensee for the NFL, as well as Major League Baseball (MLB) and the National Hockey League (NHL).<sup>12</sup> American Needle acted as a non-exclusive licensee of headgear for the NFL and its franchises from the late-1970s through 2000.<sup>13</sup> After 2000, however, American Needle’s most recent licensing agreement expired and was not renewed by the NFL. Instead, the NFL decided to award a single licensing agreement for team apparel to Reebok, which paid \$250 million for a 10-year exclusive contract that NFL Properties believed would strengthen its control over sales and offer new business opportunities.<sup>14</sup>

On December 1, 2004, approximately four years after losing its rights upon the expiration of its license to produce NFL apparel, American Needle filed suit against the NFL, challenging the League’s actions under Section 1 of the Sherman Antitrust Act of 1890, which prohibits concerted action that unreasonably restrains trade.<sup>15</sup> American Needle’s claim was based on the fundamental argument that each NFL team retained ownership of its own intellectual property irrespective of any other arrangements, and therefore the action by NFL Properties

operated as a conspiracy to restrict the availability of licenses to vendors, which, according to American Needle, constituted a violation of the Sherman Antitrust Act.<sup>16</sup> Following limited discovery, District Judge James Moran granted summary judgment in favor of the NFL, reasoning that the NFL, its teams, and NFL Properties “have so integrated their operations [with respect to intellectual property] that they should be deemed a single entity.”<sup>17</sup>

American Needle appealed the grant of summary judgment to the Seventh Circuit, where the three-judge panel unanimously affirmed the District Court ruling. The Seventh Circuit’s opinion contained references to the fact that NFL teams voluntarily assigned their club marks to NFL Properties for licensing, including an explicit finding that the NFL constituted a single entity for the limited purpose of licensing, possibly the first-ever such explicit finding by a Circuit Court. Furthermore, this decision did not explicitly limit the District Court’s application of the single-entity rationale to intellectual property licensing practices.<sup>18</sup> In response, both American Needle and the NFL filed petitions for certiorari with the United States Supreme Court.<sup>19</sup> American Needle’s petition was clearly and obviously filed in order to reverse the decisions of the Northern District of Illinois and the Seventh Circuit. In contrast, the NFL took the unusual step of a successful party appealing the decision as part of a calculated risk, as the League saw the potential to gain a long-coveted tremendous expansion of the protection of its business practices from requirements under the Sherman Antitrust Act.<sup>20</sup>

#### **D. Antitrust Background**

Section 1 of the Sherman Antitrust Act prohibits “[e]very contract, combination in the form of a trust or otherwise, or, conspiracy, in restraint of trade.”<sup>21</sup> With the historical exception and retrospectively historical oddity of Major League Baseball, professional sports leagues have long been subjected to the contours of antitrust law.<sup>22</sup> The courts have subjected various practices of the NFL and other leagues to antitrust analysis since at least the 1950s.<sup>23</sup> As a result, the business practices of the NFL have a long history of either being litigated, as in cases involving franchise relocation and labor practices, or been the subject of legislation designed to protect such activity from being invalidated under the Sherman Act.<sup>24</sup>

Antitrust law provides for two different standards of review: (1) *per se* review for certain kinds of Section 1 violations, where a restraint reveals a “predictable and pernicious anticompetitive effect”;<sup>25</sup> and (2) rule of reason review, which courts have commonly applied to other types of enterprises, such as joint ventures, including professional sports leagues, and involves fact-intensive discovery along with a balancing test between competitive and anti-competitive effects.<sup>26</sup> The rule of reason standard of review has prevailed with respect to the NFL, which had historically been regarded by the courts as a joint venture of individually owned franchises who



competed at various levels while combining their efforts to enhance their product in areas that were beneficial or even necessary to the enterprise. This was consistent until the Seventh Circuit's decision in *American Needle*, where the single entity defense gained some traction for the NFL.<sup>27</sup> While the difference between a joint venture and a single entity for limited purposes (such as licensing) may appear to be subtle or even difficult to grasp, the difference is pronounced with respect to the subject matter of the instant litigation, as well as the broader application to other aspects of the business of the NFL, especially toward labor relations between the League and NFLPA. For example, the NFL has long been subject to antitrust requirements with respect to labor, working conditions, and collective bargaining.<sup>28</sup>

The law appeared to be settled prior to the *American Needle* suit, except for the existence, advocacy for, and ultimately temporary application of the judicially recognized single-entity defense. This defense stems largely from the United States Supreme Court case of *Copperweld Corp. v. Independence Tube Corp.*, a case in which the Supreme Court found that a parent corporation and its wholly owned subsidiary were a single entity and acting with a "complete unity of interest."<sup>29</sup> This finding provides a critical distinction between a single entity and joint venture, in that there are no separate parts to a single entity, while a joint venture is deemed to contain a number of constituent parts with both common and diverging interests. This distinction is critical because a single entity by definition cannot compete against itself, which therefore exempts the entity from Sherman Antitrust Act Section 1 scrutiny for any purpose that the entity is deemed to operate as a single entity, although in the instance of *Copperweld* the holding was limited to a parent and wholly owned subsidiary.<sup>30</sup>

### III. Supreme Court Briefs and Oral Arguments

Once certiorari was granted, American Needle and the NFL submitted their briefs, which contained analyses along the lines of the arguments contained above. A number of parties filed amicus briefs, including filings by the National Basketball Association and NHL in support of the NFL's position and pursuit of single-entity recognition, and several briefs filed in support of American Needle, perhaps most notably by the NFLPA.<sup>31</sup> American Needle essentially highlighted the various ways in which the teams of the NFL competed against each other, including with respect to marketing, highlighting the example of the Dallas Cowboys' attempts to reach its own agreements in the mid-1990s, as well as each team setting its own ticket prices. In addition, American Needle highlighted the limited nature of the holding in *Copperweld*, the long legal history of NFL behavior being subjected to Section 1 analysis, and the lack of any court or Congressional precedent supporting the granting of broad anti-

trust exemption to professional sports leagues from the second half of the Twentieth Century to present.<sup>32</sup>

By way of contrast, the NFL focused on the promotional, marketing, and intellectual property aspects of its business, highlighting the commonality of purposes between the League and its teams. The League argued that such activities stem from a common underlying source of economic power not to be confused with its on-field competition, non-sports league business models, or Congress' enactments, such as the Sports Broadcasting Act of 1961 (SBA), which dealt with discrete aspects of the business practices of the NFL. The League further suggested that the law did not prohibit sports leagues from being recognized as single entities.<sup>33</sup>

The NFLPA touched on many of the same arguments as American Needle in filing its amicus brief. The NFLPA argued that the NFL's teams could not be considered a single entity because of the many ways in which they competed with each other for fan loyalty within and across regions, including with respect to multiple teams present in the New York, Washington-Baltimore, and San Francisco-Oakland areas and the Dallas Cowboys' attempts at nationally branding its franchise as "America's Team." Interestingly, the NFLPA specifically argued that the teams competed for player services in order to improve their respective products on the field in the pursuit of Super Bowl championships. The NFLPA also argued that a single entity finding would undercut Congress' enactments, such as the SBA or Curt Flood Act, which hinted at its concern over the impact of the case on the presently pending CBA negotiations.<sup>34</sup>

Oral argument was held on January 13, 2010. Commentators noted that American Needle had the easier burden in seeking affirmation of a long line of case precedent, while the NFL deviated from its narrowly focused arguments from its brief in seeking a transformative decision that would significantly impact its business across a wide-reaching business and sports law landscape. The questions and comments made by several Justices on the record at oral argument appeared to hint at a possible remand of the case for further proceedings at the District Court and a ruling that would not provide the NFL with a broad protection against antitrust law.<sup>35</sup> For example, during the questioning of NFL counsel Greg H. Levy, Esq., Justice Sonia Sotomayor commented, "You are seeking through this ruling what you haven't gotten from Congress: an absolute bar to an antitrust claim."<sup>36</sup> Similarly, Justice Antonin Scalia questioned the proposition that an NFL team was "worthless by itself" and "had value only in the joint venture of the NFL," which resulted in a partial concession by Mr. Levy, asserting that NFL teams could be sold individually.<sup>37</sup>



#### IV. Impact on NFL-NFLPA CBA Negotiations Prior to May 2010

The developments in the *American Needle* case have been present at the very heart of the current NFL labor impasse and contributed to the lack of clarity as to when urgency becomes a factor in attempting to avert a work stoppage, which presumably neither the NFL nor NFLPA prefers as a first choice to transpire. Under current antitrust and labor laws, it has been generally understood that collective bargaining is recognized as a right of labor. Upon the expiration of a collective bargaining agreement between labor and management, such often results in a management-imposed lockout or strike by labor. Whenever this happens, management has the ability to impose work rules based upon its most recent offer in negotiations, which may then be subject to litigation by labor.<sup>38</sup> This is precisely what transpired following the last NFL work stoppage with the players' strike in 1987. The owners imposed work rules in the aftermath of the strike. Several lawsuits were then filed by or on behalf of NFL players, which also involved the NFLPA's move to decertify as a collective bargaining entity for the purposes of the labor dispute. The League subsequently operated without a negotiated CBA until 1993, when the players won significant victories in federal court. Prior to 1993, the players enjoyed relatively little in the way of the right of free agency. Following the resolution of litigation instituted by the players, the NFL and NFLPA reached a deal on a new CBA, which resulted in the tremendous expansion of free agency rights, as well as the imposition of a salary cap and increased revenue sharing among the teams.<sup>39</sup> Such provisions were widely hailed for creating parity among the teams, regardless of market size, and for providing teams with the ability to become competitive in much shorter timescales than ever before. Thereafter, relative labor peace ensued until 2006, when the negotiations on the present CBA were completed, leading to the current climate.<sup>40</sup>

This impasse in negotiations has existed in part because of the then-potentially transformative impact of *American Needle*. One of the main issues brought forth by the NFL at oral argument was whether it may be classified as a single entity for all purposes, which would have the effect of permitting the League and its teams to circumvent many provisions of antitrust law that have a direct bearing on labor, the players who comprise the membership of the NFLPA. While the case directly focused on a limited application of single-entity status, the potential for a Supreme Court affirmation of the Seventh Circuit's decision would have theoretically permitted the NFL to enjoy significantly greater freedom with respect to other aspects of its business, especially with respect to the present CBA discussions.

Antitrust law, including its "non-statutory exemption" to Section 1, protects collectively bargained restraints from antitrust challenges and provides incen-

tive for labor and management to negotiate concerning mandatory subjects of bargaining, such as wages, hours, and other employment conditions, among the subject areas covered in the NFL-NFLPA CBA, thereby providing stability to the collective bargaining process.<sup>41</sup> The inapplicability of antitrust to the NFL if it were to be deemed a single entity would have cast doubt on the validity of the NFLPA's rights under antitrust law to decertify and litigate under antitrust law to protect its rights. This would potentially open the door for the NFL to unilaterally impose working conditions without the counterbalancing threat of NFLPA litigation that would at least theoretically present a likelihood of success on the merits. While the NFL is permitted to impose working conditions based upon its offer in labor negotiations, the League may do so only under the guise of an impasse under antitrust and labor law. The potential exemption to antitrust law provided by single-entity recognition sought by the NFL could have conceivably eliminated the players' recourse of challenging such action in federal court, and would conceivably insulate the NFL from charges of collusion, making it far easier for the League to impose wage scales than is presently possible.<sup>42</sup> For example, under a scenario whereby the Seventh Circuit's decision in *American Needle* was upheld or even expanded in scope, the NFL would be able to avoid charges of collusion in the event that its constituent owners conspired to reduce spending or player salaries as a whole. In addition, the decertification tactics previously employed by the NFLPA would be unavailable under such a scenario in the event that the NFL was declared to be a single entity for antitrust purposes.<sup>43</sup>

On the other hand, a ruling that maintained the status quo, where the NFL is essentially a joint venture whereby the League and its teams are able to operate in coordinated activities for purposes such as negotiating league-wide media agreements (like television and radio broadcast rights), but are recognized to be legal competitors of each other for purposes such as procuring player contracts and fan loyalty, would preserve the ability of the NFLPA to negotiate from a position of greater strength. Assuming that the outcome in *American Needle* would not significantly transform the laws and business practices that govern major league professional team sports in North America, it is clear that the NFL and NFLPA would continue to bargain in the context of a possible lockout or imposition of work rules by the NFL team owners. Under this scenario, where decertification and labor law litigation are available to the NFLPA, it is not certain that the NFLPA would prevail given that the salary and free agency conditions are far more favorable to the players than they were 20 years ago.<sup>44</sup> Still, it only seems reasonable that one of the reasons that the NFLPA did not simply accept the owners' most recent offer prior to the start of free agency (which created more restrictions on free agency and conceivably permits teams to spend as little on payroll as desired, serving as some of the "poison pill" provisions designed to motivate both sides to extend

the CBA at least one full year prior to its expiration) was because of the uncertainty surrounding the state of applicable law at the time that the salary cap was set to expire in March 2010, even though such expiration had potentially negative effects for player salaries and free agent contracts, since the CBA contained both a salary cap and salary floor. Indeed, as the NFL's position in terms of arguing for single-entity recognition appeared to be outside the mainstream of antitrust law, many predictions among commentators and attorneys seemed to be based on the idea that the outcome in *American Needle* would not be transformative, or do not even account for the litigation at all. Accordingly, such predictions were based on prior labor stoppages in the NFL or other professional sports leagues, which in the case of the NFL could conceivably result in a lockout during 2011 or League-imposed work rules, which could then open the door for decertification by the NFLPA and litigation on behalf of the players, or in at least one recent prediction, NFLPA declaration of a *de facto* lockout and possible vote on a players' strike.<sup>45</sup>

## V. Supreme Court Ruling, Reaction, and Impact on CBA Talks

### A. Supreme Court Opinion

On May 24, 2010, the United States Supreme Court reversed the decision of the Seventh Circuit by a unanimous 9-0 vote of the Justices, a decision that attracted significant attention from the news media and members of the NFL and NFLPA establishments.<sup>46</sup> The opinion of the Supreme Court was delivered by Justice John Paul Stevens, who was set to retire at the conclusion of the October 2009 Term, in June 2010. In this reversal, the Court remanded the matter for pre-trial discovery and a trial on the specific facts of *American Needle*'s antitrust claims under the rule of reason standard.<sup>47</sup> Notably, the Court rejected the NFL's single entity argument, indicating that "[a]lthough NFL teams have common interests such as promoting the NFL brand, they are still separate, profit-maximizing entities, and their interests in licensing team trademarks are not necessarily aligned."<sup>48</sup> Justice Stevens focused on the potential competition among different teams in various ways "to attract fans, for gate receipts and for contracts with managerial and playing personnel." Focusing specifically on *American Needle*, Justice Stevens opined that "[d]irectly relevant to this case, the teams compete in the market for intellectual property," and "[t]o a firm making hats, the Saints and the Colts are two potentially competing suppliers of valuable trademarks."<sup>49</sup>

The opinion defused a contention by the NFL that an adverse ruling would turn every collectively made League decision into an antitrust conspiracy by focusing on the specific nature of the NFL's decision to award an exclusive license to Reebok for the production of headgear, explaining that "[d]ecisions by NFL teams to license their separately owned trademarks collectively and only to one vendor are decisions that 'deprive the marketplace

of independent centers of decisionmaking...and therefore of actual or potential competition."<sup>50</sup> The NFL's use of a single enterprise of its own, NFL Properties, does not allow the League or its teams to circumvent antitrust law or cloak itself with the shield of a single entity, because "[i]f the fact that potential competitors shared in profits or losses from a venture meant that the venture was immune from §1, then any cartel 'could evade the antitrust law simply by creating a 'joint venture' to serve as the exclusive seller of their competing products.'"<sup>51</sup> Justice Stevens also noted that "[t]he fact that NFL teams share an interest in making the entire league successful and profitable, and that they must cooperate in the production and scheduling of games, provides a perfectly sensible justification for making a host of collective decisions."<sup>52</sup> In this sense, the Court distinguished the common interests in NFL teams pursuing promotion of intellectual property from their own competing interests relating to the desired performance of each team's own intellectual property assets, thereby precluding a finding of single entity activity supported in *Copperweld* while also recognizing that a certain level of cooperation among a group of actors may be necessary to preserve a form of competition desired by such actors.<sup>53</sup> Accordingly, the status quo of antitrust law was preserved in this narrowly tailored decision, which would permit the NFL and its teams to make a number of collective decisions, although the Supreme Court was making no finding as to the legality of any particular decision, the merits of each which would be subject to rule of reason analysis in the event any collective decision of the League was challenged.<sup>54</sup>

### B. Reaction and Impact on CBA Talks

Following the Supreme Court opinion, a number of individuals, including commentators and NFLPA President DeMaurice Smith, made observations indicating that: (a) the pending nature of the *American Needle* decision was one of the main obstacles to meaningful labor negotiations up to that point; and (b) that the actual outcome provided a beneficial effect that enhanced the bargaining power of the NFLPA vis-à-vis the NFL owners' comments and actions that suggested preparation for an extended lockout.<sup>55</sup> Upon the announcement of the opinion, NFLPA President Smith issued a statement expressing such sentiment:

Today's Supreme Court ruling is not only a win for the players past, present and future, but a win for the fans. While the NFLPA and the players of the National Football League are pleased with the ruling, we remain focused on reaching a fair and equitable Collective Bargaining Agreement. We hope that today also marks a renewed effort by the NFL to bargain in good faith and avoid a lockout.<sup>56</sup>

The NFL has downplayed any link between *American Needle* and the ongoing CBA negotiations, but has chosen to focus on the positive aspects of the case and has expressed a commitment to reaching a new CBA in order to prevent a work stoppage. NFL spokesman Greg Aiello has stated that the ruling “has no bearing on collective bargaining, which is governed by labor law,” welcomed the recognition that collective decisions by sports leagues may be protected, and expressed confidence that the League would prevail in the remanded lawsuit “because the league decision about how to best promote the NFL was reasonable, pro-competitive, and entirely lawful.”<sup>57</sup> NFL Commissioner Roger Goodell indicated that talks with the NFLPA would restart in June [2010], that the timing of an agreement was unknown, a labor-cost number acceptable to owners and players was the biggest obstacle, but that “[w]e will have a labor agreement” that “will be collectively bargained and not through the courts.”<sup>58</sup>

It is clear that the outcome in *American Needle* has eliminated ambiguity that previously clouded the current NFL labor dispute. Since the status quo has been preserved, the NFLPA has retained its potential leverage to challenge on antitrust and labor law grounds any possible League-imposed labor conditions or lockout in the event a CBA is not reached by the expiration of the current Agreement in March 2011.<sup>59</sup> This opinion has been described by sports attorney William David Cornwell, Sr. as a rare instance where a Supreme Court decision is considered “landmark” when it does little more than maintain the status quo.<sup>60</sup> Still, this decision is only the first significant development of what will likely be a long and difficult process for all stakeholders involved. The expiration of the salary cap and free agency system, which has reduced the mobility of players between NFL teams, set in motion a process whereby teams have not spent lavishly for players. Uncertainty remains concerning the nature of the outcome of the CBA negotiations, as well as whether a work stoppage, whether short and symbolic or extended in duration, will occur.<sup>61</sup>

Now that the status quo has prevailed, on June 9, 2010 the NFLPA sought to launch a counterattack aimed to reduce the likelihood of a lockout by the filing of a legal challenge against the NFL’s broadcast agreement. This agreement provides the NFL with approximately four billion dollars in guaranteed television contract revenues for the 2011 season, even if the season is cancelled due to a lockout. This challenge by the NFLPA is designed to attack what the NFLPA sees as the League’s strategy of creating a lockout fund designed to ride out any NFL work stoppage.<sup>62</sup> The underlying authority for this comes from the settlement in the *White* litigation in 1993, which included a clause engineered by Jeffrey Kessler, the current lead attorney for the NFL players, that requires the NFL owners to maximize revenue during the term of the agreement and prohibits “transactions that circumvent” this duty.<sup>63</sup> Mr. Kessler has recently explained that this clause was written in 1993 to “protect the players against

what is happening now.”<sup>64</sup> This challenge will consider whether the NFL has given away valuable content in breach of the CBA, including an analysis of individual agreements with DirecTV, Fox, ESPN, NBC, and other broadcast agreements. Proceedings will initially be considered by Special Master Stephen Burbank of the University of Pennsylvania, and could be subject to appeal through the United States District Court for the District of Minnesota and Eighth Circuit. While this challenge may not be concluded before March 2011 and the outcome is uncertain, it is a potential threat to NFL team owners, who could go from projecting profits to potentially losing income and facing stadium and interest payments. The NFLPA has indicated that such television monies should be deposited into an escrow fund via court order, which could provide additional leverage for the NFL’s players.<sup>65</sup> Had *American Needle* been decided in favor of the NFL, it would have been highly likely that such a tactic would not have been considered to be reasonably available to the NFLPA. Much uncertainty will probably loom throughout 2011, but it is clear to many observers that the *American Needle* case has played a significant role in contributing to uncertainty prior to its decision on May 24, 2010, and the resulting outcome has already had an impact in shaping recent developments on the NFL-NFLPA CBA front.

## VI. Conclusion

Accordingly, since one possible “midnight hour” has passed, March 5, 2010, which as per the current CBA eliminates the salary cap and floor for the 2010 season, and provides greater restriction on the ability of players to exercise free agency, no significant progress has been noted between the NFL and NFLPA.<sup>66</sup> As both sides have apparently dug in their heels for the long haul, it turned out that no significant progress was made before the Supreme Court issued its opinion in *American Needle*. The NFL is seeking significant changes to player compensation (which through 2009 included a salary cap and salary floor on team payrolls), the players’ combined share of League revenues, a rookie wage scale, and other considerations. Prior to the announcement of the outcome, it was commonly believed that if the NFL had prevailed and obtained expanded single-entity protection against Section 1 of the Sherman Antitrust Act, the economic value and bargaining power of the parties and benefits at issue would have been altered tremendously in the owners’ favor.<sup>67</sup> Since that time, uncertainty remains concerning the “midnight hour” for labor negotiations, though some signals appear to point toward March 2011. The NFLPA challenge filed in June 2010 regarding the NFL’s television agreements for the 2011 season will likely play a significant role in the conduct of both the NFL and NFLPA in conducting CBA negotiations. It is clear that the *American Needle* case provided a significant amount of uncertainty as to the available negotiating tactics and power of each side, as well as a sense of the “midnight hour” that would give rise to a significant work stoppage in the form of a lockout or strike in the event that negotiations were to



fail. The Supreme Court's decision has provided clarity with respect to the state of antitrust law, although many aspects of the negotiations are likely to remain unclear and unresolved into 2011, as the NFL and NFLPA have held discussions since June 2010 without any significant progress, raising concerns that a work stoppage could still occur.<sup>68</sup>

## Endnotes

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2. Marvez, 2010; Mike Florio, "Bob Batterman Says League, Union Are 'As Far Apart As I Could Imagine.'" <<http://profootballtalk.nbcsports.com/2010/05/10/bob-batterman-says-league-union-are-as-far-apart-as-i-could-imagine/>>, May 10, 2010; Lester Munson, "NFLPA Ups The Lockout Ante." <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100609> (last visited July 23, 2010).
3. *See Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
4. Such commentators include William David Cornwell, Sr., president of the sports law firm DNK Cornwell in Atlanta, and Lester Munson, a Chicago-based attorney and ESPN columnist.
5. Munson, June 9, 2010; William David Cornwell, Sr., "A Hail Mary Falls Incomplete: The American Needle Decision's Impact On Collective Bargaining In The NFL." <[http://www.huffingtonpost.com/wm-david-cornwell-sr/a-hail-mary-falls-imcompl\\_b\\_587770.html](http://www.huffingtonpost.com/wm-david-cornwell-sr/a-hail-mary-falls-imcompl_b_587770.html)> (last visited July 23, 2010).
6. *See id.*; Munson, June 9, 2010; Cornwell, February 16, 2010.
7. Pub. L. No. 89-800, 6(b)(1), 80 Stat. 1515 (codified as amended at 15 U.S.C. § 1291); Official 2009 National Football League Record & Fact Book, compiled by the NFL Communications Department and Seymour Siwoff, Elias Sports Bureau, 2009, at 352-361. Since its founding in 1920, the NFL has faced one of the highest number of competing rival major leagues of all the major professional team sports in the United States of America and Canada (baseball, basketball, football, and hockey): four separate entities known as the American Football League (1926, 1936-1937, 1940-1941, 1960-1969), All-America Football Conference (1946-1949), World Football League (1974-1975), United States Football League (1983-1986), and XFL (2001, acronym not standing for a more detailed name). ESPN Sports Almanac 2009, at 260, Ballantine Books, 2008.
8. Official 2009 National Football League Record & Fact Book at 14-15, 336-348, 356-370.
9. Official 2009 National Football League Record & Fact Book at 358-370; *Brand NFL: Making and Selling America's Favorite Sport*. Michael Oriard, 2007 at 2-3; Eddie Epstein, "Title Game Wasn't That Great For '58 Colts," <http://static.espn.go.com/nfl/s/epstein/colts/html> (last visited June 11, 2010), and see Mark Bowden, *The Best Game Ever*, Sports Illustrated, April 28, 2008, 64-77.
10. Oriard at 3, 179; Official 2009 National Football League Record & Fact Book 358.
11. Mark Yost, Tailgating, Sacks, and Salary Caps 126-129 (2006).
12. *See Am. Needle & Novelty, Inc. v. Drew Pearson Mktg.*, 820 F. Supp. 1072, 1074 (N.D.Ill. 1993).
13. *See Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736, 738 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
14. Yost at 126-129.
15. *See Am. Needle, Inc. v. New Orleans La. Saints*, 496 F. Supp. 2d 941 (N.D.Ill. 2007); see also Sherman Antitrust Act § 1, 15 U.S.C. § 1 (2006) (Section 1 providing the prohibition against unreasonable restraints against trade).
16. *See Am. Needle, Inc. v. New Orleans La. Saints*, 496 F. Supp. 2d 941 (N.D.Ill. 2007); see also Michael A. McCann, *American Needle v. NFL: An Opportunity to Reshape Sports Law*, 119 Yale L.J. 726, 734 (2010).
17. *Am. Needle, Inc. v. New Orleans La. Saints*, 496 F. Supp. 2d 941, 943 (N.D.Ill. 2007).
18. *See Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736, 742 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661). See, e.g., *L.A. Mem'l Coliseum Comm'n v. Nat'l Football League*, 726 F.2d 1381 (9th Cir. 1984) ("Raiders I"). See McCann at 747. A number of Circuit Courts have declined to recognize a professional sports league and independently-owned franchises as a single entity.
19. *See Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
20. McCann at 734-735. See also Lester Munson, "Antitrust Case Could be Armageddon," [http://sports.espn.go.com/espn/columns/story?columnist=munson\\_lesler&id=4336261](http://sports.espn.go.com/espn/columns/story?columnist=munson_lesler&id=4336261) (last visited July 23, 2010).
21. Sherman Antitrust Act § 1, 15 U.S.C. § 1 (2006) (Section 1 providing the prohibition against unreasonable restraints against trade).
22. *See Fed. Base Ball Club of Balt., Inc. v. Nat'l League of Prof'l Baseball Clubs, Inc.*, 259 U.S. 200, 202 (1922) (case arising out of the 1914-1915 Federal League, the last challenger to MLB's structure, where the Supreme Court's finding that baseball games were purely state affairs and not subject to interstate commerce was a product of the *Lochner* Era line of interstate commerce cases, beginning in approximately 1905 under *Lochner v. New York*, 198 U.S. 45 (1905) and ending in approximately 1937 with the Supreme Court decisions in *West Coast Hotel Co. v. Parrish*, 300 U.S. 379 (1937) and *Nat'l Labor Relations Bd. v. Jones and Laughlin Steel Corp.*, 301 U.S. 1 (1937)). While this exemption has been affirmed, the Supreme Court later described this decision as an "anomaly" but reserved repeal to the decision of Congress. *Flood v. Kuhn*, 407 U.S. 258, 282 (1972). In addition, the Curt Flood Act of 1998 eliminated this exemption to the extent that such impacted employment rights of players. See 15 U.S.C. §§ 12 et seq.
23. *See Radovich v. NFL*, 352 U.S. 445 (1957); see also *Haywood v. Nat'l Basketball Ass'n*, 401 U.S. 1204 (1971).
24. *See L.A. Mem'l Coliseum Comm'n v. Nat'l Football League*, 726 F.2d 1381 (9th Cir. 1984) ("Raiders I") (as to franchise relocation, particularly pertaining to legal issues raised by the Oakland Raiders' relocation to Los Angeles prior to the 1982 season); see also *Mackey v. Nat'l Football League*, 543 F.2d 606 (8th Cir. 1976) (invalidating the anti-competitive "Rozelle Rule" that compelled a team signing a player to a contract to financially compensate the team that previously employed the player). See the Sports Broadcasting Act of 1961 (SBA), 15 U.S.C. §§ 1291-1295 (providing the major professional sports leagues antitrust exemption for the purpose of a national television contract over sponsored broadcasting).
25. *See Arizona v. Maricopa County Med. Soc'y*, 457 U.S. 332, 351 (1982) (finding physician fee agreements to be price-fixing).
26. *See Major League Baseball Props. v. Salvino, Inc.*, 542 F.3d 290, 338 (2d Cir. 2008); see also *Five Smiths, Inc. v. Nat'l Football League Players Ass'n*, 788 F. Supp. 1042, 1045 (D.Minn. 1992) (quoting *Nat'l Soc'y of Prof'l Eng'rs v. United States*, 435 U.S. 679, 692 (1978)).
27. *See Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661); see also *N. Am. Soccer League v. Nat'l Football League*, 670 F.2d 1249 (2d Cir. 1982) (labeling the NFL as a joint venture); see also McCann at 738.



28. See *McNeill v. Nat'l Football League*, 790 F. Supp. 871 (D.Minn. 1992) (rejecting NFL single-purpose entity defense); see also *White v. Nat'l Football League*, 836 F. Supp. 1508 (D.Minn. 1993), *aff'd* 41 F.3d 402 (8th Cir. 1994) (approving settlement that created 1993 Collective Bargaining Agreement, which along with *White* case provided players' right to assert antitrust rights and give up union after CBA expires).
29. *Copperweld Corp. v. Independence Tube Corp.*, 452 U.S. 752, 770-773.
30. See *id.* at 767, 771-774; see also McCann at 742-744; see also Gabriel Feldman, *The Puzzling Persistence of the Single Entity Argument for Sports Leagues: American Needle and the Supreme Court's Opportunity to Reject a Flawed Defense*, 2009 Wisconsin L. Rev. 835.
31. See Brief of Amici Curiae of Nat'l Basketball Ass'n and NBA Props in Support of NFL Respondent's Response, Brief of Amicus Curiae Nat'l Hockey League, Brief of Amicus Curiae Nat'l Football League Players Ass'n, *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
32. See Brief of Petitioners and Reply Brief of Petitioners American Needle, Inc., *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661); see also *NCAA v. Bd. of Regents*, 468 U.S. 85 (1984) (striking down arrangement for collective television rights among independent universities and manner of competition amongst themselves, such as fan loyalty and student-athlete recruitment).
33. See Brief of Respondent NFL, *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
34. Brief of Amicus Curiae Nat'l Football League Players Ass'n, *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661). By way of example, the SBA prohibits the NFL from scheduling games on Friday nights during the high school football season and on Saturdays during the NCAA college football regular season. See 15 U.S.C. § 1293.
35. Lester Munson, "The Supremes Question NFL Case," <<http://sports.espn.go.com/espn/commentary/news/story?page=munson/100113>>, (last visited July 23, 2010).
36. Transcript of Oral Argument, T49:19-22, January 13, 2010, *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
37. Transcript of Oral Argument, T63:13-25, 64:1-5, January 13, 2010, *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661); see also Munson, January 13, 2010. There are multiple examples of NFL teams being sold individually over the course of the history of the NFL, as well as the independent existence of franchise value. Oriard 154-157 (source tables based on *Financial World* 1991-1997, *Forbes* 1998-2006).
38. See *McNeill v. Nat'l Football League*, 790 F. Supp. 871 (D.Minn. 1992) (rejecting NFL single-purpose entity defense); see also *White v. Nat'l Football League*, 836 F. Supp. 1508 (D.Minn. 1993), *aff'd* 41 F.3d 402 (8th Cir. 1994) (along with CBA, provided players' right to assert antitrust rights and give up union after CBA expires).
39. See *id.*; see also Cornwell, 2010. By way of historical reference, it should be noted that there have been three major work stoppages in NFL history, all of them strikes: 1974, 1982, and 1987. The first two roughly coincided with the creation of rival professional football leagues that had varying degrees of success in taking advantage of the situation. The 1974 strike, which wiped out significant portions of the pre-season, coincided with the start of play of the World Football League (WFL) (1974-1975). The WFL had minor success in luring away NFL players, but was badly undercapitalized and folded in the middle of its second season. (Oriard at 55-70). After the Birmingham and Memphis franchises, the strongest in the WFL, unsuccessfully applied for NFL membership, the Memphis franchise filed an antitrust challenge to the NFL's rejection. See *Mid-South Grizzlies v. Nat'l Football League*, 720 F.2d 772 (3d Cir. 1983) (rejecting WFL antitrust claim and attempt to compel NFL to accept a qualified applicant for league membership).
- The 1982 strike, which wiped out seven games out of each team's 16-game schedule, roughly coincided with the formation of the United States Football League (USFL) (1983-1986). The USFL began as a spring league and actually enjoyed significant success in its business and signing rookie players out of college, several of whom are now members of the Pro Football Hall of Fame (including Jim Kelly, Steve Young, and Reggie White), as well as a number of NFL veteran players, which helped to drive player salaries to new heights. While far better capitalized than the WFL, including Donald Trump's ownership of the New Jersey Generals franchise, significant differences in capitalization between owners and lack of coordinated action as a joint venture in its spring seasons and planned move to the fall in 1986, which brought forth an antitrust suit against the NFL whereby the USFL won a "Pyrrhic" victory with a jury award of one dollar, resulted in the USFL's demise. Although this was a jury case, a number of procedural applications resulted in published opinions. See, e.g., *United States Football League v. Nat'l Football League*, 644 F. Supp. 1040 (S.D.N.Y. 1986) (denial of USFL post-verdict motions for judgment notwithstanding the verdict and new trial, and request for injunctive relief); Jim Byrne, *The \$1 League: The Rise and Fall of the USFL*, Prentice Hall, 1987, 99-114, 176-209, 339-352; Kent Somers, *Twenty Years Later, USFL Still Brings Fond Memories*, USA Today, [http://www.usatoday.com/sports/football/2006-08-07-usfl-retrospective\\_x.htm](http://www.usatoday.com/sports/football/2006-08-07-usfl-retrospective_x.htm) (last visited July 23, 2010).
- The third strike, in 1987, occurred just after the USFL's demise and resulted in the loss of a single game for each team's schedule as well as the now-infamous playing of three weeks of games with "replacement" players. (Oriard at 129-136). A work stoppage in 2011 would be the first since 1987, and if a lockout, would be the first of its kind in NFL history.
40. Kevin M. Murphy and Robert H. Topel, *The Economics of NFL Team Ownership*, 8-9, 14-17, available at <http://www.rodneymurphy.com/PHSportsEcon/Common/LinksandFun/LinksFun04/FINAL%20-%20The%20Economics%20of%20NFL%20Team%20Ownership.pdf> (last visited July 23, 2010); see also Lester Munson, "Unions, Coaches Join Fight Against NFL," [http://sports.espn.go.com/espn/columns/story?columnist=munson\\_lester&id=4540530](http://sports.espn.go.com/espn/columns/story?columnist=munson_lester&id=4540530) (last visited July 23, 2010).
41. See *Local Union No. 189, Amalgamated Meat Cutters v. Jewel Tea Co.*, 381 U.S. 676, 689 (1965); see also *United Mine Workers v. Pennington*, 381 U.S. 657, 664-665 (1965); see also Gary R. Roberts, *Reconciling Federal Labor and Antitrust Policy: The Special Case of Sports League Labor Market Restraints*, 75 Geo. L.J. 19, 58-63, 89-90 (1986); see also McCann at 740-742.
42. See, e.g., *White v. Nat'l Football League*, 836 F. Supp. 1508 (D.Minn. 1993), *aff'd* 41 F.3d 402 (8th Cir. 1994) (case and CBA provide source of players' right to assert antitrust rights and decertify union after CBA expires).
43. Munson, July 17, 2009; Lester Munson, "The NFL's Latest Legal Muscle Pose," <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100204> (last visited July 23, 2010).
44. Cornwell (last visited July 23, 2010).
45. See, e.g., Marvez, 2010, Cornwell, February 16, 2010, Florio, 2010. Florio's reference to such a scenario is one of the more recent twists on the potential outcomes of the present labor negotiations between the NFL and NFLPA.
46. John Clayton, "Court: NFL Is 32 Teams, Not One Entity," <http://sports.espn.go.com/nfl/news/story?id=5214509> (last visited July 23, 2010); Cornwell (last visited July 23, 2010).
47. *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), *cert. granted* 129 S. Ct. 2859 (2009), *reversed* \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).

48. *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_, Slip Op. at 13 (U.S. May 24, 2010) (No. 08-661).
49. *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_, Slip Op. at 12 (U.S. May 24, 2010) (No. 08-661).
50. *Id.*
51. *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_, Slip Op. at 17 (U.S. May 24, 2010) (No. 08-661), quoting *Major League Baseball Properties, Inc. v. Salvino, Inc.*, 542 F.3d 290 (2d Cir. 2008) (Sotomayor, J., concurring in judgment).
52. *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_, Slip Op. at 18 (U.S. May 24, 2010) (No. 08-661).
53. See *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_, Slip Op. at 14, 18-19 (U.S. May 24, 2010) (No. 08-661), citing *Copperweld*, 467 U.S. 752, 769; quoting *Nat'l Collegiate Athletic Assn. v. Board of Regents of Univ. of Okla.*, 468 U.S. 85, 101, 117 (1984); citing *Texaco Inc. v. Dagher*, 547 U.S. 1, 6 (2006) (where venture between Texaco and Shell Oil to refine and sell gasoline in western United States that involved pricing decisions did not necessarily violate antitrust law since such decisions were not price fixing under antitrust law). Further reconciliation of the *Copperweld*, *Dagher*, and *American Needle* opinions will continue to occupy courts and antitrust attorneys long after the issuance of the most recent opinion, as the exact contours of concerted activities, single-entity operation, and activities that may constitute price fixing remain elusive. See Cleary Gottlieb Steen & Hamilton LLP, "Threading the (American) Needle: U.S. Supreme Court provides further guidance on when a joint venture is subject to the antitrust laws," <http://www.lexology.com/library/detail.aspx?g=cea8062e-8a88-4db4-8fd0-a141da94283f> (last visited July 23, 2010).
54. See *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (2009), reversed \_\_ U.S. \_\_ (U.S. May 24, 2010) (No. 08-661).
55. Clayton, May 24, 2010; Lester Munson, "Court Says 'No' To Antitrust Immunity," <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100524> (last visited July 23, 2010); Cornwell (last visited July 23, 2010).
56. Clayton (last visited July 23, 2010).
57. Adam Liptak and Ken Belson, *N.F.L. Fails in Its Request for Antitrust Immunity*, The New York Times, [http://www.nytimes.com/2010/05/25/sports/football/25needle.html\\_r=18ref=adam\\_liptak](http://www.nytimes.com/2010/05/25/sports/football/25needle.html_r=18ref=adam_liptak) (last visited July 23, 2010).
58. John Clayton, "NFL's Business Model Evolving," [http://sports.espn.go.com/nfl/columns/story?columnist=clayton\\_john&id=5219894](http://sports.espn.go.com/nfl/columns/story?columnist=clayton_john&id=5219894) (last visited July 23, 2010).
59. Munson, May 24, 2010; Gregg Easterbrook, "Flirting With Trouble: NFL's Power Play," <http://sports.espn.go.com/espn/commentary/news/story?page=easterbrook/100525> (last visited July 23, 2010).  
Gregg Easterbrook's brother is Seventh Circuit Judge Frank Easterbrook.
60. Cornwell (last visited July 23, 2010).
61. Jane McManus, "Players Are Preparing For The Worst," <http://sports.espn.go.com/new-york/nfl/news/story?id=5214874> (last visited July 23, 2010).
62. Munson (last visited July 23, 2010).
63. *Id.*; see also *White v. Nat'l Football League*, 836 F. Supp. 1058 (D.Minn. 1993), *aff'd* 41 F.3d 402 (8th Cir. 1994).
64. Munson (last visited July 23, 2010).
65. *Id.*
66. Marvez (last visited July 23, 2010).
67. See McCann at 764-767. Indeed, the NFL team owners are seeking to address problems related to the increasing disparity between unshared revenues obtained by higher revenue-producing teams, such as Dallas, Washington, and New England, and lesser revenue-producing teams, such as Buffalo and Jacksonville. McCann also notes that the CBA agreements in all four major leagues, the NFL, NBA, MLB, and NHL, are all set to expire during the 2010-2011 timeframe. The current environment of the national and global economies in the wake of the financial crisis, bailouts, Great Recession, and recent Eurozone crisis may conceivably make the next respective rounds of labor negotiations across the four North American major sports leagues collectively much more difficult for all parties involved than in the past.
68. Mike Florio, "Pash Advocates A Series Of Agreements Between NFL And Union," July 22, 2010, <http://profootballtalk.nbcsports.com/2010/07/22/pash-advocates-a-series-of-agreements-between-nfl-and-union> (last visited July 22, 2010). Jeff Pash serves as Executive Vice President for the NFL.

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**Upcoming *EASL Journal* Deadline:  
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# Sex, Violence and Video Games

By Jenny Milana

## Case History

Five years ago California banned the sale of violent video games to minors.<sup>1</sup> Video Software Dealers Association (VSDA) and Entertainment Software Association (ESA) filed suit in the Federal District Court of California, seeking a preliminary injunction to prevent this ban from being enforced.<sup>2</sup>

VSDA, the plaintiff, merged with Interactive Entertainment Merchants Association in 2006 to form Entertainment Merchant Association (EMA),<sup>3</sup> so EMA then stepped into the shoes of VSDA as the plaintiff.<sup>4</sup> EMA is a non-profit company that represents approximately 600 companies throughout the United States, Canada and other nations.<sup>5</sup> EMA members operate approximately 20,000 retail outlets in the United States that sell and/or rent video games.<sup>6</sup> EMA's goal is to promote, protect and provide a forum for the members engaged in the sale, rental and licensed reproduction of entertainment software such as motion pictures, video games and sound recordings.<sup>7</sup> ESA is an association dedicated to representing the interests of publishers of computer and video games.<sup>8</sup> It serves the business and public affairs needs of publishers by protecting their legal rights and legislative interests across the United States and globally.<sup>9</sup>

The District Court granted a temporary injunction and permanently enjoined the law from being enforced, holding that strict scrutiny applied, and under that review, the law was unconstitutional.<sup>10</sup> While finding that California did have a compelling governmental interest and that its law was not overly broad in defining "violent," the court found that California did not use the least restrictive means to protect minors from violent video games.<sup>11</sup> The Ninth Circuit Court of Appeals affirmed the District Court's ruling holding that strict scrutiny did apply, as the State of California's ban regulated speech content.<sup>12</sup> The Court also held that because the State did not show a causal link between the harm from which it sought to protect minors, it did not meet its burden of showing a compelling governmental interest.<sup>13</sup> Even if California had shown a compelling interest, there were less restrictive means available to achieve that interest.<sup>14</sup> California sought review from the Supreme Court under a writ of certiorari, which the Supreme Court accepted and will hear later this year.<sup>15</sup> The issue pending is whether strict scrutiny is the appropriate level of review to be applied, and if it is, whether California must show a direct causation between violent video games and the resulting harm to minors.<sup>16</sup>

## The California Law

Governor Schwarzenegger signed into law in 2005 a bill banning the sale or rental of violent video games to anyone under the age of 18.<sup>17</sup> The law defines violent as any video game that includes "killing, maiming, dismembering or sexually assaulting an image of a human being" in a manner that a reasonable person would find appeals to "a deviant or morbid interest" of minors, is "patently offensive" to prevailing standards of what is suitable for minors, and causes the game—as a whole—to lack "serious, artistic, political or scientific value" for minors.<sup>18</sup> The law requires strict labeling requirements for games considered violent under the definition and allows for a fine of up to \$1000 to be charged to any retailer that violates it.<sup>19</sup>

Lawmakers enacted the law after reviewing several studies, the majority of which relied heavily on the research of Dr. Craig Anderson, which claim that exposure to violent video games is significantly linked to increases in aggressive behavior.<sup>20</sup> However, the Ninth Circuit Court of Appeals found that the research relied upon was based on a correlation, not evidence of causation, and most of the studies suffered significant admitted flaws.<sup>21</sup> Many of the studies cautioned against inferring direct causation and found that there were glaring gaps in video game violence research due to a lack of longitudinal studies.<sup>22</sup>

## The Current Video Game Review System: The Entertainment Software Rating Board

The Supreme Court's decision will consider that there is already a rating system in place for video games. The Entertainment Software Rating Board (ESRB), a self regulating body created by ESA, assigns video game content ratings, enforces industry-adopted advertising guidelines, and helps ensure responsible online privacy practices for the interactive entertainment software industry.<sup>23</sup> The ESRB was created in 1994 amid demand from parents for more detailed information about video games.<sup>24</sup> After consulting a wide range of child development and academic experts and analyzing other rating systems such as the system used for movies, the ESRB created a system with age-based categories and concise impartial information about the content in games.<sup>25</sup>

## The Ratings

When rating a game, the ESRB trains its raters and selects adults experienced with children either through work experience, education or parenthood.<sup>26</sup> These ESRB raters are full-time employees of the ESRB, their identities



are confidential to prevent outside influences and they are prohibited from having ties or connections to any individuals or entities in the computer or video game industry.<sup>27</sup> When a game is rated, content is examined to provide a guide to consumers to make informed decisions regarding which games are appropriate for their families.<sup>28</sup>

The system contains two parts.<sup>29</sup> On the front of every game is an ESRB rating symbol that suggests an appropriate viewing age range.<sup>30</sup> These ratings start with “C” for early childhood ages three years and up. The next rating is “E” for everyone six years and older. The following rating is “E 10+” for everyone older than 10. “T” is the next rating for teens age 13 and older. The last two ratings are for games typically considered violent; “M” for mature audiences over the age of 17 and “AO” for adults only 18 years and older. The second part of the system is content descriptors placed on the back of video game boxes that refer to potentially inappropriate content. There are over 30 different descriptors indicating elements of the game that triggered a particular rating. Some of these descriptors include sex, violence, language, use of controlled substances, and gambling.<sup>31</sup> Online rating summaries that explain the content descriptors in more depth are available in stores and on mobile applications.<sup>32</sup>

## The Rating Process

Prior to a game being released to the public, publishers of the game submit a DVD and a questionnaire to the ESRB detailing the game’s content, including non-playable content.<sup>33</sup> The questionnaire and DVD are then viewed by three different specially trained raters.<sup>34</sup> After considering a wide range of pertinent content, each rater then recommends an appropriate rating category and content descriptors.<sup>35</sup> Pertinent content is any content that accurately reflects the most extreme content of the product in terms such as violence, language, sexuality, gambling, alcohol, drugs and the product as a whole, relative to the game’s context and frequency of the extreme content.<sup>36</sup> Raters also consider the game’s interactive features, the reward systems, degrees of player control, and previously rated games to maintain consistency among ratings.<sup>37</sup>

Once the three raters reach a consensus on a final rating, the ESRB’s staff reviews the recommended rating and content descriptors.<sup>38</sup> If approved, the publisher is issued a certificate with an official rating assignment and a summary of the rating is finalized thereafter.<sup>39</sup> The publisher may either accept the final rating or revise the game’s content and resubmit for review.<sup>40</sup> Typically, the rating is made public on the ESRB website 30 days after assignment.<sup>41</sup> Game publishers must also secure ESRB approval of the rating display on the package to ensure that the content has not changed since its prior review.<sup>42</sup> Online content that players control or contribute to is not rated and a warning that an online feature exists must be

displayed on the outside of the packaging of any game to warn parents.<sup>43</sup>

## Effectiveness of the Rating Process

While participation in the rating system is voluntary, most retailers, including large chain stores such as Game Stop and Best Buy, adhere to it and most manufacturers only publish rated games to their video game platforms, making virtually all retail games subject to ESRB ratings.<sup>44</sup> In 2009, 1,099 games were released.<sup>45</sup> That year, the ESRB performed 1,791 game ratings, including re-rated games published in 2009 and unpublished games.<sup>46</sup> While not every game released is rated, there are very few released without an ESRB rating.<sup>47</sup> Research indicates that the most popular games sold had ESRB ratings and publishers adhered to industry-adopted advertising and rating display practices for games rated M or above.<sup>48</sup>

The rating system is enforced by contract.<sup>49</sup> Violations of the ESRB’s required advertising practices or failures to disclose pertinent material are financially or legally sanctioned.<sup>50</sup> Although the ESRB enforcement authority does not extend to retailers, virtually all major national retailers and many independent retailers work with the ESRB to enforce its ratings anyway.<sup>51</sup> A recent study of the Federal Trade Commission (FTC) found that national retailers enforced their store policies of refusing to sell M-rated or AO-rated video games to minors 80 percent of the time.<sup>52</sup> This support amounts to comprehensive industry self-regulation. The ESRB also created the ESRB Retail Council which educates and initiates more stringent and comprehensive policies among retailers.<sup>53</sup> The Retail Council also works to educate customers about the ratings and enforce the ESRB’s recommended prohibition of selling M- or AO-rated games to minors.<sup>54</sup>

According to a 2009 ESA study, 92 percent of parents with game consoles in their homes were present when games were purchased or rented.<sup>55</sup> Polled parents reported monitoring their children’s game play 94 percent of the time.<sup>56</sup> Only six percent of 2009’s rated games were rated M or above and in 2008 only 16 percent of video game revenue came from games rated M or above.<sup>57</sup> The ESRB and the FTC found that 87 percent of parents were “somewhat” to “very” satisfied with the ratings applied.<sup>58</sup> In May 2009, 76 percent of surveyed parents said that they regularly checked ratings before buying a game.<sup>59</sup> Studies indicate that parents actively used the current rating system.<sup>60</sup>

## Viewpoints of the Parties Under Supreme Court Review

EMA and ESA claim that violent material is protected speech under the Constitution’s First Amendment right of free speech and is protected from government regulation.<sup>61</sup> If this is so, then in order for California to regulate protected speech, its law must pass strict scrutiny.<sup>62</sup> EMA

and ESA argue that because California's law regulates video game content, the strict scrutiny test applies.<sup>63</sup> Under strict scrutiny, California must show that it has a compelling interest in regulating video game content.<sup>64</sup> California must therefore show a direct link to violent behaviors in children who play violent video games.<sup>65</sup> California's law must also be narrowly tailored; its chosen method of achieving its interest does not needlessly restrict anything else from occurring.<sup>66</sup> EMA and ESA claim that California fails these tests.<sup>67</sup> They also claim that not only is the current rating system effective, but also that educating parents about available controls and protections is just as effective, but much less restrictive.<sup>68</sup>

California's position is that protecting children from violent material is the same as protecting children from obscenity, therefore it is not infringing on free speech and its actions do not fall under the First Amendment.<sup>69</sup> California seeks to extend the definition of obscene to include violent content when applied to content available to children.<sup>70</sup> Obscene material is not constitutionally protected if it depicts sexual conduct in a patently offensive way and has no serious literary, artistic, political or scientific value.<sup>71</sup> If California can prevent First Amendment protection of gaming content, a lower level of review will be applied to its arguments.<sup>72</sup> If California persuades the Supreme Court to apply the "variable obscenity standard" as applied in *Ginsburg v. New York*, the Supreme Court would determine whether it was rational for the California legislature to find that exposure to violent material in video games is harmful to minors.<sup>73</sup>

California also posits that even if strict scrutiny is applied, a direct causal link between violent video game play and the harm to minors is not required.<sup>74</sup> Under *Turner Broadcasting System, Inc. v. FCC*, a state's judgments must draw reasonable inferences and be based on substantial evidence if they are to be upheld.<sup>75</sup> California argues that the Ninth Circuit too narrowly applied the *Turner Broadcasting* standard by requiring proof of a direct causal link between violence in games and violence in children.<sup>76</sup> California claims that requiring this evidence is an insurmountable hurdle as it is impossible to insulate children from other forms of violent media.<sup>77</sup> However, it also claims that a correlation between playing violent video games and increased aggressive behavior in minors should be sufficient.<sup>78</sup>

Additionally, California states that without force of law, neither the ESRB rating system nor additional parental controls is the most effective means by which to protect children.<sup>79</sup> California claims that its 2005 law is necessary to protect children from violent video games because making the tools available to parents is not enough.<sup>80</sup>

### The Supreme Court's Likely View of Arguments

The Supreme Court will likely find that violent video game content is protected speech under the First

Amendment.<sup>81</sup> Were the Court to expand the definition of obscene to include something other than sexual content when applied to children, it would invoke sweeping policy changes. The Supreme Court will most likely not alter the definition of obscene for content that is being argued as harmful to children yet is not offensive sexual content and possesses artistic value.<sup>82</sup> Many video games aim to depict real life historical events and possess political and artistic value.<sup>83</sup> The violent content is necessary to express the artistic value and themes of the games. Violent content fails to fit the current definition of obscene, even if exclusively applied to children.<sup>84</sup> Consumers regulate the industry with their purchases and the ESRB's rating system influences society's comfort level. The Supreme Court will not likely succumb to California's request to include harmful content within "obscene."

*Ginsburg* is not applicable here as it applied only to sexual content.<sup>85</sup> To incorporate violent content into the definition of "offensive" is a policy rather than a legal decision. The Supreme Court will probably not make this decision and it will therefore retain the higher level of review and conclude that violent content is protected speech.<sup>86</sup> Strict scrutiny will be applied.

Under strict scrutiny review, the Supreme Court will review the studies California claims are substantive evidence and evaluate whether studies isolating children from other violent content are impracticable.<sup>87</sup> The Supreme Court will also balance the studies done to date and the impractical proof of the effects of violent video games on minors.

California is required to demonstrate that the harm to children is real and not conjectural.<sup>88</sup> The Supreme Court will determine whether California's legislature drew reasonable inferences from the evidence presented.<sup>89</sup> This is unlikely, because the researchers upon which California relied disclaimed against drawing inferences about direct causation.<sup>90</sup> Researchers also admitted that additional studies were needed before conclusions such as those formed by California are drawn.<sup>91</sup> To prevail, California must have studies that measure additional information and longer periods of violent media exposure on children in order to reach the middle ground the Supreme Court needs to find a compelling state interest.<sup>92</sup>

It is likely California will fail to show a compelling state interest. However, even if such an interest is found, the Supreme Court will likely uphold the lower court's view that less restrictive means exist.<sup>93</sup> If California's current law is allowed to be enforced, the effects will extend beyond the video game industry in that state. Video games are a three billion dollar industry annually.<sup>94</sup> Currently, each new game is evaluated within the rating system in every country in which the game will be released.<sup>95</sup> The publisher of the video game will design the game with these rating systems in mind and the ratings dictate how the publisher will reach its target audience and the projected revenue from sales.<sup>96</sup> Failing to achieve each

game's target rating affects the target audience, packaging and labeling requirements of each country's version of the game.<sup>97</sup> California's law places an additional burden on all American games sold in California. Allowing California's law to stand will likely lead to other states creating state specific requirements and penalties.<sup>98</sup> This could lead to 50 different packaging and labeling requirements for video publishers distributing games in the United States, which may lead to pre-emption by the federal legislature, but the Court will probably not use this case to cause that result.

Other problems may occur as well. California's law, which seeks to protect children from viewing violence against humans, would not apply if a human-like creature had any un-human qualities, such as blue skin.<sup>99</sup> The Supreme Court's support of California's current means to protect children from the harm of violent video games will also create sweeping policy changes throughout a number of ancillary industries. Acknowledging a causal link between violent video games and violence in children will expand the regulation of television, movies, and all other forms of entertainment media to which children are exposed.<sup>100</sup> The executive branch of the government is ill-prepared to enforce such flimsy criteria and sweeping changes.

The intent of the law and its current meaning are fatal flaws. Making the ESRB rating system stronger and more effective would be another method by which to secure retailers' continued participation in the ratings and supporting parents' informed purchase decisions.<sup>101</sup> It would be better to educate parents about the tools available to them so children are exposed to less violent content. A parent is a more effective gatekeeper than the state.

California's ability to enforce its law will also be challenged. Patrolling all of the video game retailers to determine which 20 percent are not enforcing the current voluntary system will be expensive.<sup>102</sup> Only 16 percent of the games currently on the market are rated higher than "Everyone 10+."<sup>103</sup> A more efficient method by which to reach the non-compliant 20 percent of retailers who sell the violent video games that make up 16 percent of all available video games for sale seems to also rest on parents utilizing the current rating system.<sup>104</sup>

## Conclusion

It is unlikely that the Supreme Court will allow the California law banning the sale or rental of violent video games to stand. However, if it does allow the law to be enforced, it will give the government another very powerful means by which to regulate by limiting freedom of speech.

## Endnotes

1. Cal. Civ. Code § 1746.

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3. Entertainment Merchants Association, [http://www.entmerch.org/about\\_ema](http://www.entmerch.org/about_ema) (last visited May 20, 2010).
4. *Id.*
5. *Id.*
6. *Id.*
7. *Id.*
8. Entertainment Software Association, <http://www.theesa.com> (last visited May 20, 2010).
9. *Id.*
10. *Video Software Dealer Ass'n v. Schwarzenegger*, 2007 U.S. Dist. LEXIS 57472 (N.D. Cal. Aug. 6, 2007), *aff'd*, 556 F.3d 950 (9th Cir. 2009), *cert. granted*, 2010 U.S. LEXIS 3573 (U.S. Apr. 26, 2010).
11. *Id.* at 29-30.
12. *Video Software Dealer Ass'n v. Schwarzenegger*, 556 F.3d 950, 960-61 (9th Cir. 2009).
13. *Id.* at 964.
14. *Id.* at 965.
15. *Schwarzenegger v. Entertainment Software Association*, 2010 U.S. LEXIS 3573 (U.S. Apr. 26, 2010).
16. Petition for Writ of Cert., *Schwarzenegger*, 2010 U.S. LEXIS 3573 (U.S. Apr. 26, 2010).
17. Cal. Civ. Code § 1746.
18. *Id.*
19. *Id.*
20. *Video Software Dealer Ass'n*, 556 F.3d at 963.
21. *Id.*
22. *Id.* at 964.
23. Entertainment Software Rating Board, <http://www.esrb.org> (last visited May 20, 2010).
24. *Id.*
25. *Id.*
26. *Id.*
27. Entertainment Software Rating Board, <http://www.esrb.org/ratings/faq.jsp> (last visited May 20, 2010).
28. *Id.*
29. Federal Trade Commission, *Marketing Violent Entertainment to Children* at 27 (2007) <http://www.ftc.gov/reports/violence/070412MarketingViolentEChildren.pdf> (last visited May 20, 2010).
30. *Id.* at 18.
31. *Id.* at 17 (describes different ratings and content descriptors used to rate game).
32. *Id.*
33. Federal Trade Commission, *Marketing Violent Entertainment to Children* at 18 (2007) <http://www.ftc.gov/reports/violence/070412MarketingViolentEChildren.pdf> (last visited May 20, 2010).
34. Entertainment Software Rating Board, <http://www.esrb.org/ratings/faq.jsp> (last visited May 20, 2010).
35. *Id.*
36. *Id.*
37. *Id.*
38. Entertainment Software Rating Board, <http://www.esrb.org/ratings/faq.jsp> (last visited May 20, 2010).



39. *Id.*
40. *Id.*
41. *Id.*
42. Federal Trade Commission, *supra* note 29 at 18.
43. *Id.*
44. Entertainment Software Rating Board, <http://www.esrb.org/ratings/faq.jsp> (last visited May 20, 2010).
45. Brendan Sinclair, *Game Releases Hold Steady for 2009*, <http://au.gamespot.com/news/6244721.html> (last visited May 20, 2010).
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47. Entertainment Software Rating Board, *A Parent's Guide to Video Games, Parental Controls and Online Safety*, at 3 [http://www.esrb.org/about/news/downloads/ESRB\\_PTA\\_Brochure-web\\_version.pdf](http://www.esrb.org/about/news/downloads/ESRB_PTA_Brochure-web_version.pdf) (last visited ).
48. *Id.*
49. Entertainment Software Rating Board, <http://www.esrb.org/ratings/faq.jsp> (last visited May 20, 2010).
50. Federal Trade Commission, *supra* note 29 at 19.
51. *Id.* at 23.
52. *Id.* at 19.
53. Entertainment Software Rating Board, <http://www.esrb.org/about/awareness.jsp> (last visited May 20, 2010).
54. *Id.*
55. Sales, Demographic and Usage Data, Essential Facts About the Computer & Video Game Industry at 5 (2009), [http://www.theesa.com/facts/pdfs/ESA\\_EF\\_2009.pdf](http://www.theesa.com/facts/pdfs/ESA_EF_2009.pdf) (last visited May 20, 2010 ).
56. *Id.*
57. Entertainment Software Rating Board, *available at* <http://www.esrb.org/about/categories.jsp> (last visited May 20, 2010). Entertainment Software Association, *available at* <http://www.theesa.com/facts/salesnadgenre.asp> (last visited May 20, 2010).
58. Federal Trade Commission, *Marketing Violent Entertainment to Children* at 27 (2007) <http://www.ftc.gov/reports/violence/070412MarketingViolentEChildren.pdf> (last visited May 20, 2010).
59. Peter D. Hart Research Associates, *Awareness & Use* (2007) [http://www.esrb.org/about/news/downloads/ESRB\\_AwarenessUsePR\\_5.4.07.pdf](http://www.esrb.org/about/news/downloads/ESRB_AwarenessUsePR_5.4.07.pdf) (last visited May 20, 2010).
60. Federal Trade Commission, *supra* note 31 at 30. The [ESRB rating system] is a useful and important tool that parents increasingly use to help them make informed decisions about games for their children.
61. 401 F. Supp. 2d at 1039.
62. *U.S. v. Playboy Entm't Group*, 529 U.S. 803, 813 (2000).
63. *Video Software Dealer Ass'n v. Schwarzenegger*, 2007 U.S. 9th Cir. Briefs 616104 at 15-17.
64. 556 F.3d at 958.
65. 556 F.3d at 962.
66. *Id.* at 958.
67. *Video Software Dealer Ass'n*, 2007 U.S. 9th Cir. Briefs 616104 at 19.
68. *Id.* at 59-61
69. *Video Software Dealer Ass'n v. Schwarzenegger*, 2007 U.S. 9th Cir. Briefs 20704 at 1-2.
70. Petition for Writ of Cert., *Schwarzenegger*, 2010 U.S. LEXIS 3573 at 10 (U.S. Apr. 26, 2010).
71. 556 F.3d at 959-960.
72. *Ginsburg v. New York*, 390 U.S. 629 (1968).
73. *Id.*
74. Petition for Writ of Cert., *Schwarzenegger*, 2010 U.S. LEXIS 3573 at 11 (U.S. Apr. 26, 2010).
75. *Turner Broad. Sys. v. FCC*, 512 U.S. 622 (1994).
76. Petition for Writ of Cert., *Schwarzenegger*, 2010 U.S. LEXIS 3573 at 11 (U.S. Apr. 26, 2010).
77. *Id.* at 12.
78. *Id.*
79. 556 F.3d at 965.
80. *Id.*
81. *Id.* at 967.
82. 556 F.3d at 960-961.
83. Call of Duty, <http://www.callofduty.com/blackops> (last visited May 20, 2010). Call of Duty is a video game that allows players to re-enact real life historic events.
84. *Id.*
85. *Id.* at 960.
86. *Id.* at 961.
87. Petition for Writ of Cert., *Schwarzenegger*, 2010 U.S. LEXIS 3573 at 13 (U.S. Apr. 26, 2010).
88. 556 F.3d at 962.
89. *Id.*
90. 556 F.3d at 964.
91. *Id.*
92. *Id.*
93. *Id.* at 965.
94. Entertainment Software Association, <http://www.theesa.com> (last visited May 20, 2010).
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98. 401 F. Supp. At 1043.
99. *Video Software Dealer Ass'n v. Schwarzenegger*, 2007 U.S. Dist. LEXIS 57472 at 29 (N.D. Cal. Aug. 6, 2007), *aff'd*, 556 F.3d 950 (9th Cir. 2009), *cert. granted*, 2010 U.S. LEXIS 3573 (U.S. Apr. 26, 2010).
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101. 556 F.3d at 965.
102. 401 F. Supp. at 1048.
103. Federal Trade Commission, *supra* note 28 at 18.
104. *Id.*

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# Caveat Venditor

By Nahema Mehta

In what he calls an attempt to protect fellow California print buyers, collector Clint Arthur has brought a class-action lawsuit against Louis Vuitton alleging violations of the California Sale of Fine Prints Act (the Farr Act).<sup>1</sup> The suit, currently before the Los Angeles Superior Court, highlights problems arising from blurring the boundaries between fine art and consumer goods. Arthur alleges that the luxury retailer “schemed” to turn “100 square yards of Vuitton handbag fabric into \$4m of high end [Murakami] fine art prints by selling them from the floor of a major art museum with false certificates of authenticity.”<sup>2</sup> This article seeks to examine interpretations of California’s Farr Act as it relates to *Clint Arthur v. Louis Vuitton North America*,<sup>3</sup> in order to better understand and analyze its importance in the growing intersection between art and consumer goods.

In 2008, L.A.’s Museum of Contemporary Art (MOCA) made the unprecedented decision to set up a commercial Vuitton boutique in the midst of its ©*Murakami* exhibit as a way to explore Takashi Murakami’s penchant for blurring the line between fine art and mass-produced consumer goods. Along with handbags designed by Murakami for Vuitton, the boutique sold 500 “limited-edition” Murakami prints priced at \$6,000 to \$10,000 each, the profits of which were split between Murakami and Vuitton. Arthur purchased two such prints and noticed that while the certificate of authenticity accompanying them listed each print as signed and numbered, the prints themselves, however, were only signed. As discussed in *Art Law: The Guide for Collectors, Investors, Dealers and Artists*, numbering limited-edition prints is a crucial part of the Farr Act which allows the buyer to “rely on the fact that additional copies will never enter the market and dilute the fair market value of that buyer’s print.”<sup>4</sup> With assurance from the boutique’s manager that the discrepancy was simply a “translation error,” Arthur purchased the prints. After further research, however, Arthur found the Farr Act, and realized that there were other problems with his certificates of authenticity.

The Farr Act requires dealers to provide a certificate of authenticity when selling, exchanging, or consigning any limited-edition artwork. The certificates are required to document detailed facts about the print, including how many copies are in the edition, and how the limited-editions were made. The certificates provided by Vuitton blatantly failed to meet the requirements of the statute. Consequently, Arthur sued Vuitton, alleging that it “willfully”<sup>5</sup> violated the Farr Act by selling prints with incomplete certificates of authenticity. He stated that Vuitton acted in bad faith by concealing the fact that the Murakami prints being sold were in actuality produced

from leftover factory material that was originally intended to make handbags. Arthur further asserted fraud claims against the luxury handbag giant, alleging that the canvasses he purchased were neither “original” nor “genuine” works made or signed by Murakami.<sup>6</sup> While the court granted Vuitton’s motion for summary judgment with regard to all but one of Arthur’s fraud theories,<sup>7</sup> it firmly denied summary judgment as to the Farr Act claim, rejecting Vuitton’s argument that the works were not “multiples” and were therefore not subject to the regulations of the Farr Act.<sup>8</sup> In addition to his suit against Vuitton, Arthur filed a separate suit against MOCA. *Clint Arthur v. The Museum of Modern Art*<sup>9</sup> focused on the museum store’s failure to provide any certificates with its limited-edition Murakami prints.

The problem with the Farr Act is that although it was passed in 1971 and carries weighty consequences, it has remained relatively obscure. Consequently, there is next to no precedent discussing it. As L.A. art law attorney Steven Thomas notes: “Most of the time [the Farr Act] never comes up because people aren’t aware of their rights. It has teeth, but the teeth aren’t used.”<sup>10</sup> Those “teeth” come in the form of sellers having to pay treble damages if a court decides that they either intentionally sold without holding certificates of authenticity or knowingly provided false information related to the authenticity of prints.<sup>11</sup> As a result of the growing intersection between art and consumer goods, however, the Farr Act is becoming increasingly relevant. Already, there have been concrete consequences of the Farr Act in relation to limited-edition Murakami prints that are unrelated to Arthur: when Santa Monica Auctions placed one of the disputed Murakami prints at auction in June 2008, the reserve went unmet because of the print’s dubious documentation. As Tudor Davies, the head of the print department at Christie’s, points out in relation to *Arthur v Vuitton*, “It’s a big deal if the accompanying certificate states that the print is numbered and there is no matching number on the print. It makes the certificate worthless.”<sup>12</sup>

Arthur’s cases provide unique insight into the various interpretations of the Farr Act. Judge William Highberger of Los Angeles Superior Court dismissed the case brought by Arthur against MOCA, stating that Arthur had renounced his right to sue after he refused to tender the prints and accept MOCA’s offer of a refund plus interest, which is the exact relief provided under the Farr Act. Judge Highberger noted that Arthur’s refusal indicated that he was pursuing more than what was fair: “To allow a purchaser to both keep his allegedly defective purchase and to get his money back accomplishes [nothing] and rewards more than what was fair.”<sup>13</sup> This

view aligns nicely with that of Vuitton, who argues that Arthur's claims are baseless. Unfortunately for Vuitton, however, Judge A. Howard Matz interpreted it differently. In *Arthur v. Vuitton*, Judge Matz denied Vuitton's motion to dismiss Arthur's suit stating, "[The Farr Act] focuses not on what a purchaser must do, but on what conduct makes the dealer liable."<sup>14</sup> In other words, what matters most is whether the dealer had violated the Farr Act's provisions prior to a refund offer. What is most surprising about Judge Highberger's interpretation, which does not focus on the dealer's conduct, is that it suggests that even blatantly dishonest dealers can avoid deserved consequences simply by offering a refund. In this respect, Judge Matz's interpretation seems much more reasonable. A central question then, is whether the Farr Act places more emphasis on the dealer's conduct prior to a refund (as emphasized by Judge Matz), or on the dealer's willingness to provide physical tender back of the purchase in dispute (as emphasized by Judge Highberger).

In order to answer this question, it is necessary to examine the reasoning behind each decision, and to analyze the language of the Farr Act. In his decision, Judge Highberger referenced *Grogan-Beall v. Ferdinand Roten Galleries, Inc.*<sup>15</sup> Considering that *Grogan-Beall* is the sole case setting precedent for the Farr Act, it is worth reviewing. *Grogan-Beall* brought a class action against Roten Galleries, alleging that the latter had violated the Farr Act by first failing to provide her with certificates of authenticity, and then providing incomplete certificates after being made aware of their legal obligations to do so. A trial court entered judgment in the plaintiff's favor, but granted the defendants' motion to decertify the class, and required the plaintiff to tender the prints to the defendants as a precondition to recovery. *Grogan-Beall* appealed the tender and decertification issues, but the California Court of Appeals affirmed the trial court's decision.

It was from the decision concerning the requirement to tender the prints that Judge Highberger quoted in his decision to dismiss *Arthur v. MOCA*. *Grogan-Beall* argued that she was not required to tender the prints in question because § 1745(b) of the Farr Act, which offers the plaintiff treble damages for willful violations by the defendant, did not state requirement to tender. The Court, however, argued that because § 1745(b) was simply the penalty section for § 1745(a), it did not need to specifically repeat the tender requirements to be effective. Using *Grogan-Beall* as precedent, Judge Highberger ruled that Arthur lost his right to sue upon his refusal to tender the prints and accept a refund from MOCA. Judge Matz, however, correctly pointed out that *Grogan-Beall* was decided before amendments were made to the Farr Act.<sup>16</sup> Whereas the language of § 1745(a) in the pre-amended Act specified that a plaintiff was required to produce the print in question before suing, the amended version, as Judge Matz noted, placing emphasis "not on what the purchaser must do," but on the dealer's conduct prior to a refund offer.<sup>17</sup>

In reviewing the language of both versions of the Farr Act, Judge Matz's interpretation seems correct. Not only does the language in § 1745(a) place the onus upon the conduct of the seller, as Judge Matz notes, but the tone of the entire act also suggests that it is the seller's actions that are under scrutiny. Let us begin by examining the two versions of § 1745(a). The pre-amended version of § 1745(a) focuses almost exclusively on the actions of the purchaser, and notes in no uncertain terms that the purchaser may only sue after tendering the print:

A person who offers or sells a fine print in violation of this title shall be liable to the person purchasing such fine print from him, *who may sue to recover the consideration paid of such print, with interest at the legal rate thereon, upon the tender of the print.*<sup>18</sup> [Emphasis added]

In contrast, the amended version is substantially longer, and carefully outlines what constitutes dealer misconduct at the time of purchase (see footnote for full version):

*An art dealer, including a dealer consignee, who offers or sells a multiple in, into or from this state without providing the certificate of authenticity required...or who provides information which is mistaken, erroneous or untrue...shall be liable to the purchaser of the multiple.*<sup>19</sup> [Emphasis added]

It is clear that the amendment was intended to place the onus on the misconduct of the dealer at the time of transaction: clarifications are made as to the definition of a dealer, the nature of selling, and the information provided in and outside of the certificate of authenticity. We see that the connection between the plaintiff suing and tendering the work is erased and replaced by language which suggests that the prints be tendered after the dealer is found liable of violating the act.

Now that we have established the importance of the amended version of § 1745(a), let us examine the tone of the current Farr Act as a whole, and explore how it can be related to *Arthur v. Vuitton*. The legislative intent behind the Farr Act was to shield the market against print fraud. It followed several high-profile print fraud cases, the most notorious of which was *Center Art Galleries-Hawaii v. United States*, which dealt with the sale of fraudulent Salvador Dali prints.<sup>20</sup> The Farr Act protects buyers against deceptive practices by requiring dealers and artists to provide detailed information for sales of multiples over \$100. However, it is important to note that it does not toss caveat emptor out the proverbial window. Instead, it recognizes that multiples can generate more abuse than other art forms. As noted in *Art Law*:

*Art multiples invite commercial abuse [because of] lack of industry-wide controls...lack of art-market consensus about what consti-*



*tutes an original print; and lack of enforcement of state consumer legislation.*<sup>21</sup>

Therefore, the Farr Act serves not to alleviate buyers from caveat emptor, but rather to protect them from an oft-abused and misrepresented form of art.

To relate this to *Arthur v. Vuitton*, we must examine one of Vuitton's major arguments. Vuitton claims that since the designs on the prints matched the prints on the handbags displayed at the boutique, and since the sales brochures marketed the prints as "canvasses revisited by Takashi Murakami," Arthur should have realized that he was not purchasing works that were expressly created to be limited-edition prints. Arthur countered by stating, "It's not my responsibility to inspect their handbags. I'm only interested in collecting fine art."<sup>22</sup> Of course, as in most cases, the truth is somewhere between the two extremes. While as a buyer Arthur had a responsibility to educate himself as to what he was purchasing, it seems that by failing to follow the Farr Act, Vuitton failed to fulfill its obligations to the purchaser. Not only did Vuitton use creative marketing by stating that the prints were "revisited canvasses," which in this case seems like a euphemism for "leftovers," but its brochures failed to include consumer protection information required by the Farr Act.<sup>23</sup> Vuitton also failed to meet the Farr Act requirement of posting a sign noting the buyer's right to receive detailed information regarding his or her purchase.<sup>24</sup>

While the argument remains an issue of fact to be determined at trial, it is necessary to realize that the Farr Act goes to great lengths to prevent just the type of creative marketing conducted by Vuitton. Its language clearly states that a seller must inform a buyer, via information on a certification of authenticity, when and if "the multiple or the image on or in the master constitutes...an image produced in a different medium, for a purpose other than the creation of the multiple being described."<sup>25</sup> The fact that the prints were made from "scraps" of bag material clearly suggests that the fabric was originally manufactured for use in Vuitton's handbags and that the prints were merely something to create with leftovers. Considering the fact that the curator of the show, Paul Schimmel, admitted that the prints were made from leftover bag material,<sup>26</sup> Vuitton would be hard pressed to argue that the material was made expressly for the prints.

The Farr Act's overall tone and importance extends beyond providing buyer awareness: the information provided by the dealer constitutes a basis for the bargain and creates express warranties regarding the information given by the dealer.<sup>27</sup> As the certificates of authenticity constitute express warranties, the dealer is perpetually bound by the terms outlined in the certificates. This becomes particularly important in terms of how many prints are in a limited-edition set, and if the master has been destroyed. In *Arthur v. Vuitton*, it is conceivable that

the master print has yet to be destroyed, and therefore the number on the certificate of authenticity denoting the number of limited-edition prints in existence is integral in assuring buyers that the market will not continue to be supplied with copies of their Murakami prints.

The need for maintaining stringent records has even been noticed by independent bodies. In 2000, the Fine Art Registry was created to record information and helps enforce laws regarding print multiples. Before the registry was created, laws governing multiples lacked enforcement partly because of how burdensome it was to gather information on how multiples were produced, manufactured, and sold.

By examining the Farr Act as it relates to *Arthur v. Vuitton*, we have witnessed its importance as a regulating tool in the growing intersection between art and consumer goods. This intersection is continually expanding, and stores or outlets which blur the lines between art and consumer goods are speedily entering the market. A prime example is Gagosian's newly opened art-retail store, aptly named *Gagosian*. The store offers two floors with 2,500 square-feet worth of products ranging from \$15,000 limited-edition Damien Hirst prints to \$50,000 limited-edition prints of Jeff Koon's *Monkey Train*, to \$375,000 limited-edition Marc Newson shelves. *Gagosian* is a limited-edition haven, and all of the store's offerings would fall under the Farr Act if ever sold in California. Vuitton itself was also partnering with Richard Prince this summer to create limited-edition handbags, and it is safe to say that if it is reprimanded in *Arthur v. Vuitton*, it will be particularly careful of what it chooses to do with the handbag scraps. In a memo attempting to convince Judge Matz that its actions were not willful, Vuitton stated, "Vuitton is not ordinarily in the business of selling fine prints, but rather of manufacturing and selling luxury handbags."<sup>28</sup> Now that the boundaries between art and consumer goods are starting to merge, retailers cannot afford to excuse themselves by pleading ignorance of the laws governing the art market.

With the lines of consumer goods and fine art blurring, it is important to set precedence that both incentivizes dealers to conduct proper due diligence, and deters them from acting in a dishonest manner. *Arthur v. Vuitton* is an ideal case from which to set precedent. Since it is a class-action suit, the decision carries significant weight as it will not only set precedent for dealers, but will alert uninformed print buyers of their rights under the Farr Act. Such precedent could also act as an incentive for other states with similar legislation to harden their stance on print fraud. Ultimately, the fast-growing intersection between art and consumer goods necessitates that sellers be acutely aware of the breadth and depth of their legal responsibilities.

## Endnotes

1. Sale of Fine Prints Act, Cal. Civ. Code §§ 1740-1745.5 (2003).
2. *Clint Arthur v. Louis Vuitton North America*, First Amended Complaint, Class Action, No: CV08-04731, filed 7/22/08 (Los Angeles Superior Court).
3. *Clint Arthur v. Louis Vuitton North America*, No. BC 393126, filed 6/23/08 (Los Angeles Superior Court).
4. Bresler, Judith and Ralph E. Lerner, eds. 2005. *Art Law: The Guide for Collectors, Investors, Dealers and Artists*. New York: Practicing Law Institute, 3d Ed. 2005).
5. As we will see later in the article, "willful" violations of the Farr Act are much more heavily punishable than are non-willful violations.
6. *Clint Arthur v. Louis Vuitton North America*, First Amended Complaint, Class Action, No: CV08-04731, filed 7/22/08 (Los Angeles Superior Court).
7. The only fraud claim that the court has allowed Arthur to pursue is one stating that Murakami did not sign the prints by his own hand.
8. IFAR, "Case Summary: Arthur v. Louis Vuitton North America, Inc. and Arthur v. Museum of Contemporary Art." *International Foundation of Art Research*. [http://www.ifar.org/case\\_summary.php?docid=1262199971](http://www.ifar.org/case_summary.php?docid=1262199971) (last visited July 2, 2010).
9. *Clint Arthur v. The Museum of Contemporary Art*, No. BC 393615, (Superior Court of California Los Angeles 2008).
10. Bohem, Mike. "Lawsuits against Vuitton, MOCA about papers, not art." *L.A. Times* (2008). <http://www.latimes.com/entertainment/news/arts/la-et-moca3-2008jul03,0,6289287.story> (last visited July 2, 2010).
11. Cal. Civ. Code § 1745(b) (2003) ("In any case in which an art dealer, including a dealer consignee, willfully offers or sells a multiple in violation of this title, the person purchasing such multiple may recover from the art dealer, including a dealer consignee, who offers or sells each multiple an amount equal to three times the amount required under submission [a].").
12. Kaplan, Michael. 2008. "Repro Man: the mysterious case of Vuitton, Takashi Murakami, and the unhappy collector." *Portfolio.com* (2009). <http://www.portfolio.com/culture-lifestyle/culture-inc/arts/2008/09/18/Louis-Vuitton-in-Art-Controversy/> (last visited July 2, 2010).
13. *Clint Arthur v. The Museum of Contemporary Art*, No. BC 393615, (Superior Court of California Los Angeles 2008).
14. *Clint Arthur v. Louis Vuitton North America*, Den. Of Mot. Dismiss, Civil Notes, No: CV08-4731, filed 6/17/2009 (United States District Court Central District of California).
15. *Grogan-Beall v. Ferdinand Roten Galleries, Inc.*, 133 Cal. App. 3d 969, 972 (1982).
16. *Clint Arthur v. Louis Vuitton North America*, Den. Of Mot. Dismiss, Civil Notes, No: CV08-4731, filed 6/17/2009 (United States District Court Central District of California).
17. *Clint Arthur v. Louis Vuitton North America*, Den. Of Mot. Dismiss, Civil Notes, No: CV08-4731, filed 6/17/2009 (United States District Court Central District of California).
18. *Grogan-Beall v. Ferdinand Roten Galleries, Inc.*, 133 Cal. App. 3d 969, 972 (1982).
19. Cal. Civ. Code § 1745(a) (2003)  
An art dealer, including a dealer consignee, who offers or sells a multiple in, into or from this state without providing the certificate of authenticity required...or who provides information which is mistaken, erroneous or untrue...shall be liable to the purchaser of the multiple. The art dealer's liability shall consist of the consideration paid by the purchaser for the multiple, with interest at the legal rate thereon, upon the return of the multiple in the condition in which received by the purchaser.
20. *Center Art Galleries-Hawaii v. United States*, 875 F.2d 747, 750 (9th Cir. 1989) (This case helped expose thousands of fake Dali prints, aiding in the breaking of an international Dali forgery scheme.) .
21. Bresler, Judith and Ralph E. Lerner, eds. 2005. *Art Law: The Guide for Collectors, Investors, Dealers and Artists*. New York: Practicing Law Institute 1998.
22. Bohem, Mike. "Lawsuits against Louis Vuitton, MOCA about papers, not art." *L.A. Times* (2008). <http://www.latimes.com/entertainment/news/arts/la-et-moca3-2008jul03,0,6289287.story> (last visited July 2, 2010).
23. Cal. Civ. Code § 1742(b) (2003) The section states that if a sign stating a buyer's rights is not present (which it was not at the Vuitton boutique) "the written material or advertising must set forth the [information that would have otherwise have been written] in close proximity [to the multiples being sold]."
24. Cal. Civ. Code § 1742(b) (2003) The section states that dealers must put up a sign in a "conspicuous" place stating the following: "California law provides for the disclosure in writing of certain information concerning prints, photographs, and sculpture casts. Information is available to you, and you may request to receive it prior to purchase."
25. Cal. Civ. Code § 1744(4) (2003) The section states that  
*A certificate of authenticity containing the following informational details shall be required to be supplied in all transactions [including] if the multiple or the image on or in the master constitutes, as to prints and photographs, a photomechanical or photographic type of reproduction of sculpture cases, of an image produced in a different medium, for a purpose other than the creation of the multiple being described, a statement of this information and the respective mediums. [Emphasis added]*
26. Wilton, Kris. "Paul Schimmel on Selling Murakami." *ArtInfo* (2007). <http://www.artinfo.com/news/story/26065/paul-schimmel-on-selling-murakami/?page=1> (accessed November 14, 2009). (Schimmel noted that, "the materials that were printed for various [Vuitton] products...[were] stretched like paintings and made into a very large...edition.")
27. IFAR, "California Statute—Civil Code §§ 1740-1745.5, (Farr Act), Sale of Fine Prints." *International Foundation of Art Research*. <http://www.ifar.org/statute.php?docid=1185293785> (last visited July 2, 2010).
28. *Clint Arthur v. Louis Vuitton North America*, Def. Memo to Judge, Civil Notes, No: CV08-4731, filed 6/17/2009 (United States District Court Central District of California).

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# The Zenith of the *Omega* Case on the Future of the “First Sale Doctrine”

By Lisa Fantino

With all the news coming out of the Supreme Court these days it may seem like some important decisions have nothing to do with the law and everything to do with who makes the law. That is right, in part, but a recent case out of the Ninth Circuit Court of Appeals has all eyes turning toward the global marketplace. The Supreme Court has granted certiorari to the case between Costco Wholesale Corp. (Costco), the big box warehouse, and Omega S.A. (Omega). *Omega S.A. v. Costco Wholesale Corp.*<sup>1</sup> The essence of the argument is whether U.S. copyright protections extend to goods made outside the United States and then sold overseas for U.S. distribution.

In a nutshell, Omega manufactures watches in Switzerland and sells them both overseas and in the United States to authorized distributors and retailers. In the instant action, Omega made and sold the watches overseas to an authorized distributor. An unidentified third-party bought them overseas and sold them to ENE Ltd., a New York company, which in turn sold them to Costco for distribution in California. Although Omega authorized the foreign sale, it is claiming it did not authorize the importation of those same watches into the U.S. and claimed copyright infringement of its logo under 17 U.S.C. §§ 106(3) and 602(a). Costco, on the other hand, cross-moved under 17 U.S.C. § 109(a), arguing that it is protected under the first sale doctrine, which allows a purchaser to transfer a lawfully made copy of a copyrighted work without permission from the copyright holder.

I thought this issue was settled long ago. The Supreme Court first recognized the doctrine back in 1908 in *Bobbs-Merrill Co. v. Straus*,<sup>2</sup> and it was later codified in the U.S. Copyright Act.<sup>3</sup> In *Bobbs-Merrill*, a publisher sold a novel with a statement on the first page indicating that no dealer could sell the book for less than one dollar. R.H. Macy & Co. ignored that statement and sold the book at a discount after buying it wholesale from an authorized distributor. The Court sided with Macy's, stating that the copyright statute protected the rightholder's "right to vend" and multiply the work, but it did not afford it greater protection than set forth in the statute by allowing the holder to limit future resales. This case of first impression set forth what was subsequently codified in 17 U.S.C. § 109 as the first sale doctrine.

In *Omega v. Costco*, the case hinges on watches that bear the Omega logo (which has been copyrighted in the U.S.) and not the watch itself, which would clearly be a stretch for Omega under the copyright statute. 17 U.S.C. § 109 states that "notwithstanding the provisions of

§ 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord." It is pretty much a bright-line rule except in a gray market, where goods are sold legally but not necessarily in the manner or to the parties intended by the original manufacturer. This often happens when retailers buy huge odd lots at wholesale discounts and resell them to consumers at greatly reduced prices. In the case before us, Omega watches typically sell for about \$2,000 while Costco was able to offer them for \$1,300 because of its wholesale discount. The District Court ruled in favor of Costco and awarded attorney's fees, but it was overturned by the Ninth Circuit.

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*"The essence of the argument is whether U.S. copyright protections extend to goods made outside the United States and then sold overseas for U.S. distribution."*

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In its decision, the Ninth Circuit clearly distinguished the seeming incongruity of the Copyright Act itself, most specifically §§ 106(3); 109(a) and 602(a). While § 602(a) limits importation into the U.S. for goods acquired outside the U.S. pursuant to the owner's exclusive right to sell or transfer ownership under § 106, the first sale doctrine, under § 109(a), permits the owner of a lawfully obtained copy to further distribute, resell or transfer ownership without the copyright holder's permission.

The text of the Copyright Act establishes by syllogism that the first sale doctrine of § 109(a) limits § 602(a): First, given that § 106(3) is "subject to sections 107 through 122" and § 109 falls within the designated portion of the Code, § 109(a) limits the exclusive distribution right in § 106(3). Second, infringing importation under § 602(a) is merely a subcategory of "infringement of the exclusive right to Distribute copies...under section 106," so conduct that does not violate § 106(3) cannot constitute infringement under § 602(a). Finally, because conduct covered by § 109(a) does not violate § 106(3), and because absent a violation of § 106(3)



there cannot be infringement under § 602(a), conduct covered by § 109(a) does not violate § 602(a). In short, infringement does not occur under § 106(3) or § 602(a) where “the owner of a particular copy...lawfully made under this title” imports and sells that copy without the authority of the copyright owner.<sup>4</sup>

One might think at first blush that it would be an open and shut case under such a rationale. However, the Ninth Circuit looked for guidance to the Supreme Court’s ruling in *Quality King Distributors, Inc. v. L’anza Res International, Inc.*,<sup>5</sup> and whether or not that decision overruled the Circuit’s own precedence in *BMG Music v. Perez*,<sup>6</sup> *Parfums Givenchy, Inc. v. Drug Emporium, Inc.*,<sup>7</sup> and *Denbicare U.S.A. Inc. v. Toys “R” Us, Inc.*,<sup>8</sup> as to limiting “first sale” protection to domestically made copies. The Ninth Circuit held that it did not.<sup>9</sup>

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*“The Circuit Court believes that to extend such protections to goods made outside the U.S., under § 109(a), unless those same goods have previously been sold by the owner inside the U.S., would be to impermissibly stretch the Copyright Act extraterritorially.”*

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The Circuit Court believes that to extend such protections to goods made outside the U.S., under § 109(a), unless those same goods have previously been sold by the owner inside the U.S., would be to impermissibly stretch the Copyright Act extraterritorially.<sup>10</sup> It is this author’s opinion that under § 109(a) it would not, and I look forward to the Supreme Court to clarify the issue once and for all.

In *Quality King*, the Court specifically noted that very point. A careful reading of that decision indicates that it is eager to preserve goodwill for the United States in the global marketplace and hesitated at the idea that the intent of the statute was limiting. Further, the *Quality King* decision made it clear that the Court did not appreciate the fact that the manufacturer was using backdoor allegations of copyright infringement to justify its discounted marketing and pricing outside of the United States rather than look to the statute as a tool to prevent the making of unauthorized copies. While Justice Stevens, writing for the Court, noted that the Court’s opinion of such questionable marketing and pricing bore no relevance to the decision at hand, it is interesting to note that he thought it germane enough and was disturbed by it to mention it in the decision.

The parties and their *amici* have debated at length the wisdom or unwisdom of governmental restraints on what is sometimes described as either the “gray market” or the practice of “parallel importation.” In *Kmart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988), we used those terms to refer to the importation of foreign-manufactured goods bearing a valid United States trademark without the consent of the trademark holder. *Id.* at 285–286. We are not at all sure that those terms appropriately describe the consequences of an American manufacturer’s decision to limit its promotional efforts to the domestic market and to sell its products abroad at discounted prices that are so low that its foreign distributors can compete in the domestic market. But even if they do, whether or not we think it would be wise policy to provide statutory protection for such price discrimination is not a matter that is relevant to our duty to interpret the text of the Copyright Act.<sup>11</sup>

Since there is no reference in any of the decisions in *Omega v. Costco* to contractual agreements between the parties limiting distribution to the foreign territory, it would seem, under the *Quality King* decision, that once the lawful sale and transfer had been made from foreign distributor to domestic importer and eventually to Costco that Omega had no recourse under the first sale doctrine. If it did, would not then its course of action be against ENE Ltd. and not Costco?

Moreover, since § 602(a) merely provides that unauthorized importation is an infringement of an exclusive right “under section 106,” and since that limited right does not encompass resales by lawful owners, the literal text of § 602(a) is simply inapplicable to both domestic and foreign owners of L’anza’s products who decide to import them and resell them in the United States.<sup>12</sup>

One may wonder why Omega did not name ENE Ltd. in this action, and more importantly, why Costco did not raise the issue as a defense that it was not the direct importer of these goods. It is an issue that rests uneasy, and did as well with the Circuit Court. In its decision, it noted that Omega’s § 602(a) claim, under the rationale of *Denbicare*, may actually be unmeritorious but since Costco waived that defense by not arguing it in its opening brief, the Court was blocked from speculation.

Ultimately, the impact of the decision in this case will not be lost on the enlightened Bench. As Justice Stevens

indicated in *King Distribution*, the intent of the Copyright Act was to further the sharing of ideas and “promote the progress of the useful arts.”<sup>13</sup> To limit the use of a domestic logo on foreign-made products for import to the United States would also have a detrimental impact on foreign publishers seeking to distribute ideas in the U.S., which would fly in the face of the Copyright Act’s intent and purpose. That, at least, is the artistic essence of the statute, but a limiting decision in this case will ultimately affect global trade as it has evolved through cyberspace.

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*“Today’s ‘gray market’ has become the market, and as long as manufacturers can still be protected from loss to pirated goods which steal the logo and make knock-off copies, this author believes that the Supreme Court will be forced to interpret the statute in favor of Costco.”*

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Distribution channels and territories are no longer clearly delineated. More and more licensing and distribution agreements are drafted to encompass the world. Increasing numbers of cyberpreneurs are purchasing goods in one country and selling them within the United States and vice versa, not to mention U.S.-based dealers who sell to domestic customers but have the orders drop-shipped directly from foreign distributors. Today’s “gray market” has become *the* market, and as long as manufacturers can still be protected from loss to pirated goods which steal the logo and make knock-off copies, this author believes that the Supreme Court will be forced to interpret the statute in favor of Costco. Maybe that is one way to keep

Granny in Omaha who sells a Dolce & Gabbana necklace she carried over from the old country from being slammed with a copyright infringement suit when she tries to auction it on eBay.

## Endnotes

1. *Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982 (9th Cir. 2008).
2. *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339 (1908).
3. 17 U.S.C. § 109.
4. *Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982, \*6-7 (9th Cir. 2008), citing 17 U.S.C. § 109(a) n3; see *Quality King Distribs., Inc. v. L'anza Res Int'l, Inc.*, 523 U.S. 135, 144-45 (1998) (adopting this interpretation).
5. *Quality King Distributors, Inc. v. L'anza Res International, Inc.*, 523 U.S. 135 (1998).
6. *BMG Music v. Perez*, 952 F.2d 318 (9th Cir. 1991).
7. *Parfums Givenchy, Inc. v. Drug Emporium, Inc.*, 38 F.3d 477 (9th Cir. 1994).
8. *Denbicare U.S.A. Inc. v. Toys “R” Us, Inc.*, 84 F.3d 1143 (9th Cir.1996).
9. *Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982, \*8-16 (9th Cir. 2008).
10. *Id.* at \*16.
11. *Quality King Distributors, Inc. v. L'anza Res International, Inc.*, 523 U.S. 135, 153 (1998).
12. *Id.* at 136.
13. *Quality King Distributors, Inc. v. L'anza Res International, Inc.*, 523 U.S. 135, 151 (1998), citing U.S. Const., Art. I, § 8, cl. 8.

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## Entertainment, Arts and Sports Law Section 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 State Bar Web site at <http://nysbar.com/blogs/EASL>.

# “Don’t Forget to Breathe. Very Important.”: An Overview of Unpaid Internships and the Entertainment Industry

By Frank Poe

In more innocent times, a teacher agreed to take on a student. He agreed to teach him Karate in exchange for “no questions asked.” The student was then subjected to waxing cars, painting fences, and sanding floors. Upon the student’s breaking his pact and questioning the teacher’s suspicious methods, the teacher demonstrated how each backbreaking task developed a reflexive movement in the art of Karate. Yes, this is the plot of the 1984 film *The Karate Kid*.<sup>1</sup> Yes, employers that take on interns would like to fully instruct and at the same time get their jobs done. No, this dream is not likely to be realized by very many employers, if at all.

Recently the media have developed the suspicion that “with job openings scarce for young people, the number of unpaid internships has climbed in recent years, leading federal and state regulators to worry that more employers are illegally using such internships for free labor.”<sup>2</sup> Amongst the plethora of industries involved in this problem is notably the entertainment industry. For example, “an N.Y.U. senior spent an unpaid summer at a company that books musical talent, spending much of her days photocopying, filing and responding to routine e-mail messages for her boss.”<sup>3</sup>

This article will first discuss the alternatives that a student/intern has and rationales behind each. Then, an analysis of relevant state and federal employment and labor laws will depict the challenges employers face when taking on interns. Third, a look at law schools and their interaction with the American Bar Association’s (ABA) accreditation standards will show additional obstacles that young professionals must negotiate while looking for opportunity. Finally, testimonials from former talent agents about the start of their careers nearly 60 years ago will be pitted against the behavior and mindset of today’s intern to determine whether the intern will actually benefit from the opportunity regardless of its immediate compensation.

## The Alternatives

There are several logical alternatives that students may pursue in their attempts to gain experience outside of the classroom. First, students can do the necessary networking and schmoozing that may grant them the very unlikely paid internships at nearly minimum wage. Second, students may forgo payment and negotiate with firms to earn academic credit at internships or externships. Finally, students hungry for industry experience can still go out on a limb and work for free without involving the school or obtaining academic credit. The ABA’s standards do not permit the fourth logical alternative of receiving pay and academic credit in an internship, and this too will be explained in turn.

As many practitioners cringe at paying law students, even at minimum wage, we must turn to the numbers regarding hiring freezes, layoffs, outsourcing, and other economic challenges that the average practitioner faces on the Big Law and boutique levels alike. “As of April 8, 2010, over 14,696 people have been laid off by major law firms (5,772 lawyers/8,924 staff) since January 1, 2008.”<sup>4</sup> Steven Sletten, hiring chairman of Gibson, Dunn & Crutcher, benefits from the “excess of associates on the market” because his choice of future candidates at the firm are “a little more prepared on average” and “are also geographically ‘more flexible,’” as they are more likely to move for the job.<sup>5</sup> Nonetheless, the amount of hiring is still declining at Gibson, Dunn, & Crutcher: “In 2009, the firm hired 136 first-years. This year the number is just 121” while waiting for a few more responses.<sup>6</sup> With qualified professionals willing and available to take these jobs, it is very difficult for the unqualified intern to ask for any amount of compensation after the employer has already reached out and offered him or her an opportunity. The power has always been on the employer’s side, and the condition of the job market essentially eliminates any bargaining whatsoever.

The second option makes law students cringe. While schools are in session, the student is less likely to feel the burn of financial burdens as tuition is already coming out of student loans or other sources for classes. The option to take on an internship during the school year is comparable to taking another class. The costs will still add up in the long run. Wesleyan University, for example, requires the student at an unpaid internship to pay tuition for academic credit plus an extra “\$2,000 fee that many students must pay the University to receive such credit.”<sup>7</sup> Also, “[m]any less affluent students say they cannot afford to spend their summers at unpaid internships.”<sup>8</sup> An additional hurdle exists in that academic departments are hesitant to give credit for internships. This does not necessarily suggest that employers should be paying their interns, but it does point out that schools should probably not expect too many students to be willing to pay for their internships if the options are severely limited.

The third choice is to abandon seeking any form of immediate compensation or school credit, and just do it all for the experience. Two formerly unpaid journalist interns give their accounts about being unpaid: “The important point here is that since these internships were unpaid, it was easier to convince employers to take a risk on very green but potentially promising students they’d never heard of. This stands as a retort to people who suggest that internships mainly benefit wealthier children with the family or friendship connections to score plum assignments.”<sup>9</sup> The questions that remain for schools and



employers are: Will students turn down internships that will not give them academic credit? *Should* students turn down internships that will not pay them or give them academic credit? How valuable are internships when it comes down to networking and securing future employment? Are these benefits not sufficient consideration?

## Employment and Labor Law Issues

Employers should be wary about taking on interns as the laws that exist could result in unwanted consequences. The first major issue is that unpaid internships may violate federal and state labor laws. After a Supreme Court decision in 1947,<sup>10</sup> the Department of Labor's Wage and Hour Division developed a test of six factors for determining whether trainees were employees within the meaning of the Fair Labor Standards Act. A Tenth Circuit opinion from 1975 utilizes the Wage and Hour Division's test to determine the employment status of trainee firemen:

Whether trainees are employees under the Act, according to the Wage and Hour Administrator, will depend upon all the circumstances surrounding their activities on the premises of the employer. If all six of the following criteria apply, the trainees are not employees within the meaning of the Act:

- 1) The training, even though it includes actual operation of the facilities of the employer, is similar to that which would be given in a vocational school;
- 2) The training is for the benefit of the trainee;
- 3) The trainees do not displace regular employees, but work under close observation;
- 4) The employer that provides the training derives no immediate advantage from the activities of the trainees and on occasion his operations may actually be impeded;
- 5) The trainees are not necessarily entitled to a job at the completion of the training period;
- 6) The employer and the trainees understand that the trainees are not entitled to wages for the time spent in training.<sup>11</sup>

Determining the standard for the first factor—whether an employer provides training similar to that which is given at a vocational school—the Court found that a “training program that emphasizes the prospective employer's particular policies is nonetheless comparable to vocational school if the program teaches skills that are fungible within the industry.”<sup>12</sup> A quick browse through

websites like [www.filmschools.com](http://www.filmschools.com) will show that there are plenty of schools and programs that offer similar training to those who seek the same from internships. It would be no task at all distinguishing the work being done by an intern seeking this specialized training and the curriculum offered at one of many institutions.

In the Court's analysis, the second and fourth factors are generally decided in tandem. Recently, the California's Division of Labor Standards Enforcement (DLSE) has interpreted the fourth factor, that training derives no “immediate advantage,” in such a way that the advantage can be “offset” in an unpaid internship where:

any such limited benefit is counter-balanced by impediments to the employer's operations in both time and economic costs in teaching the intern the activities, reviewing any work performed as well as immediate economic costs to the business in participating in the program.

Specifically, the Program asserts that all internship partners incur substantial supervision costs which involves time taken away from and impeding their regular duties. Other employees are also impeded in their role in training and mentoring which lowers productivity of the affected employees.<sup>13</sup>

With that in mind, the DLSE is still attentive as to whether the internship is “educational and predominantly for the benefit of the intern, not the employer.”<sup>14</sup>

It has been argued that film studios “should pay college students who do routine work like delivering messages, filing tapes and clipping newspaper articles, partly because the work was so similar to that of regular employees and could displace such employees.”<sup>15</sup> This describes an infringement upon the third factor of the test, where college students displace potential employees in tasks which likely do not require significant amounts of supervision.

The remaining two factors, the entitlement of a job after the training period and the understanding that the trainees will not be paid for the training period, are generally issues of documentary evidence. For example, in a Rhode Island case involving two interns that worked on a television program, the court found that the Rhode Island Public Telecommunications Authority “produced evidence that since 1967 it has conducted internship programs that have provided opportunities for training in public broadcasting, following which, the interns were expected to move on to other endeavors.”<sup>16</sup>

The process of determining that an intern is not an employee based on the factors above also brings into question the interest of participation in collective bargaining, which is typically not afforded to the unpaid intern. In the Rhode Island case, though the interns were eventu-

ally paid minimum wage, they “did not share ‘substantial mutual interests in wages, hours, and other conditions of employment,’”<sup>17</sup> a condition among many that is used to determine “accretion,” which is a mechanism that incorporates a smaller group of employees into an already existing larger unit due to a shared interest. The court in this case was unable to recognize the interns, based on their job description and the project on which they were working, as members of the larger group that would protect their interests.

Further, collective bargaining organizations or unions are not willing to protect interns. This issue arose recently in the entertainment industry regarding unpaid production assistants. “Production assistants have five things in common: They’re young, they’re multitaskers, they’re trying to break into show business, they wear earpieces on the set so they can be yelled at from afar—and they all have stories of abuse.”<sup>18</sup> They are classified as “Hollywood’s migrant workers, the gofers, the errand boys, the Girls Friday.”<sup>19</sup> Much of the problem stems from the fact that they are “the only ones no union even wants to bother with.”<sup>20</sup>

The National Labor Relations Board (NLRB) has long used the “community of interest” doctrine, which determines “whether certain employees in a unit are sufficiently concerned with the terms and conditions of employment as to warrant their participation in the selection of a bargaining agent.”<sup>21</sup> The NLRB can choose, depending on the context, an appropriate bargaining unit based on these factors:

1. Similarity in scale and manner of determining earnings,
2. Similarity of employment benefits, hours of work, and other terms and conditions of employment,
3. Similarity in the kind of work performed,
4. Similarity in the qualifications, skills, and training of the employees,
5. Frequency of contact or interchange among employees,
6. Geographic proximity,
7. Continuity or integration of production processes,
8. Common supervision and determination of labor relations policy,
9. Relationship to the administrative organization of the employer,
10. History of collective bargaining,
11. Desires of the affected employees, and
12. Extent of the union organization.<sup>22</sup>

These factors, combined with those put forth by the FLSA regarding trainee/employee status, may yield a compelling argument for those production assistants who

are considered abused and overworked. For example, if an intern is performing tasks that, under the six factor test provide an “immediate advantage” to the employer, so too should the NLRB look to the similarity in the “kind of work performed,” in determining that the trainee is not only an employee, but is also sufficiently concerned with the terms and conditions of that employment status.

Where unions and collective bargaining organizations cannot protect interns, employers should still be mindful of the rights that are and are not retained by the unpaid intern. In Washington D.C., a female intern’s sexual harassment claims failed because she was not an “employee” within the meaning of the District of Columbia Human Rights Act (DCHRA).<sup>23</sup> The DCHRA defined an employee as “any individual employed by or seeking employment from an employer.”<sup>24</sup> The statute defines an employer as “any person who, *for compensation*, employs an individual.”<sup>25</sup> The plaintiff did not satisfy this definition, as she was not working for compensation, nor was she seeking a paid job. It should be noted, however, that the DCHRA now includes within the definition of “employee” the provision “that the term ‘employee’ shall include an unpaid intern.”<sup>26</sup>

In addition, interns may be entitled to workers’ compensation benefits. In Colorado, a court held that unpaid interns fell within the provisions of 8-40-202(1)(a)(VI), which entitles an imputation of an average weekly wage, in which the intern was entitled to an award of medical impairment benefits based upon her average weekly wage as determined by the Administrative Law Judge.<sup>27</sup> The statute interpreted in that case does not explicitly say that unpaid interns are entitled to workers’ compensation benefits. Instead, that section of the statute merely provides that benefits calculated as a result of injury or death are based upon the wages “normally paid in the community in which such person resides or in the community where said work or job training or rehabilitation program is being conducted for the type of work in which the person is engaged.”<sup>28</sup> So far, New York locals do not have a controlling case that can read the workers’ compensation statute in that way. However, New York does have a special definition for a “New York state average weekly wage” which calculates the average weekly wage of the state of New York for the previous calendar year as reported by the commissioner of labor to the superintendent of insurance.<sup>29</sup> The remaining issue is whether New York courts are prepared to impute these wages to award unpaid interns workers’ compensation benefits.

## Do Not Forget About the Schools

While the obvious key players are still the employers and the interns, Career Services offices at schools are also heavily involved in the process. “Trudy Steinfeld, director of N.Y.U.’s Office of Career Services, said she increasingly had to ride herd on employers to make sure their unpaid internships were educational.”<sup>30</sup>

There are generally two kinds of interns that appropriately raise the eyebrows and ignite concerns in Career Services offices at schools. The first group of interns consists of the timid ones who do not report unsavory or unsatisfactory activities at the workplace.<sup>31</sup> They scrub the toilets and take whatever comes. “Concerned about the effect on their future job prospects, some unpaid interns declined to give their names or to name their employers when they described their experiences in interviews.”<sup>32</sup> Where these interns are spending 10 hours per week learning next to nothing, they could have been sitting in a classroom or even reading about their favorite industries on their own time. The second group of interns consists of, for lack of a better concept, the loud ones. They sue for back pay, are well quoted in articles, and essentially seal their fates by being blackballed from the industry that has steered them wrong. One former United Nations intern spoke of her “overzealous moment,” when she quoted to the Human Resources director a guideline by “the International Labour Organisation, about universal minimum wages.” She then received the curt response: “There were 100 other applicants. If you didn’t want it, you shouldn’t have taken it.”<sup>33</sup>

As noted above, the wish-upon-a-star possibility of receiving academic credit and a paycheck for an excellent internship opportunity for a student’s future is just not in the cards. In 1983, the Executive Director of the Association of American Law Schools addressed his reasoning for denying both compensation and academic credit in a law externship:

The basic rationale is that if a law office or other externship setting is compensating the law student for her time, their interest in all probability is primarily in the work product for the client and only secondarily in the educational experience of the law student. This means that the probabilities are that the educational experience will not be such that it will deserve academic credit.<sup>34</sup>

As a result, the ABA enforces against law schools the provision that: “A law school may not grant credit to a student for participation in a field placement program for which the student receives compensation,” with the exception of out-of-pocket expenses.<sup>35</sup>

The immediate reaction to this provision is that the ABA and the rest of the universe have conspired to keep the flow of money going in one direction: away from the student. Aside from this paranoid notion, however, remains the underlying perspective of the existing rationale above, that the quality of work an intern performs at his or her internship will determine what is owed to the intern, as opposed to what the intern should be taking from the internship. To see how this focus has shifted, the next section will take an historical look into the minds of former talent agents.

## Education in the Entertainment Industry

The concept of employers forcing their interns to perform menial tasks is not a new phenomenon in the entertainment industry. The difference between then and now is the interns. While today a student complains “that the firm was not paying him and was requiring him to make coffee and sweep out bathrooms,”<sup>36</sup> the late talent agent Bernie Brillstein spoke of his time in the mailroom in the 1940s and 50s:

I knew what was in the envelope because, like any ambitious guy with a head on his shoulders, I opened all the interesting-looking letters and packages before handing them over. Everyone did it, because information is king. In the office I’d go into the men’s room, run the water as hot as possible, and wait for the steam to do the rest. I’d read and then carefully reseal. I’d find client lists, contracts, personal correspondence, checks. I never worried about being caught, because usually another guy from the mailroom was at the next sink doing the same thing.<sup>37</sup>

Similarly, at that time fellow mailroom worker-turned-director, Larry Auerbach, characterized his time in the mailroom as:

...my school. I made it my business to read every piece of paper I could get my hands on. Booking sheets. Internal memos. Meeting minutes. I memorized important telephone numbers. I sopped up information. They didn’t tell you to do that or not to do that *but only a schmuck wouldn’t read stuff before he delivered it.*<sup>38</sup>

The reality in the workplace is that no matter how good a mentor a student may find, often there is no one who will teach him or her everything. The agents of the past recommend the interns of today to learn on their own and take in as much information as they can. Even after compensation and school credit is ironed out between employer and intern, one should ask whether the opportunities provided by the internship are taken to their maximum benefit.

Assuming the interns of today heed their predecessors’ advice, the next question is: Where does one take that which he or she has learned from the internship? In 1953, the unemployment rate was as low as 2.9 percent. In 2009, the unemployment rate was at 9.3 percent.<sup>39</sup> The lingering market concerns that affected the laid-off workers that were already qualified have now become the same concern of the intern coming out of his or her experience feeling well equipped to take on a paying job.



## Conclusion

Students have many difficult choices to make in determining their current activities, which will eventually shape their future careers. Choosing money over certain experiences is rarely the right answer, but is not entirely the wrong one either. Employers must be wary of the state and federal laws regarding the rights of interns. Schools must monitor the relationship between employer and intern in order to properly award credit to the student, validate the efforts of the employer, and maintain the ABA's accreditation standards for their own survival. The economic issues, laws and regulations, and the intern's perspective regarding career building, definitely appear to have changed since the early days of the entertainment industry. It is no longer the innocent times where the student is told to "pay your dues via mindless grunt work and long hours," trust the teacher, and the job or goals will be waiting.<sup>40</sup> Instead, the teacher must teach the student how to block a strike in the doctrinal terms set out by other Karate schools, regardless of how many cars could potentially be waxed in the process.

## Endnotes

1. Mr. Miyagi (Noriyuki "Pat" Morita) delivered the line, "Don't forget to breathe. Very Important" (and variations) to Daniel Larusso (Ralph Macchio) before Larusso set out to perform each feat of manual labor. This line was likely used to tip off the audience and Larusso that the feats were more than what they seemed. *The Karate Kid* (Columbia Pictures 1984).
2. Steven Greenhouse, *The Unpaid Intern, Legal or Not*, *The New York Times*, April 3, 2010, at B1, available at <http://www.nytimes.com> (last visited July 7, 2010).
3. *Id.*
4. Layoff Tracker, <http://lawshucks.com/layoff-tracker/> (last visited July 7, 2010).
5. Jeff Jeffrey, *Tough Times for Law Firm Associate Market Not Over*, *The National Law Journal*, May 03, 2010, available at <http://www.law.com/jsp/nlj/index.jsp> (last visited July 7, 2010).
6. *Id.*
7. Laignee Baron, *Paying to Work: Student Interns Face University Fees to Receive Credit*, *The Wesleyan Argus*, April 20, 2010—Vol. CXLVI, No. 41, available at <http://wesleyanargus.com/2010/04/20/paying-to-work-student-interns-face-university-fees-to-receive-credit/> (last visited July 7, 2010).
8. See Greenhouse, *The Unpaid Intern, Legal or Not supra* at note 2.
9. Leslie Hook and Joseph Sternberg, *Confessions of Two Unpaid Interns*, *The Wall Street Journal*, April 8, 2010, at A19.
10. *Walling v. Portland Terminal Co.*, 330 U.S. 148 (1947).
11. *Reich v. Parker Fire Protection District*, 992 F.2d 1023, 1025-26 (10th Cir. 1993), citing *Lab. Rel. Rep. (BNA)* § 91:416 (1975).
12. *Id.*
13. Letter from David Balter, Acting Chief Counsel of the State of California's Division of Labor Standards Enforcement, to Joseph W. Ambash, Esq. Greenberg Traurig, LLP (Apr. 7, 2010), available at <http://www.dir.ca.gov/dlse/OpinionLetters-byDate.htm> (last visited July 7, 2010).
14. Steven Greenhouse, *California Labor Dept. Revises Guidelines on When Interns Must Be Paid*, *The New York Times*, April 10, 2010, at B2, available at <http://www.nytimes.com> (last visited July 7, 2010).
15. *Id.*
16. *Rhode Island Public Telecommunications Authority et al. v. Rhode Island State Labor Relations Board et al.*, 650 A.2d 479, 484 (R.I. 1994).
17. *Id.* at 487.
18. David Robb, *Commentary: Prod'n assistants need pay*, *The Hollywood Reporter*, April 7, 2010, available at <http://www.hollywoodreporter.com> (search "Commentary: Prod'n assistants need pay." Then follow the hyperlink.) (last visited July 7, 2010). *The Hollywood Reporter* now requires payment to view articles. This article is on file with the author.
19. *Id.*
20. *Id.*
21. *Rhode Island Public Telecommunications Authority et al.*, 650 A.2d at 486.
22. *Id.*
23. *Evans v. Washington Ctr. for Internships & Academic Seminars*, 587 F. Supp. 2d 148, 151 (D.D.C. 2008).
24. *Id.* citing an outdated version of D.C. Code § 2-1401.02(9).
25. *Id.* citing D.C. Code § 2-1401.02(10) (alteration in original).
26. As explained in Note 24, D.C. Code § 2-1401.02(9).
27. *Kinder v. Industrial Claim Appeals Office*, 976 P.2d 295, 298 (Colo. App. 1998).
28. Colo.Rev.Stat. § 8-40-202(1)(a)(VI) (1997).
29. NY CLS Work Comp § 2 (16) (Consol. 2010).
30. See Greenhouse, *The Unpaid Intern, Legal or Not supra* at note 2.
31. Based on an interview with Margaret Reuter, Assistant Dean for Career Planning in the Career Services office at New York Law School, May 11, 2010.
32. *Id.*
33. As told to Madhavankutty Pillai, *Confessions of a Former United Nations Intern*, *OPEN Magazine*, April 3, 2010, available at <http://www.openthemagazine.com/article/confessions/confessions-of-a-former-united-nations-intern> (last visited July 7, 2010).
34. Memorandum from Miller H. Ruud, Executive Director, Association of American Law Schools (September 12, 1983) (on file with author).
35. 2009-2010 ABA Standards for Approval of Law Schools, Interpretation 305-3.
36. See Greenhouse, *The Unpaid Intern, Legal or Not, supra* at note 2.
37. David Rensin, *THE MAILROOM: HOLLYWOOD HISTORY FROM THE BOTTOM UP* 42 (Ballantine Books 2003).
38. *Id.* at 8. (emphasis in the original).
39. Bureau of Labor Statistics, available at [http://www.bls.gov/cps/prev\\_yrs.htm](http://www.bls.gov/cps/prev_yrs.htm) (last visited July 7, 2010).
40. Christie Garton, *Unpaid Internships: The Real Story*, *The Huffington Post*, April 21, 2010, available at [http://www.huffingtonpost.com/christie-garton/unpaid-internships-the-re\\_b\\_546233.html](http://www.huffingtonpost.com/christie-garton/unpaid-internships-the-re_b_546233.html) (last visited July 7, 2010).

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# A Macabre Fixation: Is Plastination Copyrightable?

By Kirill Ershov

## I. Introduction

Dr. Gunther von Hagens invented plastination as a process to preserve anatomical specimens.<sup>1</sup> Plastination replaces water and fats in anatomical tissues with plastic polymers, allowing for indefinite preservation, ease of handling, and storage of the plastinated “objects.”<sup>2</sup> Beginning in the 1990s, von Hagens developed Body Worlds, a lucrative traveling exhibition composed mostly of plastinated cadavers in various degrees of dissection and often-provocative poses. Immensely successful and controversial, Body Worlds has been continuously touring the world in multiple installments. Various competing shows have sprung up, with von Hagens’s biggest competitor, Premier Inc. (Premier), also becoming a successful player in the worldwide plastinated cadaver market.<sup>3</sup>

In 2005, von Hagens filed a federal lawsuit against Premier.<sup>4</sup> Von Hagens claimed that his cadavers were unique in their manner of dissection and positioning and were entitled to copyright protection as original expressions of ideas fixed in tangible media, and that Premier infringed on those expressions with its own Bodies Revealed exhibition. The suit was eventually settled out of court.<sup>5</sup>

This article examines whether there is original expression in the type of plastinated exhibits presented by von Hagens, exploring in detail whether there is protected expression in the manner of dissection and the positioning of plastinated bodies. Von Hagens’s work is put to an originality analysis in the first section of the paper. Von Hagens’s exhibits, as well as those of his competitors, are examined to see if a copyright infringement claim can be sustained against appropriation in competing exhibits. Doctrines of merger and scenes a faire play a recurring role in this analysis, as both the medium and the subject matter restrict the scope of protected original expression in these exhibits. These doctrines require a stricter, thin copyright standard of comparison to determine substantial similarity as applied to most of the aspects of plastinated exhibits and such standard makes a copyright infringement claim more difficult, although not impossible.<sup>6</sup>

## II. Originality in Plastinated Cadavers

A plastinated cadaver falls under the protection of the Copyright Act as a three-dimensional work composed of plastic that can be considered to be created for scientific or educational use.<sup>7</sup> The originality requirement dictated by the Supreme Court in *Feist Publications, Inc. v. Rural Telephone Service Co.*<sup>8</sup> is minimal—only a “modicum of creativity” is required for a work to be protected by a copyright<sup>9</sup>—however, not all aspects of a work may be considered when determining originality, as ideas, methods, facts, and scènes à faire<sup>10</sup> are not protected.<sup>11</sup>

### A. Uncopyrightable Elements

The texture of a plastinated cadaver will not be considered in an originality analysis. The *Feist* standard can be appreciated by contrasting it with an earlier and since rejected “sweat of the brow” standard, which saw protection as a reward for an author’s effort in creating the work.<sup>12</sup> Under the current standard, a work will not be protected unless it is original to the author.<sup>13</sup> The originality requirement as defined in *Feist* mandates that the work be independently created by the author and that it possess at least a minimal level of creativity.<sup>14</sup> If only particular elements of a work can be considered original, then only those elements will be protected by copyright.<sup>15</sup>

The plastinated texture of a cadaver is not a product of creativity, it is created through a mechanical process. This process requires a vacuum, strict temperature control, and a sequential alteration of liquids that submerge the cadaver, but uses no creativity whatsoever.<sup>16</sup> The labor expended into this aspect of the cadaver therefore will not be protected by current United States copyright law.

Other features of plasticized cadavers can also be excluded as unoriginal. First, along with a cadaver’s general dimensions (such as size, shape, and measurements), the dimensions and appearance of tissues exposed through dissection will not be considered to be original to the author. Throughout the plastination process these tissues remain unaltered, retaining their physical appearance and dimensions as created through natural processes.<sup>17</sup> Second, the process of exposing and isolating particular tissues is similarly unprotected. This process is akin to the one performed by a paleontologist when removing fossilized bone tissue from the matrix of the mineral in which it is embedded.<sup>18</sup> As products of discovery, these features may have been protected under the “sweat of the brow” doctrine, but they will not be considered as sufficiently original under *Feist*.<sup>19</sup>

### B. Filtering Out Unprotectable Features

When determining originality, courts filter out the work’s unprotected elements.<sup>20</sup> These include features that cannot be attributed to the author,<sup>21</sup> elements of a work’s expression that merge with the underlying idea,<sup>22</sup> and elements that are considered scènes à faire (standard elements).<sup>23</sup>

Merger comes into play when there is only one or a limited number of ways that an idea can be expressed, i.e., when features of an expression are equivalent to the features of the idea underlying that expression.<sup>24</sup> This doctrine is often invoked in cases that deal with realistic depictions of natural phenomena.<sup>25</sup> Courts consider such features to belong to the idea from which they stem—the phenomenon’s appearance in nature—rather than from the author of the particular expression.<sup>26</sup> Consequently, courts

ignore these features when determining either the extent of original expression in a work or when determining whether two works are substantially similar.<sup>27</sup> In the *Hart v. Dan Chase Taxidermy* line of cases,<sup>28</sup> the appearance of the sway of a fish mannequin's tail was found to merge with the way fish tails sway in the water, and as a result, this feature was not attributable to the mannequin's creator.<sup>29</sup>

Scènes à faire is a related doctrine, often used in realms of performing arts and literature.<sup>30</sup> Under this doctrine, the work's settings, themes, and genres have features—scènes à faire or standard elements—that are necessary for particular expression of the ideas.<sup>31</sup> Since these elements are essential for a proper expression of an idea, as with merger, courts ignore them when determining either the extent of original expression or when determining whether two works are substantially similar.<sup>32</sup> Judge Learned Hand's opinion in *Nichols v. Universal Pictures Corp.*<sup>33</sup> is a classic example of the doctrine. *Nichols* involved recurring theme elements: a seemingly irreconcilable conflict between two feuding families, love between the families' children, followed by marriage and eventual reconciliation.<sup>34</sup> Judge Learned Hand found all of the above to be stock elements common not only to the plays in question, but also classics such as *Romeo and Juliet*.<sup>35</sup>

The interrelatedness of the doctrines of merger and scènes à faire is illustrated by the Ninth Circuit Court of Appeals' approach in *Satava v. Lowry*,<sup>36</sup> a case dealing with realistic glass-in-glass sculptural portrayals of jellyfish.<sup>37</sup> The court admitted that it could have decided the case on the merger doctrine, but instead applied the scènes à faire doctrine:

Our analysis above suggests that the “merger doctrine” might apply in this case. Under the merger doctrine, courts will not protect a copyrighted work from infringement if the idea underlying the copyrighted work can be expressed in only one way, lest there be a monopoly on the underlying idea. In light of our holding that Satava cannot prevent other artists from using the standard and stereotyped elements in his sculptures, or the combination of those elements, we find it unnecessary to consider the application of the merger doctrine.<sup>38</sup>

The court held that elements stemming from a jellyfish's appearance in nature, such as the selection of tendril-like tentacles, rounded bells, and bright colors, were standard elements necessary to portray a realistic jellyfish in a glass-in-glass sculpture.<sup>39</sup>

As noted, some courts have considered the doctrines of merger and scènes à faire as part of the originality analysis while others have instead chosen to view them as defenses to infringement.<sup>40</sup> The application of the doctrines during an originality analysis will result in a finding of uncopyrightability if merged or standard elements are

found.<sup>41</sup> This finding opens the door to any and all copying of these aspects of an author's work because these are not considered a part of the author's original expression. On the other hand, a finding of merger or scènes à faire in the context of a defense to infringement will preclude a finding of infringement under the considered circumstances only, but will not necessarily preclude all possible infringement of the merged or standard elements.<sup>42</sup> Courts that have utilized these doctrines, in the context of a defense, have been reluctant to rule elements as per se uncopyrightable.<sup>43</sup> Viewing the issues as empirical matters, courts examine merger in terms of an author's ability to portray an element without it being substantially similar to a plaintiff's portrayal, and scènes à faire as similarities that emerge from duplication of ideas rather than expression.<sup>44</sup>

While it is tempting to think of the appearance and dimensions of plastinated tissues as elements that are either merging or standard, careful analysis will demonstrate that these features do not fit under either doctrine because they will not be considered to be a part of the author's original expression. Neither *Dan Chase* nor *Satava* are directly analogous to this issue. In those cases, the features ruled as uncopyrightable under merger and scènes à faire were found as such in deference to copyright policy. These courts were reluctant to give the author a monopoly over these features.<sup>45</sup> Nevertheless, the features were viewed as products of the author's original expression that may have been protected against direct copying through photography.<sup>46</sup>

Unlike the empirical policy-based determination in *Dan Chase* and *Satava*, determining whether appearance and dimensions of plastinated tissues can be considered as original is strictly conceptual. The answer depends on whether the appearance of plastinated tissues are attributed to the author or to the natural processes that created them.<sup>47</sup> Since these features were created by nature and cannot be credited to the author, they should not be considered a part of the author's original expression and should be filtered out at the originality stage of the analysis.<sup>48</sup>

### C. Originality in the Selection of the Plastinated Tissues

While an author of a plastinated cadaver cannot lay claim to the appearance of the organs and tissues that are revealed through dissection, an author may argue for ownership over the resulting arrangement and selection of the revealed tissues.

In *Body Worlds*, almost all of the cadavers are presented with the epidermal layer removed, revealing the musculature underneath. Some cadavers have their skullcaps partially severed and held open, akin to a lid on a tin jar, to reveal the brain within, while others expose the brain by complete removal of the skullcap. Some cadavers incorporate cross-sectional cuts of the body illustrating the inner tissue layers.<sup>49</sup> A cadaver of a pregnant female reveals the fetus inside through a left lateral abdominal cut



that removes the top layer of the musculature to expose the womb.<sup>50</sup> Another cadaver illustrates sub-sections of muscle groups by separating and fanning out each individual muscle tissue.<sup>51</sup> Finally, one cadaver's facial and abdominal musculature are fanned out intending to resemble a flasher's open trench coat.<sup>52</sup>

*Feist* governs the originality analysis of these arrangements. In *Feist*, the Supreme Court determined whether the arrangement of uncopyrightable facts could be copyrighted. The case concerned compilations, specifically a directory of names in a phone book.<sup>53</sup> The Supreme Court held that such compilation may be copyrightable, reasoning that: "[C]hoices as to selection and arrangement, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original that Congress may protect such compilations through the copyright laws."<sup>54</sup>

While the *Feist* Court held that the requisite degree of creativity required for an arrangement to be considered original is minimal, it nevertheless emphasized that the arrangement of unprotected elements "cannot be so mechanical or routine as to require no creativity whatsoever."<sup>55</sup> The Court stated that garden variety or routine selections lack the required creativity and held that an alphabetized directory of names in a phonebook is uncopyrightable.<sup>56</sup>

*Matthew Bender & Co. v. West Publishing Co.*,<sup>57</sup> decided by the Second Circuit Court of Appeals, provides more guidance for determining whether a particular arrangement can be considered sufficiently creative. *Matthew Bender* concerned a dispute as to whether the Copyright Act protected a publisher's particular layout of public information in a reporter of judicial opinions.<sup>58</sup> The Court found that the manner the publisher chose to present information regarding the parties or procedural developments was insufficiently creative and therefore uncopyrightable.<sup>59</sup> The Court considered selection choices to be unprotected if guided by industry conventions instead of subjective judgments based on taste and value.<sup>60</sup> It concluded by outlining the determinative factors to a selection's originality under *Feist*: "In sum, creativity in selection and arrangement therefore is a function of (i) the total number of options available, (ii) external factors that limit the viability of certain options and render others non-creative, and (iii) prior uses that render certain selections garden variety."<sup>61</sup>

The *Matthew Bender* test captures the constraints by which an industry's conventions limit an author's selection choices. Applying the test, the Court viewed the original publisher's choices on how to present legal information regarding preceding and subsequent case history as severely limited to binary options under alternative citation rules.<sup>62</sup> Choices of which procedural facts to include, such as choices to present information with regard to the parties, venues, dates, and arguments of decisions were found to be guided by the functional importance of that information and not the publisher's creativity.<sup>63</sup> Finally, the Court saw the original publisher's decision to include

information on the parties' attorneys in its publication as one limited "by prior uses that render certain selections garden variety."<sup>64</sup>

While a dissected cadaver is in no way a factual compilation, the above reasoning is nevertheless applicable to its display because the plastinated cadaver's author makes choices about which section of tissue to remove and the repositioning of the remaining tissues.

In *Satava v. Lowry*,<sup>65</sup> the Ninth Circuit relied on *Feist* when analyzing glass-in-glass jellyfish sculptures as arrangements of unprotectable elements taken from jellyfishes' real life appearance in nature.<sup>66</sup> The same analogy can also be applied to the resulting arrangement of exposed tissues on a plastinated cadaver. Similar to a standard element in a jellyfish sculpture, the appearance of an exposed section of tissue is not by itself copyrightable, but the arrangement of the remaining tissues may be copyrightable if sufficiently creative.

After applying the *Feist* standard, the *Satava* court echoed the reasoning in *Matthew Bender* to determine that the arrangement of the standardized elements in a jellyfish sculpture was not original enough to warrant protection:

The combination of unprotectable elements in *Satava's* sculpture falls short of this standard. The selection of the clear glass, oblong shroud, bright colors, proportion, vertical orientation, and stereotyped jellyfish form, considered together, lacks the quantum of originality needed to merit copyright protection. These elements are so commonplace in glass-in-glass sculpture and so typical of jellyfish physiology that to recognize copyright protection in their combination effectively would give *Satava* a monopoly on lifelike glass-in-glass sculptures of single jellyfish with vertical tentacles.<sup>67</sup>

The glass-in-glass industry standards, combined with jellyfish physiology, guided *Satava's* arrangement rather than his own creativity.

In some respects, von Hagens is similarly constrained by human physiology and anatomy practice. He concedes that scientific principles take precedent over his artistic inclinations:

I am a scientist who embraces art, but not an artist who embraces science. "Body Worlds" stands at the intersection of science and art. If pressed to define it, I would call it anatomical art—the aesthetic presentation of the body interior. I do not view the body as an art form, but as an anatomical specimen of great wonder.<sup>68</sup>

Von Hagens's most popular selection conforms to anatomical standards—it presents the human body from a "skin-deep" perspective, where the epidermal layer is

removed to reveal the interconnected muscular tissues. On the other hand, in a minority of exhibits, von Hagens lets go of anatomical convention and is instead guided by aspects of his own personality, such as a tacky romanticism in the heart-shaped lovers exhibit<sup>69</sup> and a rather perverse sense of humor in “The Flasher.”<sup>70</sup> The range of von Hagens’s expression rules out an all-encompassing characterization of an exhibit of his as either meeting the *Feist* originality standard or not.

After applying the *Matthew Bender* factors, it is clear that there are some aspects of von Hagens’s selections that are insufficiently creative, while others go above and beyond the minimal standards of creativity. It is also apparent that a significant portion of von Hagens’s exhibits do not strictly fit into a *Matthew Bender*-like paradigm. The exhibits contain selections that are undoubtedly guided by anatomical conventions, but should not be considered insufficiently creative. Such selections should be treated in accordance with the *scènes à faire* doctrine and considered original, but filtered out during the substantial similarity analysis.

When portraying physiological systems in their entirety, the choices available to von Hagens are indeed severely limited. For example, there are only two ways to present the entire muscular system, by removing the epidermal layer to present the muscular tissues supported by the skeleton<sup>71</sup> or by removing both the overlaying skin and the underlying skeleton to isolate the tissues and present the muscular system independently of the body.<sup>72</sup> Similar constraints apply to other physiological systems presented in their entirety. In one exhibit, von Hagens removes the skin and the musculature to contrast the nervous system against the skeleton; and in another, he presents the circulatory system as shaped by, but without, the underlying human form. These limitations conform to the constraints put forth in the *Matthew Bender* test, as analogous to a publisher’s choice between two standards of citation. As such, these selections lack the minimal degree of originality required for protection.

The majority of dissection choices utilized by von Hagens fail to strictly conform to a *Matthew Bender* analysis. Anatomical practice has been evolving since the days of Leonardo da Vinci, with its methods perfected by generations of practitioners in order to present anatomical information in a succinct way that reflects fundamental physiological principles. Conventions of dissecting the body have developed in accordance with fundamental principles, such as the fact that most of the structures of the human body are mirror image reflections of each other when viewed across the vertical plane that separates the body into left and right halves.<sup>73</sup> This plane is known as the sagittal plane. There are other divisions such as the coronal plane, which divides the body into anterior and posterior halves (front and back), and the transverse plane, which divides the body into the top and bottom. Another convention divides the tissues into systems in accordance with their functions, such as respiratory, digestive, mus-

cular, and nervous systems. In a sense, these conventions are “garden variety” because they present information in a stereotyped or typical manner in accordance with a long practice of usage;<sup>74</sup> nevertheless, anatomical constraints do not limit their use as severely as industry constraints limited publishers in *Matthew Bender*.

In “Reclining Pregnant Woman,” a pregnant woman’s womb and fetus are revealed through the removal of the left anterior mediolateral tissues of the abdomen.<sup>75</sup> Circumstances do not condition this particular selection, as the womb and fetus could have been instead revealed in a number of alternate ways: through removal of right mediolateral tissues, through removal of abdominal tissues along a transverse rather than sagittal plane, through removal of the anterior abdominal tissues in their entirety, or in another manner. Furthermore, unlike the publishers in *Matthew Bender*, von Hagens selected the particular application of the anatomical convention via subjective judgments based on individual taste and value.<sup>76</sup> He personally decided to expose the fetus by removing the left mediolateral tissues rather than those on the right side.<sup>77</sup> Consequently, von Hagens’s selection of tissues in accordance with anatomical conventions cannot be considered insufficiently creative.

Even though anatomical conventions are not to be considered “garden variety” under *Matthew Bender*,<sup>78</sup> that Court’s policy concerns nevertheless apply: “If both of these arrangements were protected, publishers of judicial opinions would effectively be prevented from providing any useful arrangement of attorney information for Supreme Court decisions that is not substantially similar to a copyrighted arrangement.”<sup>79</sup> Von Hagens makes most of his selections in accordance with anatomical conventions. Viewing particular anatomical conventions as von Hagens’s original expression would not only constrain his competitors in the plastinated-cadaver market, but also restrict the ability of others to convey anatomical information in other mediums such as illustrations, three-dimensional computer renderings, models, and embalmed cadavers.

One common-sense solution to this dilemma entails a conception of anatomical conventions as *scènes à faire*. Under this approach, selections made in accordance with these conventions would be viewed as motivated by an author’s discretion, but at the same time be appropriately filtered out in a substantial similarity analysis.<sup>80</sup>

The selection and positioning of tissues in exhibits such as “The Flasher,” however, in which a cadaver’s abdominal musculature is fanned out to resemble an exhibitionist’s trench coat, cannot be attributed solely to anatomical convention. Consequently, such arrangements should be seen as original to the author.

#### D. Originality in the Positioning of Exhibits

Another avenue for claiming original expression is an argument based on the positioning of cadavers. In both

*Hart v. Dan Chase Taxidermy*<sup>81</sup> and *Satava v. Lowry*,<sup>82</sup> the courts allowed for original expression in the positioning of the sculptural works: “Part of each mannequin is the artists’ conception of what the animal is doing and how that animal would appear while doing that activity. Thus the gestures, pose, attitude, . . . all represent the artists’ expression of the particular animal,”<sup>83</sup> and “[Satava] has made some copyrightable contributions: the distinctive curls of particular tendrils [and] . . . the unique shape of jellyfishes’ bells. To the extent that these and other artistic choices were not governed by jellyfish physiology or the glass-in-glass medium, they are original elements that Satava theoretically may protect through copyright law.”<sup>84</sup>

Similarly, the positioning of von Hagens’s exhibits will be protected (barring expression that will be considered as unoriginal or that will be ignored in a substantial similarity analysis due to policy reasons). Ownership of ideas runs contrary to fundamental principles of copyright. Just as the idea of depicting a jellyfish swimming in its natural surroundings is part of the public domain,<sup>85</sup> so too is an idea to portray a cadaver engaged in a particular human activity. Von Hagens portrays cadavers engaging in athletics,<sup>86</sup> embracing each other,<sup>87</sup> posing for an invisible artist,<sup>88</sup> and indecently exposing themselves to a stranger.<sup>89</sup> Von Hagens is unable to use copyright to preclude others from portraying these ideas.<sup>90</sup>

In addition, some aspects of his portrayal of these ideas will not be considered in a substantial similarity analysis in accordance with merger and scènes à faire doctrines. Aspects that will be considered as necessary for a portrayal of a particular idea—such as limb positioning corresponding to a hurdler clearing a hurdle—are not protected as standard elements required for such a portrayal. In *Satava*, the vertical orientation of jellyfish in the glass-in-glass sculptures was so considered because jellyfish swim vertically.<sup>91</sup> In *Reece v. Island Treasures Art Gallery, Inc.*,<sup>92</sup> a district court in the Ninth Circuit considered whether a stained glass image infringed on a photographer’s depiction of a native Hawaiian hula dancer.<sup>93</sup> The court held that positioning of the dancer’s limbs was not protected because it constituted a standard hula dance movement.<sup>94</sup>

The same features can be filtered out of a substantial similarity via merger. Merger analysis is empirical; it determines whether it is possible to portray an idea in various ways so that particular features will not be substantially similar to one another among various portrayals. If such similarity is unavoidable, then these features merge with the underlying idea. In the *Dan Chase* line of cases,<sup>95</sup> the courts found the sway of the taxidermic fish tails to be the only distinguishing feature of the underlying mannequins used to mount them.<sup>96</sup> Upon remand of its initial decision, the District Court examined a range of specimens in order to determine merger.<sup>97</sup> While the court found minor differences in the sway of the fish tails, it nevertheless determined that it was impossible to produce a realistic sway without it being similar to a sway found in other specimens.<sup>98</sup> The Circuit Court affirmed this reasoning.<sup>99</sup>

Similar analysis can be performed on the “The Hurdler”<sup>100</sup> exhibit. The issue is this: In terms of limb positioning, is it possible to produce a range of hurdling cadavers without their limb positioning being substantially similar to one another? The analysis must be done within a particular stage of a runner clearing a hurdle. Even though limb positions differ significantly across the various stages, it would be poor public policy to allow an author to copyright a depiction of a particular hurdling stage. Portrayals of any stage of the motion will be substantially similar to one another; the angle of the body in relation to the ground and the angles between the legs and the arms will all be alike. As in *Dan Chase*, there will be some differentiation—the various angles will not be perfectly aligned and the positioning of feet or wrists may be different—but these variations will not be significant enough to cut against substantial similarity.<sup>101</sup> These details, however, may be protected against direct copying through a medium such as photography.<sup>102</sup>

The scènes à faire and merger doctrines are interchangeable in some, but not all, contexts. Some features that will be considered to merge are nevertheless too unique to be considered standard elements. A good example of this is “The Runner,” an exhibit in which a running cadaver’s muscles are detached from the limbs and positioned to resemble a rooster’s puffed out feathers.<sup>103</sup> Such positioning can only be considered as standard on a rooster and only when it comes to its feathers. This positioning would nevertheless be considered to merge because there are only two ways to achieve such an effect: to detach the muscles at their connections to the top parts of the limb bones as it is done on “The Runner,” or alternatively to detach them at their connections to the bottom parts of the limb bones.

#### E. Assessment of the Idea and Expression Dichotomy

Apart from filtering out individual aspects, such as athletic positions and dance movements, applying the idea and expression dichotomy to filter out unprotectable elements becomes almost untenable when dealing with complex exhibits in their entirety. Merger and scènes à faire become functions of the generality of the idea being portrayed.<sup>104</sup>

If we view “The Relay Runner”<sup>105</sup> exhibit as expressing the idea of a cadaver’s skeleton handing off a relay baton to its “muscle man,”<sup>106</sup> then we have no choice but to consider most of the aspects of the exhibit as merging with the underlying idea. This idea cannot be expressed without positioning the skeleton behind the “muscle man” and one of the skeleton’s limbs extended forward to hand off the baton to the “muscle man,” who has one of his arms extended backwards. Consequently, a competing exhibit incorporating these features will not be considered to be infringing.

Yet if the idea is captured more generally, such as “an athletic interaction between two independently supported tissue layers of the same cadaver,” then almost none of the



features can be considered as merging, and any set of positions between a skeleton and a “muscle man” portraying a relay may be considered as infringing.

Judge Learned Hand addressed a similar concern in *Nichols v. Universal Pictures Corp.*, the case that rooted the scènes à faire doctrine:

Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his “ideas,” to which, apart from their expression, his property is never extended. Nobody has ever been able to fix that boundary, and nobody ever can.<sup>107</sup>

This passage is often cited to convey the arbitrariness implicit in the line drawing required by the idea and expression dichotomy.<sup>108</sup> Nevertheless, Judge Hand saw such arbitrariness as implicit to law in general and did not see it as a reason to not distinguish between idea and expression.<sup>109</sup>

The problem in the context of “The Relay Runner,” however, is not the arbitrariness of choosing which level of generalization describes the author’s idea expressed in the exhibit; it is the arbitrariness of the formulations of the ideas themselves. Both the idea and expression dichotomy and Judge Hand’s abstraction discussion are rooted in the originality analysis of literary works and cannot be successfully applied to visual art.<sup>110</sup>

For literary works, the abstractions are a useful tool because (1) they mirror the writing process, moving from the general to the specifics of an abstract plot, and (2) it is likely that most people would agree on the descriptions of each level of generality. It is also likely that most would agree that *Romeo and Juliet* is (a) most generally, a tragedy, (b) more narrowly, a play about the circumstances of individuals’ lives determined by surrounding events that are out of their control, and (c) even more specifically, about the doomed love of two young people on opposite sides of a violent family feud. The narrower formulations, such as those found under (c), are still considered ideas in the public domain because there are still an infinite number of ways in which they can be brought to life. It is likely that people are accustomed to abstracting such generalizations from the details of specific plays or novels in order to compare different works or to see how one work may have influenced another one.

Such generalizations do not carry over to visual art as easily. In visual art there may be no agreement over the

idea expressed even in seemingly straightforward works such as the “The Relay Runner.” One cannot be sure if, when composing this exhibit, von Hagens was conscious of interactions between different layers of a person’s body or if his conception specifically involved an athletic skeleton. Consequently, an infringement analysis centered on the idea and expression dichotomy, examining whether a competing exhibit borrowed von Hagens’s abstract ideas or his specific expression of them, is as likely to be determined on formulations of ideas that have never crossed von Hagens’s mind as on those that have. Furthermore, when it comes to visual art it is also difficult to separate the work from the idea that it is intended to portray: “an artist’s idea, among other things, is to depict a particular subject in a particular way.”<sup>111</sup>

Some courts have followed the above reasoning to conclude that the idea and expression dichotomy is not useful or relevant when applied to visual art.<sup>112</sup> Such courts translate discussions of ideas behind visual works as concerning discussion of those works’ subject matters.<sup>113</sup> This approach provides the ground work for an infringement analysis—“description of the subject at a level of generality sufficient to avoid implicating copyright protection”<sup>114</sup>—without guessing about the nature of the ideas that the author intended to depict. If the two works can be said to depict the same subject matter, then the analysis can be advanced by determining if the defendant’s work infringed by portraying the subject matter in a substantially similar way to the plaintiff’s.<sup>115</sup>

In *Mannion v. Coors Brewing Co.*, the subject matter of the plaintiff’s photograph depicted a black man in a white T-shirt, wearing an extensive amount of jewelry around his neck and on his hands, with his hands held together in front, resting at the top of his pants, photographed against a cloudy sky background. The court described the portrayed subject matter as “a young African American man wearing a white T-shirt and a large amount of jewelry.”<sup>116</sup> The court found the cloudy sky, the subject’s pose, and the white T-shirt to be standard elements that are not copyrightable in and of themselves. However, when these features are present and are arranged in a specific manner, the court found that they contribute to the plaintiff’s original way of depicting the subject matter and may be copyrightable.<sup>117</sup>

In accordance with the reasoning above, the conception of the subject matter portrayed in “The Relay Runner” should be a description general enough to be depicted in another exhibit without necessarily infringing on the original. One must also be mindful that, when it comes to the subjects of plastination exhibits, an author’s creativity is limited by the application of the merger and scènes à faire doctrine to the dissection of individual cadavers. Thus, if the originality of the author’s choice is to be protected by the description at the subject level (i.e., the level of an individual cadaver), the description should be general enough so that the dissection choices would not be interpreted as standard elements. Otherwise, with the subject matter

described as “a skeleton and a ‘muscle man’ of the same cadaver engaged in a relay race,” a competitor’s dissection choices become so constrained that public policy would require the original author to lose protection over his selections. Both the skeleton and the “muscle man” become standard elements, and the originality analysis focuses on the positioning of the subjects rather than on the subjects themselves.

Such an approach, however, would be contrary to the principles of plastination. In plastination exhibits, the anatomy of the cadavers is equally, if not more, important than the positioning. Von Hagens uses the positioning to bring attention to the specific anatomical concepts he wishes to present to the public. He explained to a reporter: “It has always been my intention to share this treasure with those outside the medical world. As an educator, I always knew that for an anatomical exhibit to resonate with the public, I had to use a heightened sense of aesthetics to capture the viewer’s imagination.”<sup>118</sup>

Consequently, the formulation of the subject matter should protect the originality of a dissection selection as well as the choice of positioning. A formulation like “two tissue layers of a cadaver engaged in a relay race” would allow another author to use the positioning of a relay runner to alternatively comment on the anatomy of the cadaver. For example, an author could use such positioning to contrast the anatomies of the nervous and circulatory systems without infringing on the original expression in “The Relay Runner.” On the other hand, another author who, like von Hagens, wanted to contrast the musculature with the skeleton beneath it could safely do so by utilizing a different position.<sup>119</sup>

This approach to the level of generality does not award the original author an exclusive right to use certain dissection choices in specific positions. Rather, it prevents these dissection choices from being filtered out as standard elements, enabling a court to utilize them in a substantial similarity analysis. For example, a substantial similarity analysis between two exhibits of “a cadaver playing chess”<sup>120</sup> will consider the fact that in both exhibits the brain is exposed. This would not be the case with a narrower formulation of the subject matter portrayed in the exhibits, such as “a cadaver with its brain exposed playing chess.”

Such a formulation would also serve to protect some of von Hagens’s most original exhibits. In “The Flasher,” a cadaver’s musculature is separated from the skeleton and fanned out to resemble the opened raincoat of a man who is indecently exposing himself. The musculature of the skull is split along the sagittal plane from the frontal top of the skull to the base at the neck. It is then separated from the skull and fanned out parallel to the coronal plane and attached only to the back of the head, resembling the “popped-open” collar of a raincoat. The front of the opened raincoat is mimicked by splitting the lower back muscles along the spine and fanning them out parallel to

the coronal plane while also fanning out some of the upper arm musculature in a similar fashion.<sup>121</sup>

If the subject matter is formulated as “a cadaver’s musculature fanned out to resemble a flasher’s coat,” then von Hagens’s twisted but ingenious expression of this idea would almost necessarily be seen as merging. There are a limited number of ways to use the musculature to produce such an effect. If, on the other hand, a more general formulation is used, such as “a cadaver positioned in such a way as to resemble a flasher exposing himself,” then there is a wide range of possible expressions.

### III. Infringement in Context

This section considers infringement issues in the context of analyzing similarly dissected and positioned plastination exhibits from competing shows. This article compares cadavers created by von Hagens exhibited at a Body Worlds exhibition with cadavers created by Premier, a competitor in the plastinated cadaver market. For the purpose of this analysis, von Hagens’s exhibits are assumed to be the original work and Premier’s to be the potentially infringing work.

The question in each instance is whether an author would be successful in establishing infringement in a potential copyright suit. Fair use will not be considered. Analysis will center on a plaintiff’s ability to prove the copying of original elements of copyrighted work. Issues such as originality, copyrightability and substantial similarity will be considered, with sub-issues, such as an original author’s compliance with statutory formalities and access of the potential infringer being assumed as established.<sup>122</sup>

Appropriation is actionable only if it rises to the level of substantial similarity. In other words, if a work is not substantially similar, then it is not infringement. Federal circuits take slightly different approaches to this matter, many of which utilize some form of the “ordinary observer test.”<sup>123</sup> This test filters out unprotected expression prior to determining if “the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them and regard [the works’] aesthetic appeal as the same.”<sup>124</sup> The following sections analyze substantial similarity under this formulation.<sup>125</sup>

#### A. “The Relay Runner”

This article has previously discussed von Hagens’s “The Relay Runner” exhibit and has argued that the subject matter of this exhibit should be formulated as “two tissue levels of a cadaver engaged in a relay race” to protect the author’s dissection choices from being filtered out under a narrow formulation.<sup>126</sup> Bodies Revealed, a plastination show run by Premier, fields a similar exhibit utilizing a separately positioned skeleton and “muscle man” from the same cadaver, connected at the fingertips, as if the two forms are spinning around each other.<sup>127</sup>

Unquestionably, Premier's exhibit contains elements that are similar to "The Relay Runner"; both exhibits contain a cadaver's skeleton and "muscle man" interacting with each other.<sup>128</sup> Premier's contrast between the anatomy of a cadaver's skeleton with its "muscle man," portrayed as a physical interaction between the two, may be viewed as an element taken from "The Relay Runner" exhibit. While von Hagens does not have a monopoly over the dissection choice to remove all of a cadaver's tissues to reveal a skeleton or the dissection choice to isolate the muscle tissue as a "muscle man," his use of these two standard elements can be protected if sufficiently original. Both Second and Ninth Circuit courts have protected such compilations.<sup>129</sup>

Unfortunately for von Hagens, Premier's appropriation of this contrast will not be viewed as infringement. If approached in terms of the idea and expression dichotomy, Premier can be seen as appropriating von Hagens's idea to contrast a cadaver's inner tissue levels but not its expression. Premier is expressing the idea of the contrast differently. In both, a skeleton and a "muscle man" are interacting, but these interactions are not enough alike to rise to the level of substantial similarity; one involves athletics and the other looks like an exercise of affection or play.<sup>130</sup> Courts often point out that the existence of differences between two works will not protect a plagiarist who appropriated another's expression.<sup>131</sup> Yet, when determining whether a reasonable observer will find the two works substantially similar, courts also resort to compiling laundry lists of appropriately weighted<sup>132</sup> differences and similarities between the two works.<sup>133</sup> As Premier expresses the idea of von Hagens's work in a different way, the differences in expressions will overwhelm any similarities. A court would be able to point to differences in the positioning of the cadavers, the presence of other objects (i.e., the baton), and the mood evoked by the two exhibits (i.e., competition in one and affection in the other) to find that the two are not substantially similar.

Alternatively, if the idea and expression dichotomy is rejected and the analysis is performed in terms of subject matter, as advocated for in *Coors Brewing Co.*, the differences in the subject matters portrayed in the two works—"two tissue levels of a cadaver engaged in a relay" and "two tissue levels of a cadaver displaying affection through physical interaction"—will preclude a substantial similarity finding.<sup>134</sup>

## B. "The Chess Player"

A more intriguing comparison can be made between von Hagens's "The Chess Player"<sup>135</sup> and Premier's "The Thinker."<sup>136</sup> The subject matter of both exhibits can be formulated as "a cadaver playing chess." "The Chess Player" involves a seated, skinned cadaver, with its arms on a table about to move a chess piece on a board in front of him. The cadaver's brain and spinal cord are exposed, along with the left parietal lobe of the brain; nerve fibers are visible that run from the spine into the skull and from the base of

the spine into the pelvis. "The Thinker" involves a skinned cadaver, positioned in the pose of contemplation à la Rodin's classic of the same name.<sup>137</sup> Its brain is exposed and dissected to display the two sides, and the spinal column is also exposed with nerve fibers running from the spine into the skull.

"The Chess Player" and "The Thinker" have multiple similarities. Both cadavers are seated and positioned crouching forward in front of a chess board; both brains are exposed via a removal of the skull cap above the orbital ridge; both have had the muscle tissues of the back removed in a similar manner, exposing the spinal column in its entirety; and both exhibits show nerve fibers running from the spinal column to the brain through the skull.

When considering such similarities, courts give standard or merging elements weaker protection known as "thin copyright."<sup>138</sup> As these common elements are necessitated by the idea they are expressing, their comparison is done via a virtual identity standard: similarities caused by the underlying idea are ignored, and only identities caused by direct copying are considered. Since the appearance of the cadavers will be seen as composed of standard dissection choices, such as complete removal of the skin to reveal the entire musculature, removal of the skull cap above the orbital ridge to expose the brain, and removal of back musculature to reveal the spine, courts will likely focus on the differences between these dissections and ignore the similarities.

In *Reece*, when comparing the similarities between a plaintiff's photograph of a Hawaiian hula dancer and a defendant's stained-glass window portraying a hula dancer in the same position, the court filtered out the majority of the similarities through a "thin copyright" approach, viewing them as necessitated by decisions to portray similar underlying ideas.<sup>139</sup> Looking for virtual identity, the court emphasized the minute differences in the dress, hair length, and the angle of the positioning of the hula dancers' bodies as evidence that the similarities were not caused by direct copying.<sup>140</sup> Similarly, the differences between the "The Chess Player" and "The Thinker" will likely be emphasized over the similarities. In "The Chess Player," the left parietal lobe of the brain is revealed through the left side of the skull musculature that is flapped open with the underlying bone removed.<sup>141</sup> In "The Thinker," the skin below the skull and the musculature below the orbital ridge are left intact; instead, incisions are made into the exposed brain on both sides, displaying deep brain tissue.<sup>142</sup> There are also differences in the way the spinal columns are revealed. To expose the spine on "The Thinker," a smaller area of muscular tissue is removed than on "The Chess Player." "The Chess Player" exhibits more of the spine at its juncture with the pelvis, with nerve fibers exposed in this area, whereas in "The Thinker," they are not.<sup>143</sup> In terms of the positioning of the cadavers, courts will likely emphasize that the two cadavers are positioned differently because "The Chess Player" reaches toward a chess board on the table and "The Thinker" contemplates



the board from a distance with its hands on the chin and the knee.<sup>144</sup> Any similarities between the two positions will be seen as caused by human dynamics and gravity and are unlikely to be considered.

Von Hagens's strongest claim for infringement will be to argue that his combination of the standard elements in "The Chess Player" should be entitled to protection. Specifically, that it is a skinned cadaver, seated and crouching near a chess board with its brain exposed by a separation of the skull above the orbital ridge and its spinal column with the nerve fibers exposed, running from the spinal column to the brain through the skull.<sup>145</sup> In "The Thinker," the same elements are combined in a similar fashion.<sup>146</sup>

Courts have previously entertained such arguments. In *Sheldon v. Metro-Goldwyn Pictures Corp.*,<sup>147</sup> Judge Learned Hand of the Second Circuit Court of Appeals approached a playwright's combination of unprotectable stock elements as a protectable compilation.<sup>148</sup> More recently, as discussed earlier, this approach was applied to photography in *Coors Brewing Co.*: "Other elements arguably in the public domain—such as the existence of a cloudy sky, Garnett's pose, his white T-shirt, and his specific jewelry—may not be copyrightable in and of themselves, but their existence and arrangement in this photograph indisputably contribute to its originality."<sup>149</sup> The case did not address the thin copyright/virtual identity standard as the defendant's depiction of the elements would not have risen to that standard. Ultimately, the defendant's photograph was found to be substantially similar.<sup>150</sup> One may conclude that copying a selection of standard elements can be sufficient for a finding of substantial similarity, even if the similarity between the standard elements does not rise to the virtual identity standard.

The Ninth Circuit has taken a similar approach to viewing the selection of standard elements as copyrightable if the compilation is sufficiently original. In *Funky Films, Inc. v. Time Warner Entertainment Co.*,<sup>151</sup> concerning the potential appropriation of a script's characters and plot elements, it stated, "At a very high level of generality, both works share certain plot similarities.... But '[g]eneral plot ideas are not protected by copyright law ....'"<sup>152</sup> On the other hand, in *Metcalfe v. Bochco*,<sup>153</sup> the court reached the opposite conclusion and found: "[T]he presence of so many generic similarities and the common patterns in which they arise do help the [plaintiffs]."<sup>154</sup> In *Reece*, the court acknowledged that the defendant's stained-glass window was similar to the plaintiff's photograph in capturing a Native Hawaiian woman on the beach performing a hula movement in traditional garb, similarly oriented and presented from the same angle, but chose to ignore these elements when determining substantial similarity.<sup>155</sup> In *Satava*, the court found the subject matter and the medium chosen by the plaintiff, the glass-in-glass jellyfish sculptures, to be so restrictive as to deny the plaintiff originality in his combination of unprotectable elements.<sup>156</sup>

There is no systematic approach to determining when similarity in an arrangement is sufficient for substantial similarity in the work as a whole. Such sufficiency seems to exist when the arrangement pattern of the infringing work so closely approximates that of the original as to convince a reasonable viewer that aesthetic appeal of the two works is the same. The pervasiveness of the similarities in the main characters, plot developments, theme, and setting were decisive in *Metcalfe*.<sup>157</sup> Similarly, in *Coors Brewing Co.*, the court was persuaded by the similarities in almost every dimension that a photograph could be original, including the appearance and positioning of the subject, lighting, camera angle, and setting.<sup>158</sup> Such pervasiveness is also present in *Reece*, yet it had no impact on the analysis; the court simply acknowledged it and then moved on:

Each captures a woman performing hula on the beach, kneeling in the sand in the midst of an 'ike movement, with the right arm outstretched and an open left hand against the face. The women are each adorned in the traditional hula kahiko fashion and their long dark hair flows behind them. And each image presents the woman from the same angle and orientation, from a perspective that is facing the left side of her body, as if in profile. Yet aside from these similarities, the court cannot say that these two images are "substantially similar" under established legal principles.<sup>159</sup>

It is likely that, as in *Satava*, the court found the arrangement as a whole to be standard, dictated by the subject matter, and to be ignored in a substantial similarity analysis.

Most works portraying traditional Hawaiian hula dancers are likely to involve traditional garb and movements, as well as the beach, the surf, and the ocean. Consequently, a generalization can be elicited from the above comparisons that a compilation of standard elements can figure into a substantial similarity analysis. The compilation itself, however, must not be viewed as standard or as merging with the subject matter or the medium in which it is portrayed.

The combination of the chessboard and a cadaver in a sitting position will either be seen as too abstract to warrant protection, as in *Funky Films*, or as standard, as in *Reece* and *Satava*. With regard to the similarities in the dissections of the cadavers, the limited number of dissection choices utilized in the original exhibit makes it unlikely for a court to view the choice to use those particular dissections and not others as an original compilation. If a cadaver's dissection involved a higher number of dissection choices, resulting in a more intricate arrangement, then it would be more likely that the appropriation of a large number of these dissection choices would result in a finding of pervasive similarities, as in *Metcalfe*. In the case

at hand, the similarity of choosing to expose both the brain and spinal columns in a similar manner may contribute to a reasonable observer finding the same aesthetic appeal, but this alone would not be determinative.

As for the comparison of the individual elements—such as the positioning of the sitting cadavers' bodies, the dissection choices of removing the cadavers' skin, and exposing the brain and spinal column—each comparison requires a thin copyright/virtual identity analysis because all of the elements can be considered standard. Since none of these elements are virtually identical to each other, no substantial similarity will be found.

### C. "The Star Warrior"

"The Star Warrior" is an exhibit comprised of a male cadaver positioned standing up, slightly bending forward with his hands on his hips. His tissues are dissected into ring-like segments and are separated along transverse planes throughout the body. Some segments consist of skin with all the tissues underneath; other segments have only the skin removed; and still others have both the skin and the muscle layers removed to reveal bone and inner organs.<sup>160</sup> Premier presents a remarkably similar exhibit in its Bodies Revealed show.<sup>161</sup> The tissue segmentation on both cadavers is nearly identical: three rings of skin positioned in identical places on each cadaver's head, with tissues between the skin rings similarly dissected and the same layer of tissue removed in corresponding segments of the cadavers' heads. The pattern is repeated on the rest of the cadavers' bodies, with each cadaver being divided into nearly identical segments. The exposed flesh presents another similarity: the skin is sagging and wrinkled, while the exposed muscles are thin and atrophied, so it appears that both exhibits are comprised of bodies of elderly men. The positioning of the cadavers is slightly different, with the arms of Premier's hanging loosely and slightly in front of the body while von Hagens's "Star Warrior" has his hands on his hips. The left eye of "The Star Warrior" is closed while the right eye looks wide open because its eyelids have been removed.<sup>162</sup> Premier's exhibit incorporates the same effect but slightly differently; the left eyelid is left intact in the open position while the right eyelid is completely removed.<sup>163</sup>

These exhibits are peculiar because, unlike the majority of the exhibits, their most distinctive feature is their dissection pattern rather than their positioning of the cadaver. Accordingly, the formulation of the subject matter portrayed should concern the dissection rather than the positioning. Any description akin to "a cadaver with its tissues segmented into rings" would be appropriate.

The individual ring segments should be conceived of as standard elements. A court seems unlikely to give protection to this particular form of dissection. When looking at the cadavers as a whole, the pattern of alternating a skin segment with segments that reveal muscle and bone, or only bone, should be viewed as merging with the idea to segment the body into alternating skin, flesh, and bone.

Consequently, the similarity between the corresponding segments will be considered under the thin copyright standard.

The similarity between the ring segments is striking. Each part of the body on both cadavers is broken into the same number of segments, with each corresponding segment revealing the same tissue layer. Furthermore, the relative width of the individual segments appears to be nearly identical. Another striking similarity is between the dangling kneecaps hanging from the upper part of each cadaver's tibia. With respect to the appearance of the corresponding tissue segments, the two cadavers are virtually identical, with the similarity being pervasive throughout. Consequently, Premier's cadaver may be viewed as substantially similar to "The Star Warrior" as a matter of law, meaning a reasonable observer will think of the two exhibits as having the same aesthetic appeal. Differences between the two exhibits exist, but are minor. "The Star Warrior" has all of the abdominal organs removed, while they are exposed in Premier's exhibit. In addition, the right eye of "The Star Warrior" is closed while the right eye on the Premier exhibit is open. These dissimilarities are irrelevant since "no plagiarist can excuse the wrong by showing how much of his work he did not pirate."<sup>164</sup>

### IV. Conclusion

Both the medium and the subject matter restrict the scope of protected original expression in plastinated exhibits. As the dimensions and appearance of the dissected tissues will be considered uncopyrightable products of discovery, original expression will only extend to an author's dissection choices and to the positioning of the cadavers. The doctrines of merger and *scènes à faire* further restrict the scope of copyrightable subject matter with many of an author's dissection and positioning choices being filtered out during a substantial similarity analysis. This makes it difficult to sustain an infringement suit by a plastinated exhibit author against a competing exhibition. Infringement can still be found, however, if the original dissection or positioning choices such as in "The Flasher" and in "Heart Shaped Lovers" are appropriated. Furthermore, a claim can be based on appropriation of an original arrangement of standard elements as long as this arrangement is not on its own seen as standard like that in "The Chess Player." It must also be noted that even if choices or arrangements are seen as standard, infringement can still be found if similarity between exhibits reaches the "virtual identity standard" as between "The Star Warrior" and its Premier counterpart.

### Endnotes

1. For a biography of von Hagens and a description of the creation of Body Worlds, see Gunther von Hagens: A Life in Science, Body Worlds, [http://www.bodyworlds.com/en/gunther\\_von\\_hagens/life\\_in\\_science.html](http://www.bodyworlds.com/en/gunther_von_hagens/life_in_science.html) (last visited July 21, 2010).
2. For a detailed description of the plastination process, see Gunther von Hagens et al., Review Article, *The Current Potential of Plastination*, *ANAT EMBRYOL* (1987) 175:411.

3. See CorpseShow.info, Homepage, [http://www.corpshow.info/body\\_worlds\\_4\\_industry.html](http://www.corpshow.info/body_worlds_4_industry.html) (available on Jan. 10, 2010, link not available as of July 21, 2010).
4. *Plastination Co. Inc., v. Premier Exhibitions, Inc.*, No. 1:05-cv-0594, 2005 WL 516253 (N.D. Ohio, Feb. 16, 2005).
5. R. Robin McDonald, *Bodies Draw Suits on Contracts, Copyrights: Atlanta Exhibitor's Case Illustrates Fierce International Competition*, FULTON COUNTY DAILY REP., Apr. 20, 2006, at 1.
6. Fair use is not considered in this paper.
7. 17 U.S.C. § 102(a)(5) (2009); *id.* § 101 (referring to "Pictorial, graphic, and sculptural works"). A plastinated cadaver will not be considered to be a "useful article," because its primary function is to convey visual information. See 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.08[B][3] (2009).
8. 499 U.S. 340 (1991).
9. *Id.* at 346.
10. Scènes à faire refers to a work's elements that are necessary for expression of the work's ideas in its genre. See 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][4]; see also Part II.B.
11. 17 U.S.C. § 102(b); *Feist*, 499 U.S. at 356.
12. *Feist*, 499 U.S. at 352.
13. *Id.* at 345.
14. *Id.*
15. *Id.* at 348.
16. See *supra* note 2.
17. *Id.*
18. 4 NIMMER & NIMMER, *supra* note 7, at 2.03[E] ("The 'discoverer' of a scientific fact as to the nature of the physical world, [an] historical fact, a contemporary news event, or any other 'fact,' may not claim to be the 'author' of that fact.").
19. See *Feist*, 499 U.S. at 345.
20. See *id.* at 348 ("The mere fact that a work is copyrighted does not mean that every element of the work may be protected. Originality remains the sine qua non of copyright; accordingly, copyright protection may extend only to those components of a work that are original to the author.").
21. *Id.* at 349 ("[N]o matter how much original authorship the work displays, the facts and ideas it exposes are free for the taking.... [T]he very same facts and ideas may be divorced from the context imposed by the author, and restated or reshuffled by second comers, even if the author was the first to discover the facts or to propose the ideas.").
22. 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][3] ("In some circumstances, however, there is a 'merger' of idea and expression, such that a given idea is inseparably tied to a particular expression. In such instances, rigorously protecting the expression would confer a monopoly over the idea itself, in contravention of the statutory command.").
23. *Id.* at § 13.03[B][4]. It is sometimes said that scènes à faire refer to "incidents, characters or settings which are as a practical matter indispensable, or at least standard, in the treatment of a given topic." To give a practical illustration, one court commented that "the public domain would have a scant selection if stock settings such as the movie theatre, the kitchen, Las Vegas, a church picnic or a club were subject to copyright protection."  
*Id.* (internal citations omitted).
24. *Id.* at § 13.03[B][3].
25. See, e.g., *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320 (2d Cir. 1996) (involving fish taxidermy); *Franklin Mint Corp. v. Nat'l Wildlife Art Exch., Inc.*, 575 F.2d 62 (3d Cir. 1978) (involving a water color painting of cardinals).
26. See 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][3].
27. See *id.* at § 13.03[B][3] & nn.163.12-168. It is not always clear whether the merger doctrine is deemed a bar to copyright protection itself, rather than simply a defense to the charge of infringement via substantial similarity. Although the subject of much confusion, the better view construes it as the latter, evaluating the inseparability of idea and expression in the context of a particular dispute, rather than attempting to disqualify certain expressions from protection. Thus construed, similarity of expression, whether literal or nonliteral, which necessarily results from the fact that the common idea is only capable of expression, in more or less stereotyped form, will preclude a finding of actionable similarity. *Id.*
28. In this line of cases the District Court originally found the fish mannequins to be merely utilitarian and to not contain any copyrightable features. The Circuit Court vacated this decision, finding that the mannequins were indeed copyrightable sculptural works. On remand the District Court found that the copyrightable features of the mannequins merged with their underlying idea—the fish's appearance in nature. The Circuit Court then affirmed this reasoning. *Hart v. Dan Chase Taxidermy Supply Co.*, 884 F. Supp. 71 (N.D.N.Y. 1995) (regarding mannequins used to mount animal carcasses), *vacated*, 86 F.3d 320 (2d Cir. 1996), *remanded to* 967 F. Supp. 70 (N.D.N.Y. 1997), *aff'd*, 152 F.3d 918 (2d Cir. 1998).
29. *Id.*
30. See 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][4].
31. *Id.*
32. See *Ets-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068, 1082 (9th Cir. 2000) (citing 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][3]).
33. 45 F.2d 119 (2d Cir. 1930). The doctrine of "scènes à faire" was not known as such at the time of this opinion.
34. *Id.*
35. *Id.* at 122.
36. 323 F.3d 805 (9th Cir. 2003).
37. *Id.*
38. *Id.* at 812 n.5 (internal citation omitted).
39. *Id.* at 811.
40. See 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][3] & nn.163.12-168.
41. *Id.*
42. *Id.*
43. *Id.*
44. 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][3] & nn.180-182. As was remarked above concerning merger, this doctrine does not limit the subject matter of copyright; instead, it defines the contours of infringing conduct. Labeling certain stock elements as "scenes à faire" does not imply that they are uncopyrightable; it merely states that similarity between plaintiff's and defendant's works that are limited to hackneyed elements cannot furnish the basis for finding substantial similarity. *Id.*
45. *Id.*
46. See, e.g., *Satava*, 323 F.3d at 812 ("[*Satava*] has made some copyrightable contributions: the distinctive curls of particular tendrils; the arrangement of certain hues; the unique shape of jellyfishes' bells. To the extent that these and other artistic choices were not governed by jellyfish physiology or the glass-in-glass medium, they are original elements that *Satava* theoretically may protect through copyright law."); *Hart v. Dan Chase Taxidermy Supply Co.*, 967 F. Supp. 70, 73 (N.D.N.Y. 1997) ("Both these models are similar in proportion, appearance, and tail [sway] to both the Plaintiffs' and the Defendant's model. The Chandler model, however, has a slight back-curve to the tail and a less pronounced pectoral fin butt.").
47. The *Feist* standard requires that copyrightable features be original to the author. See *supra* Part I.A.
48. Such features will be considered as products of discovery. See *supra* Part I.A.
49. Ex. Q.
50. Ex. A.
51. Ex. B.



52. Ex. C.
53. *Feist*, 499 U.S. at 342.
54. *Id.* at 348.
55. *Id.* at 362.
56. *Id.*
57. 158 F.3d 674 (2d Cir. 1998).
58. *Id.*
59. *Id.* at 682.
60. *Id.* at 689.
61. *Id.* at 682-83 (internal quotation marks omitted).
62. *Id.* at 685.
63. *Id.* at 683-86.
64. While there were other publications that did not include this information, the ones that did did so in only one of two ways. *Id.* at 683-84 (internal quotation marks omitted).
65. 323 F.3d 805 (9th Cir. 2003).
66. *Satava*, 323 F.3d at 811-12.
67. *Id.* (internal citation omitted).
68. Colin St. John, *Dr. Gunther von Hagens, Body Worlds/Museum of Science and Industry, Chicago, IL*, NEW YORK ARTS MAGAZINE, Jan./Feb. 2006, [http://www.nyartsmagazine.com/index.php?option=com\\_content&task=view&id=3627&Itemid=25](http://www.nyartsmagazine.com/index.php?option=com_content&task=view&id=3627&Itemid=25) (last visited July 21, 2010).
69. Ex. D.
70. Ex. C.
71. This is exemplified by your typical skinned cadaver.
72. Ex. E.
73. Ex. O.
74. *See Matthew Bender & Co. v. West Publ'g Co.*, 158 F.3d 674, 682-83 (2d Cir. 1998).
75. Ex. A.
76. *See id.* at 689.
77. This is an assumption based on von Hagens claiming personal authorship of all of his exhibits. Gunther von Hagens Body Worlds, [http://www.bodyworlds.com/en/prelude/human\\_saga.html](http://www.bodyworlds.com/en/prelude/human_saga.html) (last visited July 21, 2010).
78. *Id.* at 683.
79. *Id.* at 684.
80. 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][4].
81. 884 F. Supp. 71 (N.D.N.Y. 1995).
82. *Satava v. Lowry*, 323 F.3d 805 (9th Cir. 2003).
83. *Hart v. Dan Chase Taxidermy Supply Co.*, 884 F. Supp. 71, 75 (N.D.N.Y. 1995), *vacated on other grounds*, 86 F.3d 320 (2d Cir. 1996).
84. *Satava*, 323 F.3d at 812.
85. *See id.* at 811.
86. Exs. B, E.
87. Ex. D.
88. Ex. A.
89. Ex. B.
90. *See Reece v. Island Treasures Art Gallery, Inc.*, 468 F. Supp. 2d 1197, 1206 (D. Haw. 2006) (holding that the idea to portray a woman in a particular dance position is not protected).
91. *See Satava*, 323 F.3d at 811.
92. 468 F. Supp. 2d 1197 (D. Haw. 2006).
93. *Id.*
94. *Id.* at 1206-07.
95. *Hart v. Dan Chase Taxidermy Supply Co.*, 884 F. Supp. 71 (N.D.N.Y. 1995), *vacated on other grounds*, 86 F.3d 320 (2d Cir. 1996), *remanded to* 967 F. Supp. 70 (N.D.N.Y. 1997), *aff'd*, 152 F.3d 918 (2d Cir. 1998).
96. 967 F. Supp. 70 (N.D.N.Y. 1997).
97. *Id.*
98. *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320 (2d Cir. 1996), *remanded to* 967 F. Supp. 70 (N.D.N.Y. 1997), *aff'd*, 152 F.3d 918 (2d Cir. 1998).
99. 152 F.3d 918 (2d Cir. 1998).
100. Ex. G.
101. *See Dan Chase Taxidermy Supply Co.*, 967 F. Supp. at 73 ("A comparison of the Plaintiffs' and the Defendant's fish forms reveals that while not exactly the same, the forms are similar in general appearance, proportion, and cant of the tail.").
102. Nimmer points out that just because original copyrighted features can be considered as standard, it does not mean that they can be freely copied. "Rather, permissible copying is limited to that similarity which necessarily results from the replication of an idea." *See* 4 NIMMER & NIMMER, *supra* note 7, at § 13.03[B][3].
103. Ex. B.
104. In *Mannion v. Coors*, the court arrives at the above proposition through a discussion of *Kaplan v. Stock Market Photo Agency, Inc.*, 133 F. Supp. 2d 317 (S.D.N.Y. 2001):

in which two remarkably similar photographs of a businessman's shoes and lower legs, taken from the top of a tall building looking down on a street below...were held to be not substantially similar as a matter of law because all of the similarities flowed only from an unprotected idea rather than from the expression of that idea. But what is the "idea" of Kaplan's photograph? Is it (1) a businessman contemplating suicide by jumping from a building, (2) a businessman contemplating suicide by jumping from a building, seen from the vantage point of the businessman, with his shoes set against the street far below, or perhaps something more general, such as (3) a sense of desperation produced by urban professional life? If the "idea" is (1) or, for that matter, (3), then the similarities between the two photographs flow from something much more than that idea, for it have would been possible to convey (1) (and (3)) in any number of ways that bear no obvious similarities to Kaplan's photograph. (Examples are a businessman atop a building seen from below, or the entire figure of the businessman, rather than just his shoes or pants, seen from above.) If, on the other hand, the "idea" is (2), then the two works could be said to owe much of their similarity to a shared idea. *Mannion v. Coors Brewing Co.*, 377 F. Supp. 2d 444, 456 (S.D.N.Y. 2005).
105. Ex. E.
106. In this paper this term refers to the independently supported muscle layer.
107. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930) (internal citation omitted).
108. *See, e.g., Coors Brewing Co.*, 377 F. Supp. 2d at 457.
109. *Id.*
110. *See id.* at 458.
111. *Coors Brewing Co.*, 377 F. Supp. 2d 444, 458 (S.D.N.Y. 2005).
112. *See, e.g., id.* at 457-58.
113. *See, e.g., id.*
114. *Id.* at 458.
115. *Id.* at 460-61.
116. *Id.* at 460.
117. *Id.* at 462.
118. Colin St. John, NY ARTS MAGAZINE, *Dr. Gunther von Hagens, Body Worlds/Museum of Science and Industry, Chicago*, <http://www>.

- nyartsmagazine.com/index.php?option=com\_content&task=view&id=3627&Itemid=25 (last visited July 21, 2010).
119. Ex. F; *See infra* Part II.A.
  120. Exs. H-L.
  121. Ex. C.
  122. *See generally* Feist, 499 U.S. 340, 361 (1991) (“To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.”).
  123. Morgan M. Stoddard, *Mother Nature as Muse: Copyright Protection For Works of Art and Photographs Inspired by, Based on, or Depicting Nature*, 86 N.C. L. REV. 572, 585 (2008) (“The First, Second, Third, and Fifth Circuits all apply the ‘ordinary observer test.’”) (citing ROBERT C. OSTERBERG & ERIC C. OSTERBERG, SUBSTANTIAL SIMILARITY IN COPYRIGHT LAW §§ 3:1 to 3:1.4 (2007)).
  124. *Id.* at 585 (quoting *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960)) (articulating the Second Circuit’s “ordinary observer” test).
  125. The nuances of the Circuits are not addressed in this article unless particularly relevant.
  126. *See supra* Part II.E.
  127. Ex. F.
  128. Exs. E, F.
  129. *See* R. GORMAN, J. GINSBURG, COPYRIGHT, CASES AND MATERIALS 555 (7th ed. 2006) (discussing Second Circuit cases and stating: “In effect, such an analysis treats the selection and sequencing of these elements, perhaps unprotectable in isolation, as though they were a copyrightable compilation.”); *Metcalf v. Bochco*, 294 F.3d 1069, 1074 (9th Cir. 2002) (“[I]nfraction can be ‘based on original selection and arrangement of unprotected elements.’”) (quoting *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1446 (9th Cir. 1994)).
  130. Exs. E, F.
  131. *See Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 56 (2d Cir. 1936) (“[N]o plagiarist can excuse the wrong by showing how much of his work he did not pirate.”).
  132. *See supra* Part II.A. Elements that can be considered as standard or merging are given weaker protection known as “thin copyright.” Morgan Stoddard, *Mother Nature as Muse: Copyright Protection For Works of Art and Photographs Inspired by, Based on, or Depicting Nature*, 86 N.C. L. REV. 572, 585 (2008) (“Highly realistic natural works are said to have only a thin copyright because such works supposedly copy what already appears in nature.”) (citing to (among others) *Satava*, 323 F.3d at 812). As these elements are seen as necessitated by the idea they are expressing, their comparison is done via a virtual identity standard; similarities caused by the underlying idea are ignored, with only identities caused by direct copying being considered. *Satava*, 323 F.3d at 812 (“When the range of protectable expression is narrow, the appropriate standard for illicit copying is virtual identity.”) (quoting *Apple Computer, Inc.*, 35 F.3d at 1446).
  133. *See Reece v. Island Treasures Art Gallery, Inc.*, 468 F. Supp. 2d 1197 (D. Haw. 2006); *Funky Films, Inc., v. Time Warner Entm’t Co.*, 462 F.3d 1072, 1077 (9th Cir. 2006).
  134. As per analysis presented here and in *Coors Brewing Co.*, infringing similarities occur when two works depict the same subject matter in a similar manner. *See supra* Part II.E.
  135. Exs. H-J.
  136. Exs. K, L; “The Thinker” has been exhibited both independently and next to a chessboard. To make the case for substantial similarity most persuasive, “The Thinker” will be analyzed as exhibited with the chessboard.
  137. Both works portray a seated man, crouching in a contemplative pose with his right elbow resting on his right knee, with the right hand supporting his chin and with the left arm resting on the left knee.
  138. *See supra* Part II.B. (discussing the courts’ consideration of merger during a substantial similarity analysis).
  139. *Reece*, 468 F. Supp. 2d at 1206-07.
  140. *Id.* at 1207-09.
  141. Ex. H.
  142. Ex. K.
  143. Exs. I, L.
  144. Exs. J, K.
  145. Exs. H-J.
  146. Exs. K, L.
  147. 81 F.2d 49 (2d Cir. 1936).
  148. *Id.*
  149. *Coors Brewing Co.*, 377 F. Supp. 2d at 462.
  150. *Id.*
  151. 462 F.3d 1072 (9th Cir. 2006).
  152. *Id.* at 1081 (quoting *Berkic v. Crichton*, 761 F.2d 1289, 1293 (9th Cir. 1985)).
  153. 294 F.3d 1069 (9th Cir. 2002).
  154. *Id.* at 1074. It is notable that access was an important aspect of the *Metcalf* ruling. Plaintiff originally gave his script to an actor who ended up starring in defendant’s allegedly infringing series. *Id.* at 1075. Although beyond the scope of this paper, the access issue may play a role in any litigation between von Hagens’s Body Worlds and Premier. It was reported that Dr. Sui Hongjin, the sole supplier of Premier’s cadavers, was a former manager of von Hagens’s project when it was based in China. *Worth £250 million*, CORPSESHOW.INFO, [http://www.corpseshow.info/body\\_worlds\\_4\\_industry.html](http://www.corpseshow.info/body_worlds_4_industry.html) (available on Jan. 10, 2010, link not available as of July 21, 2010; *see also* *Corpse Show Stages to Provoke, to Educate?*, CHINA DAILY.COM, CN, [http://www.chinadaily.com.cn/english/doc/2004-04/09/content\\_322006.htm](http://www.chinadaily.com.cn/english/doc/2004-04/09/content_322006.htm) (last visited July 21, 2010)).
  155. *See Reece*, 468 F. Supp. 2d at 1204.
  156. *See Satava*, 323 F.3d at 812.
  157. 294 F.3d 1069 (9th Cir. 2002).
  158. *Coors Brewing Co.*, 377 F. Supp. 2d at 462-63.
  159. *Reece*, 468 F. Supp. 2d at 1204.
  160. Ex. M.
  161. Ex. N.
  162. Ex. M.
  163. Ex. N.
  164. *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 56 (2d Cir. 1936).

**Kirill Ershov was born in Moscow, Russia and immigrated to the U.S. when he was 11. As an undergraduate he attended UC Berkeley, and received his J.D. from UCLA School of Law. Mr. Ershov’s primary interest is in copyright law, including how it applies to the arts. He began thinking about the central issues of this paper when he was approached by an artist friend who was concerned about infringing copyrights by incorporating images of plastinated cadavers into his works. The paper was originally presented at a UCLA Law intellectual property seminar co-taught by the esteemed David Nimmer. Mr. Ershov is also interested in criminal procedure and is currently clerking for the Capital Habeas Unit at the Los Angeles office of the Federal Public Defender.**

A version of this piece was published in the *University of Hawaii Law Review* (32 U. Haw. L. Rev. 125). It was also selected by UCLA School of Law as the top paper submission for the 2009 ASCAP Nathan Burkan Memorial Competition.

## EXHIBIT A



## EXHIBIT B

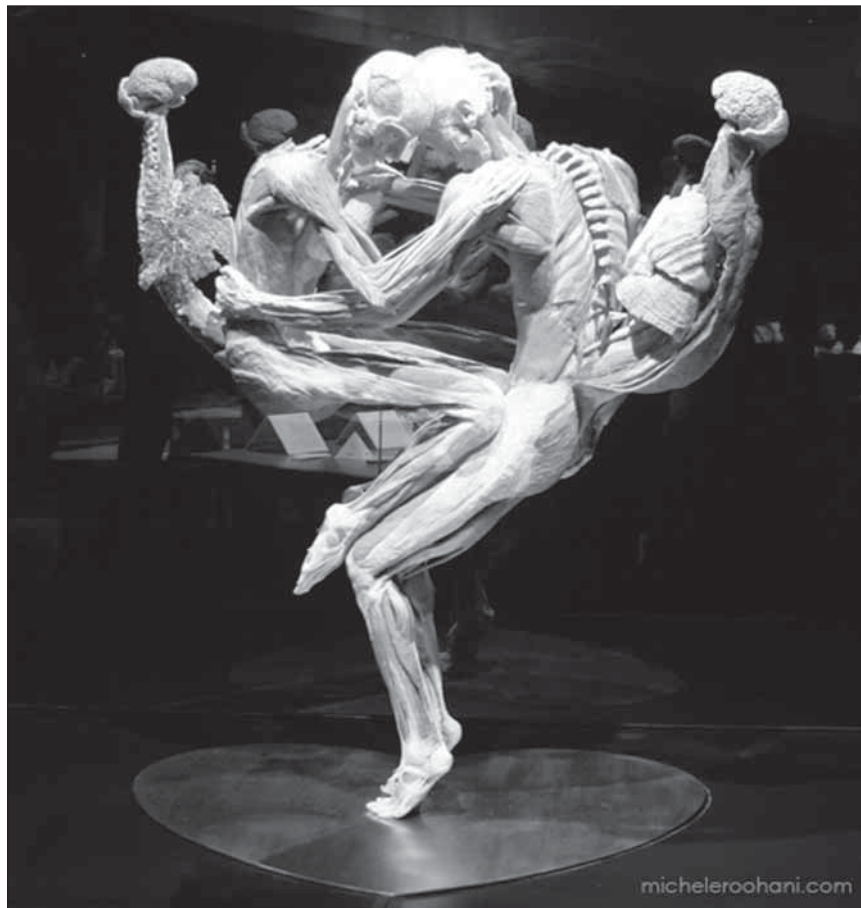




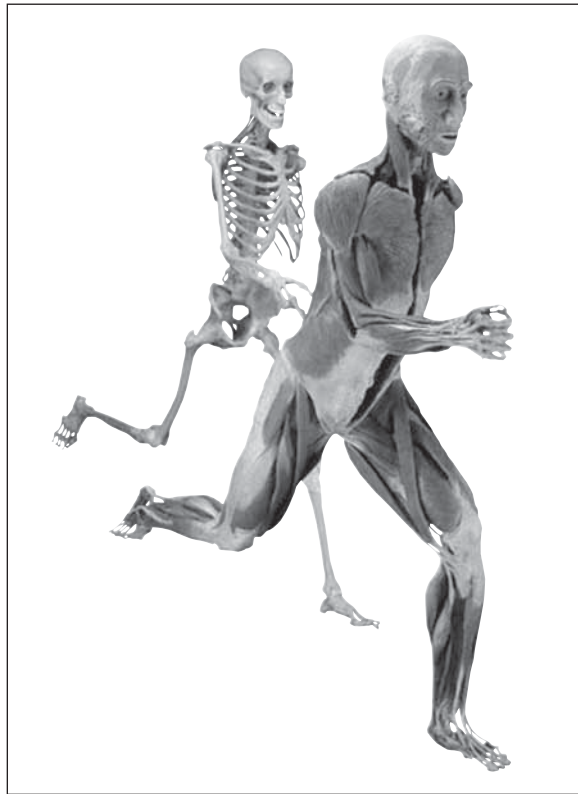
## EXHIBIT C



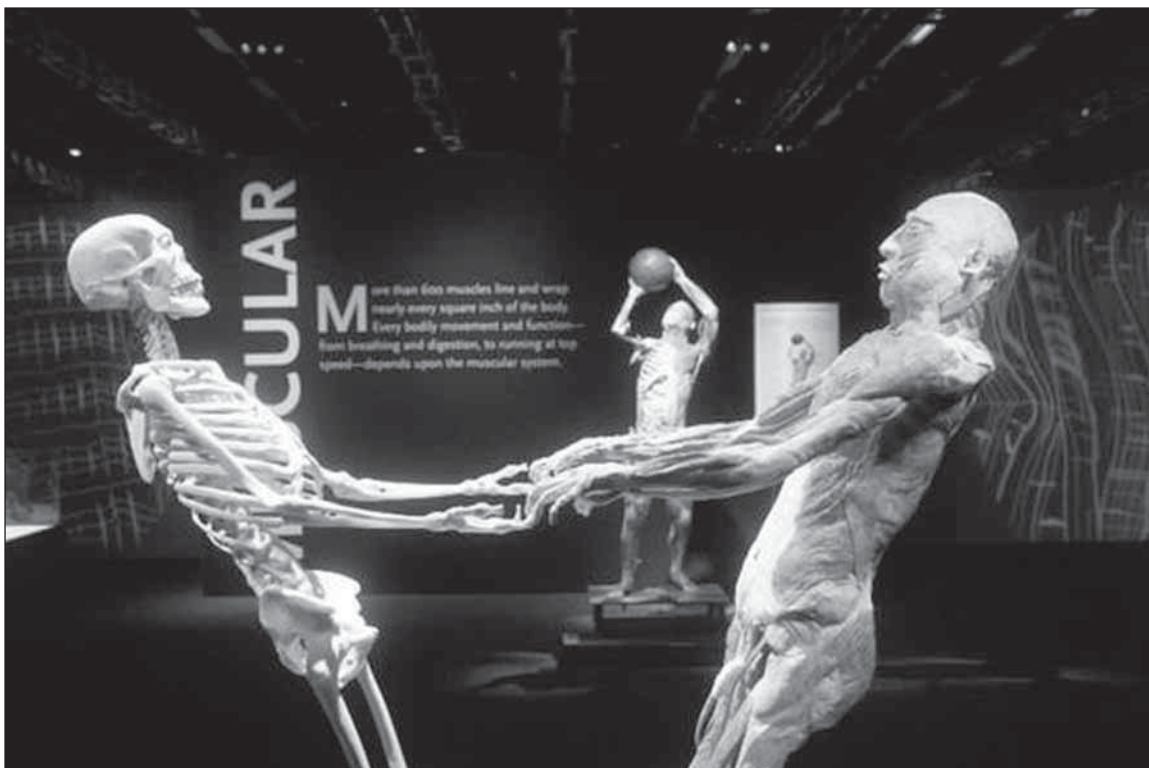
## EXHIBIT D



## EXHIBIT E



## EXHIBIT F



## EXHIBIT G



## EXHIBIT H





EXHIBIT I

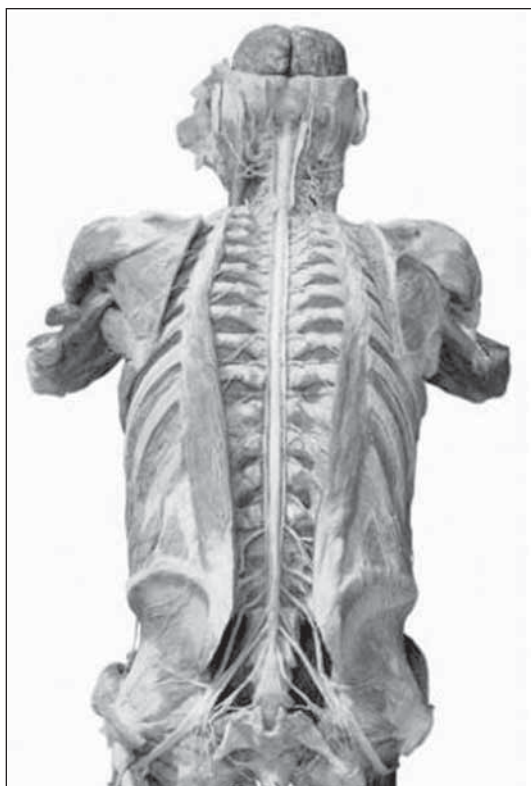


EXHIBIT J



EXHIBIT K

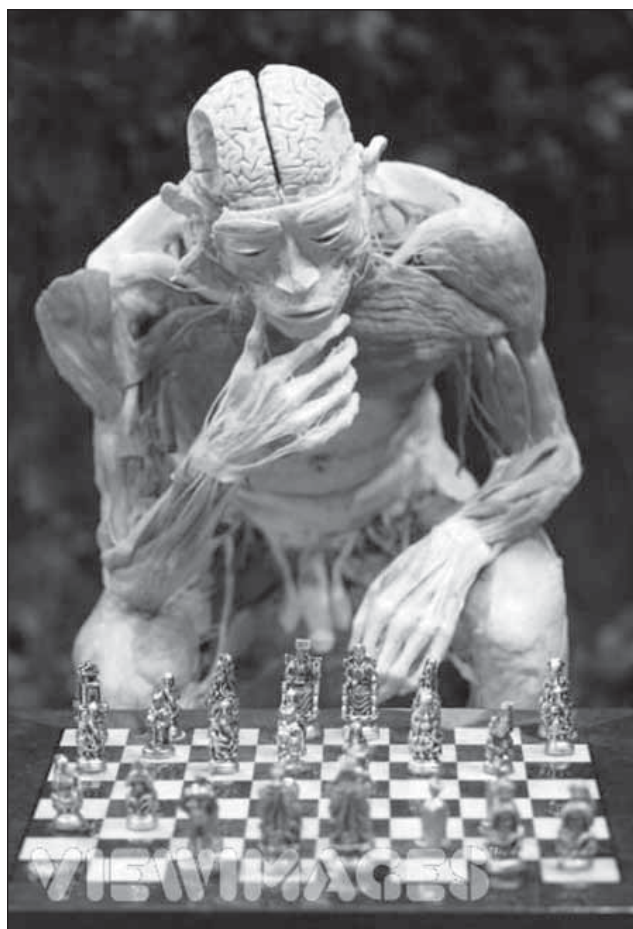


EXHIBIT L

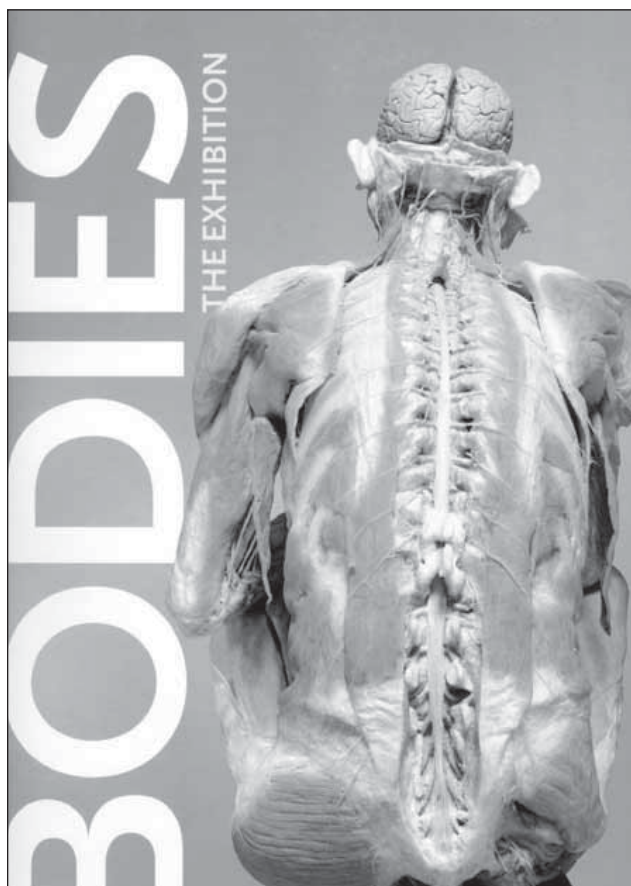


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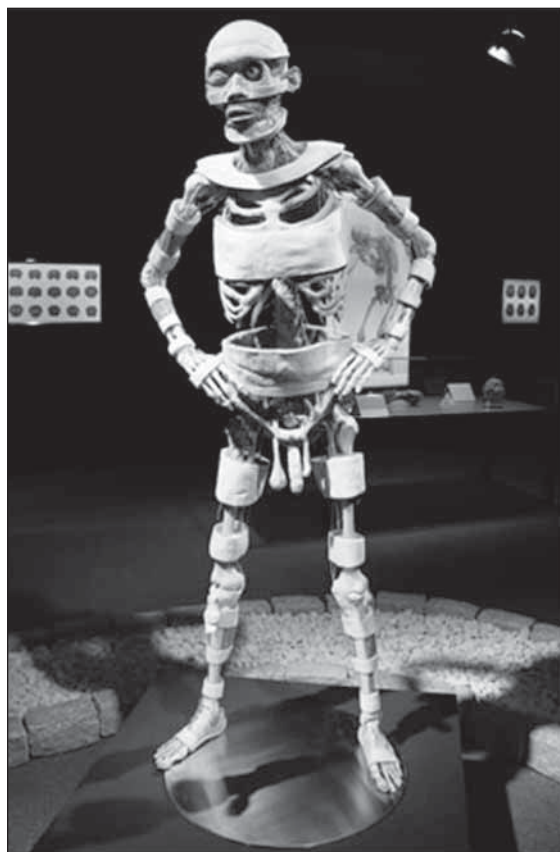


EXHIBIT N

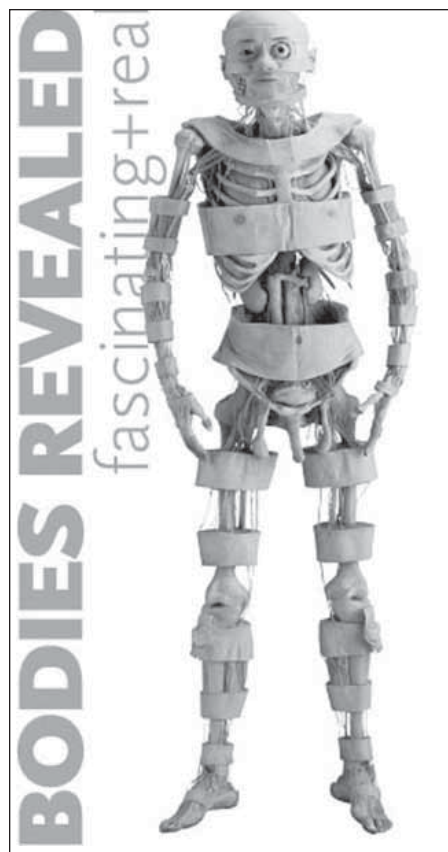


EXHIBIT O



# My Bride Wars

By Greg DePaul

## Background

I am a screenwriter and was, until recently, a law student. In 2003, I sold a pitch for a film entitled *Bride Wars*, with Kate Hudson attached to star and produce, to Miramax, which also hired me to write the screenplay. Five years later, I had long since finished working on the script, *Bride Wars* was in turnaround (Hollywood-speak for sitting on the shelf), and I was a 1L at Rutgers School of Law in Newark.

Then one day, while slogging through Civil Procedure, I received an email informing me that *Bride Wars* was in pre-production. New Regency had bought the project and, with Anne Hathaway on board to co-star, would soon begin shooting. I also learned that after I finished my work on the script, other writers had been hired to re-write it; in fact, two successive writing teams had penned dozens of drafts, only to be even further re-written by a final writer.

As an industry veteran, I was not surprised by the number of cooks in the kitchen. Nor was I surprised when New Regency refused my request to visit the set, which was, for a time, located 30 minutes from my home. Such indignities are part and parcel of a screenwriting career. However, when I received New Regency's Notice of Tentative Writing Credits, in which the studio proposed I receive only shared story credit<sup>1</sup> for *Bride Wars*, I felt like I had been kicked in the gut.

## The Stakes

The value of produced credits to a screenwriter is difficult to overstate. After all, there are writers who struggle for years without selling a script and others who sell scripts that never get made. Then there are writers like myself.

I had sold other scripts. One, *Saving Silverman*, had even been made. But *Silverman* withered at the box office.<sup>2</sup> *Bride Wars* was my chance at redemption; a marketable movie with two popular stars. The thought that the movie, which was the result of my original concept and script, could succeed, but that I might only receive shared story credit on the picture, was more painful to me than the thought that it would never be made at all.

Moreover, my contract with Miramax, the terms of which were adopted by New Regency when it purchased the script, set forth three major ways for me to be compensated:

(a) the "up front" or "guaranteed" money that I was paid upon delivery of each draft of the script,

(b) the "production bonus," which I was to be paid if I received screenplay credit in the film, and

(c) residuals, which would vary based upon the level of credit I received in the film.

Sole screenplay credit would pay me the entire bonus. Shared screenplay credit paid half. In the humiliating event that I received no screenplay credit, as desired by New Regency, the writer or writers who received the credit would likely earn the bonus I had negotiated, which was based upon my resume and the perceived value of the pitch I created.

As for residuals, a produced film generates a pool of monies derived from a variety of sources not including box office revenue. A portion is set aside for the writers and paid out among them according to each writer's level of credit: 25 percent is paid to the writer (or split by the writers) who receives story credit, with the remaining 75 percent directed to whomever receives screenplay credit.<sup>3</sup> Residuals are the lifeblood of working screenwriters, who often spend more time unemployed than under contract. They pay the mortgage while a writer writes his or her next big spec script (or goes to law school).

## The WGA Arbitration Process

Under the Minimum Basic Agreement (MBA)<sup>4</sup> between the Writers Guild of America (the WGA or Guild)<sup>5</sup> and the Alliance of Motion Picture and Television Producers, Inc. (AMPTP), the WGA is the sole determiner of writing credits for Guild-covered films.<sup>6</sup> Soon after the completion of principal photography, the company producing a film submits a Notice of Tentative Writing Credits, along with a copy of the shooting script, to the Guild and all writers who worked on the script (participating writers or participants).<sup>7</sup> The notice sets out the credits as the company prefers them. Participating writers who believe the credits as proposed by the company are incorrect may protest in writing within a set period of days.<sup>8</sup>

While a protest sets in motion the WGA's arbitration process, there is still a chance for settlement. Under the MBA, participating writers may unanimously agree on credits (though such an outcome is uncommon for reasons discussed later).<sup>9</sup>

Barring a unanimous settlement, the Guild begins its arbitration process, adopting a protocol that dictates anonymity for both participants and arbiters.<sup>10</sup> Thus, each writer (or team) is assigned a letter, corresponding to the order in which the writer was brought onto the project: Writer A was first, Writer B second, etc.<sup>11</sup> Members of the three-writer arbitration committee are similarly known as Arbiters 1, 2 and 3.<sup>12</sup>



To form the arbitration committee, the WGA provides participating writers with a list of potential arbiters (Screen Arbiters List)<sup>13</sup> made up of veteran screenwriters with produced film credits who have likely been participants, arbiters, or both, in previous credits arbitrations. Participants may strike as many names as they like. From the remaining names, three are chosen by the Guild.

A participant argues for credit by submitting a written statement of his or her (or their) position along with supporting literary materials (drafts of the script, treatments, “beat sheets,” etc. that were delivered to the company during the script’s development process) to the arbitration committee. The statement is a participating writer’s only opportunity to communicate directly with the arbiters. There are few hard rules regarding statements, but writers are warned not to: (a) use their real names or mention the names of other participating writers, (b) discuss the development process of the script (with a special prohibition on mentioning which writer got the project “green lit”), or (c) include expressions of support from other writers.<sup>14</sup>

The Guild’s criteria for credit are vague and depend upon each arbiter’s notions of what constitutes contribution to a script. While story credit requires the participating writer to have made a contribution “distinct from screenplay and consisting of basic narrative, idea, theme or outline indicating character development and action,” determining screenplay credit requires a quantitative analysis that favors writers of original screenplays:

Any writer whose work represents a contribution of more than 33% of a screenplay shall be entitled to screenplay credit, except where the screenplay is an original screenplay. In the case of an original screenplay, any subsequent writer or writing team must contribute 50% to the final screenplay.<sup>15</sup>

Moreover, in the event an original screenplay is totally re-written, the original participating writer (Writer A) is nevertheless guaranteed at least a shared story credit.<sup>16</sup>

The WGA sets out four elements to consider when determining a participating writer’s contribution to a script:

- (1) Dramatic Construction
- (2) Original and Different Scenes
- (3) Characterization and Character Relationships
- (4) Dialogue<sup>17</sup>

No definitions are given for these elements and the weight to be given each element is not stated by the Guild. However, dialogue is generally seen by writers as being the least important element because it is possible to change every word of dialogue in a script without fundamentally changing a single scene or the overall story.

As for literary materials, participants may designate documents to be considered by the arbiters alongside the shooting script. However, before participants can submit literary materials to the arbitration committee, those materials must be “verified” by the Guild in a sort of informal discovery process.<sup>18</sup> The company initiates, proffering a list of materials contributed by participating writers to the shooting script. Participants may challenge that list, offering other materials they claim to have contributed, but they must demonstrate that those materials were delivered to the company. In the event of an extended controversy over literary materials, a pre-arbitration hearing can be called, forcing the issue. Once verification is complete, all participants are given access to the same pool of documents from which to submit literary materials to the arbiters.

Once the participants have submitted their statements and supporting materials, the arbiters independently reach their decisions and communicate them to the Guild. If the arbiters fail to agree, the WGA may apply some pressure, perhaps holding a teleconference with the arbiters to cajole them into a unanimous, or at least majority, decision.<sup>19</sup> In any event, once a determination is reached, the participants are notified.

For participating writers who are unsatisfied with the Committee’s decision, there is an appeals process; they may request a chance to address a Policy Review Board (PRB), made up of members of the Guild’s Screen Credits Committee, which is appointed by the WGA’s Board of Directors. However, a PRB may not review the script or submitted materials. It may only re-open a decision if it finds there has been a “serious deviation” in Guild procedure.<sup>20</sup>

Once the Guild has reached a final determination, it will give the company specific, detailed instructions as to how it may show the credits in the completed film. Writers and companies who still wish to contest the process will be reminded that, under the MBA, they have waived all rights to bring legal claims based upon the decision.

## Back to *Bride Wars*

In the case of *Bride Wars*, there were three parties who wrote after I did on the film. Thus, I was Writer A, the team that re-wrote me was Writer B, and the team that re-wrote them was Writer C. A fourth writer, D, was brought onto the project as it neared production; his primary contribution was to the dialogue.

New Regency’s Notice of Tentative Writing Credits proposed these credits for *Bride Wars*: “Story by Writer B and Greg DePaul, Screenplay by Writer B.” After reading the shooting script, I naturally felt I deserved “Written by Greg DePaul.”<sup>21</sup>

Much of my original writing remained in the shooting script. I dominated two of the four elements mentioned

above; the overall story was my original creation and I created the main characters, though they were slightly altered by Writer B. However, I could also see how Writer B could argue for shared or even sole screenplay credit by emphasizing what I thought were mostly cosmetic changes made to the characters (among the most cosmetic: the lead characters, Liz and Kate, were re-named Liv and Emma). To be fair, B also made significant changes to the scenes and the dialogue. However, Writer D had re-written almost all of B's dialogue. Thus, I felt that D had reduced B's contribution to less than the required 50 percent, leaving myself as the only writer who deserved screenplay credit.

Being risk-averse, I decided I would contact the other writers and attempt to forge a unanimous agreement whereby I would settle for shared screenplay credit with myself in the inferior, second position (Written by B and Greg DePaul). Then I discovered that a provision of my original contract with Miramax denied me any production bonus in the event of such a settlement. Thus, I could negotiate a deal, but New Regency would not honor it with compensation. With that in mind, I stayed the course for arbitration.

While the Guild allows a participant to be represented by counsel,<sup>22</sup> I chose to represent myself. After all, who else could I trust to become intimately familiar with dozens of drafts of the script and write a passionate statement? Furthermore, if I found the WGA criteria for credit to be ambiguous, how would an attorney who never wrote a screenplay make heads or tails of it? I had an MFA in Dramatic Writing and 10 years in the business.

Yet I still needed help, so I contacted writers who had been through arbitration. Two of them sent me successful arbitration statements they had written; these were lengthy, detailed and heartfelt. My fellow writers also gave me advice, which could be boiled down to—*watch your back*. The Guild stands up for writers and seeks to enforce a fair process, *but you need to push them. Be the squeaky wheel*. I learned how true that was.

Despite the many treatments and drafts I had delivered to Miramax, New Regency initially acknowledged for verification only one. Apparently, since New Regency had purchased the latest draft from Miramax, it pleaded ignorance regarding all the other materials I had submitted to Miramax through the producers.

When I presented fax records establishing that I delivered various materials to Kate Hudson's assistant, New Regency's attorney questioned whether the person to whom I had sent the faxes ever worked for her. I scrambled to prove it. Luckily, I found the article in *Variety* from 2004 announcing the sale of *Bride Wars* to Miramax.<sup>23</sup> The assistant's name was mentioned in the last sentence. Faced with that, more of my materials were admitted for consideration.

For two weeks I sequestered myself in a room with the scripts and embarked upon a campaign to catalogue every contribution made by every writer throughout the five-year development process. I used different color highlighters to track each word written by each writer so that I could confidently state the origin of every syllable. If the line "How are you doing?" was changed to "Howya doing?" I noted which writer changed it and how long that change lasted before it was changed to something else. I became the foremost expert on the film's development process, a walking *Bride Wars* encyclopedia.

My statement was akin to a motion for summary judgment. I broke each of the four screenplay elements down, charted the development of every character and story turn, compared excerpts from various drafts and hammered away at the expected arguments of my adversaries.

Though I did not expect to get it, I asked for sole "Written by" credit based upon my contention that Writer D reduced B's contribution, leaving me with sole credit. Of course, the more I drew attention to D's contribution, the more I risked raising his stock. I did not want to help convince the arbiters to award him screenplay credit. However, I knew the identity of Writer D, which could easily be found on websites that track the Hollywood development process. D was an A-list, studio re-writer, likely to be paid by the week and unlikely to make a case for credit. In fact, I later learned that Writer D never submitted a statement.

After working non-stop and forgoing sleep for days, I submitted my statement only to learn that the deadline for submissions had been extended to comply with a request by Writer B. I was livid. *If B's not ready, too bad!* The Guild's deadlines are designed to accommodate the company's need to know the final credits quickly so it can release its movie on time. Yet in a pinch, the company can extend the deadline. Here, the company did so, aiding its favored writers.

My complaints to the Guild Credits Department went unheeded, so I emailed the President of the WGA. To my surprise, he responded. While he did not reverse the Credits Department's decision to extend the deadline, it was clear that by making myself a squeaky wheel I had won some sympathy as an injured party. I was able to call upon that sympathy later, during the PRB hearing.

The Arbitration Committee determined that I should receive sole story and shared (with Writer B) screenplay credit. I was satisfied, but Writer B demanded a PRB hearing, where B argued that one arbiter's statement evidenced a mistaken understanding of the percentages required for credit. I refuted those arguments and brought up my own complaint against the process—the time extension granted to Writer B at the company's request. The PRB seemed moved by that and quickly decided in my favor, affirming the committee's decision.

I had won, more or less. New Regency's desired credits would have paid me no production bonus and only 12.5 percent of residuals. The new credits paid half the bonus and 62.5 percent of residuals.

## Legal Challenges to the Arbitration Process

No writer or Company shall be entitled to collect damages or shall be entitled to injunctive relief as a result of any decision of the committee with regard to credits.<sup>24</sup>

A screenwriter breaks into the WGA by selling to, or being hired to write material by, a Guild-signatory company. The contract for that sale or employment will obligate the writer to the MBA; thus, new members automatically waive all claims related to screen credits arbitration.

Nevertheless, members have tried to gain judicial relief from a credits determination. In 1987, screenwriter Larry Ferguson, who received shared story credit for the film *Beverly Hills Cop II*, sued in California Superior Court seeking a writ of mandate to force the Guild to award him sole story and screenplay credit.<sup>25</sup> He provided the necessary written materials so that the court could perform its own screen credits analysis.<sup>26</sup> The court refused and denied his petition.<sup>27</sup>

Ferguson appealed to the California Court of Appeal, again asking the Court to impose its own credits determination.<sup>28</sup> In the alternative, he cited a list of alleged improprieties committed by the WGA and asked the court to order the Guild to reconsider its ruling. He further demanded that the court order the Guild to reveal the names of the arbiters who had ruled against him.<sup>29</sup>

The Court agreed with the WGA that "disputes over writing credits for feature-length photoplays are nonjusticiable"<sup>30</sup> as a result of the MBA's waiver provision. This left the Court with the more limited task of determining if Ferguson was allowed a fair opportunity to be heard and whether the arbitrators exceeded their powers. As for his procedural complaints, the Court held that since Ferguson failed to raise his complaints before the PRB, he failed to preserve them for judicial review.<sup>31</sup> Moreover, it rejected his demand to know the arbiters' names, upholding the rationale behind the Guild's anonymity policy.<sup>32</sup>

In 1993, screenwriter Nick Marino sued in federal court seeking to vacate the award of credits to other writers for *The Godfather III*.<sup>33</sup> Marino argued that the Guild violated its duty of fair representation by adopting and misapplying its arbitration procedures.<sup>34</sup> Like Ferguson, he also sought to learn the identities of the arbiters who denied him credit.<sup>35</sup>

The Court refused Marino's demands, stressing the contractual nature of the Guild's policies and rebuking him for failing to assert a claim of bias until the arbiters had ruled against him (In fact, Marino and his writing

partner had deleted 85 names from the proposed list of arbiters; presumably, they thought the policy to be effective).<sup>36</sup> While the court criticized the WGA for keeping writers' statements confidential, it found the overall arbitration process to fall well within the bounds of fair representation by the Guild.<sup>37</sup> It also denied Marino's request for the arbiters' names.<sup>38</sup> That issue, the court held, was settled through contractual waiver. In its conclusion, it cited the "need for speed" required by the nature of the industry, which justifies an abbreviated, non-judicial process for determination of screen credits, stating "our procedures require time; other needs demand other procedures."<sup>39</sup>

## Conclusion

Despite its relative informality, the WGA's arbitration process has gained the respect of the courts and survived, in roughly the same form, for almost 60 years. Moreover, the provisions for anonymity, while frustrating to some, may serve a necessary, therapeutic purpose, providing "fast resolution and a convenient scapegoat in the panel of arbiters, to whom negative feelings can be transferred safely without the capacity for actual confrontation."<sup>40</sup>

Whether that was the case for Writer B, I cannot say, but for me, the process worked. I will never know the names of the three screenwriters who judged my contribution to *Bride Wars*, nor do I need to, but I am grateful to them. With their help, I put myself through law school.

## Helpful Hints Regarding Representation

*I know a handful of other screenwriters who have suffered through WGA credits arbitrations, but I have yet to learn of a writer whose attorney wrote his or her statement. I know writers who brought an attorney to a PRB. Otherwise, the conventional wisdom among working screenwriters seems to be that participants are best served by directly communicating with the Guild as opposed to communicating through an attorney.*

*My advice to attorneys who counsel screenwriters who are going through the WGA's screen credits arbitration process is:*

*(1) Let your client do the talking, especially when it comes to writing a statement. Understand that the arbiters are screenwriters, not judges, and likely to respond to a writer's passionate—if well-written—plea. After all, arbiters naturally feel kinship to their fellow Guild members and they know what it is like to pour their blood, sweat and tears into projects only to have to defend their credits. Encourage your client to write from the heart.*

*(2) Help your client by putting him or her in touch with other writers who have gone through the process. Nothing is more helpful than a copy of another writer's successful statement.*



(3) If you have clients who are writing under contract for a Guild-signatory employer, advise them to keep copious records of every submission to their employers. This is far more important than registering or copyrighting scripts. Your client is more likely to be involved in a credits arbitration than copyright infringement litigation.

(4) Judging from *Ferguson and Marino*, a writer who believes he or she is being treated unfairly by the arbitration process is well-advised to raise all objections when they occur.

## Endnotes

1. As in "Story by Jane Doe & Mary Smith and Greg DePaul, Screenplay by Jane Doe & Mary Smith." In the preceding example, Jane and Mary are members of a writing team.
2. *Saving Silverman* earned \$26,086,706 worldwide at the box office. Box Office Mojo. [www.boxofficemojo.com/movies/?id=savingsilverman.htm](http://www.boxofficemojo.com/movies/?id=savingsilverman.htm) (last visited May 18, 2010).
3. Writers Guild of America, West, Credits Survival Guide, Who Receives Residuals? [http://wga.org/content/subpage\\_writersresources.aspx?id=153](http://wga.org/content/subpage_writersresources.aspx?id=153) (last visited May 19, 2010).
4. The 2008 Writers Guild of America—Alliance of Motion Picture & Television Producers Theatrical and Television Basic Agreement (the "MBA"), <http://wga.org/content/default.aspx?id=1610> (last visited May 19, 2010). The MBA is the collective bargaining agreement signed by the AMPTP, the Writers Guild of America, West, Inc. and The Writers Guild of America, East, Inc. Most of the work performed by members of both guilds is performed under the MBA.
5. Throughout this article I refer to the WGA. In fact, there are two guilds with two separate memberships: the Writers Guild of America, West, Inc. and The Writers Guild of America, East, Inc. However, when it comes to bargaining with producers and determining credits, the guilds collaborate. Both guilds use the same screen credits policy, which is established in the MBA and further set forth in the WGA's Screen Credits Manual.
6. See MBA, Theatrical Schedule A, para. 18.
7. *Id.* para. 11.
8. *Id.* para. 13.
9. *Id.* para. 7. It is also provided for in the WGA Screen Credits Manual, § II.C.
10. However, the identities of the participants are easily learned as writers hired onto a project generally have every reason to publicize their involvement. Thus, a curious arbiter can determine whose credits he or she is determining.
11. WGA Screen Credits Manual, § II.D.3, [http://wga.org/content/subpage\\_writersresources.aspx?id=167](http://wga.org/content/subpage_writersresources.aspx?id=167) (last visited May 19, 2010). The Manual is not part of the MBA, but it sets forth Guild screen credits policies, which are derived from the MBA.
12. As mentioned above, arbiters may easily learn whose work they are judging. This explains the practice of allowing participants to strike potential arbiters from the Screen Arbiters List; thus, if a writer has an enemy, the writer can preemptively avoid having his or her work judged by that person, but he or she will not learn the names of the arbiters finally chosen.
13. *Id.* § II.D.1.
14. *Id.* § II.D.4.b.
15. *Id.* § III.B.4.a.
16. *Id.* § III.B.6.
17. *Id.* § III.B.4.c.
18. *Id.* § II.D.4.a.
19. *Id.* § II.D.6.f.
20. "Only the following are grounds for a participant's appeal to a Policy Review Board: a. Dereliction of duty on the part of the Arbitration Committee or any of its members; b. The use of undue influence upon the Arbitration Committee or any of its members; c. The misinterpretation, misapplication or violation of Guild policy; or d. Availability of important literary or source material, for valid reasons not previously available to the Arbitration Committee." *Id.* § II.D.7.
21. Sole "Written by" credit is the ultimate credit a writer can receive in a film; it denotes responsibility for both the story and screenplay. *Id.* § III.A.7.
22. *Id.* § II.D.7. Here, the Manual allows for counsel to be present in a personal appearance before a PRB. However, the Guild unofficially discourages writers from employing an attorney to write a statement, as I found when I called the office of the Writers Guild West on May 17, 2010.
23. Michael Fleming, *Nasty Nups at Miramax*, *Variety* (Jan. 8, 2004).
24. MBA, Theatrical Schedule A, Theatrical Credits, para. 18.
25. *Ferguson v. Writers Guild of Am., W., Inc.*, 226 Cal. App. 3d 1382, 1385 (Cal. Ct. App. 1991).
26. *Id.* at 1388.
27. *Id.* at 1384.
28. *Id.* at 1388.
29. *Id.*
30. *Id.* at 1389.
31. *Id.* at 1390.
32. *Id.*
33. *Marino v. Writers Guild of Am., E., Inc.*, 992 F.2d 1480 (9th Cir. Cal. 1993).
34. *Marino* at 1481.
35. *Id.*
36. *Id.* at 1484.
37. *Id.* at 1488.
38. *Id.*
39. *Id.*
40. Shawn K. Judge, *Giving Credit Where Credit is Due? The Unusual Use of Arbitration in Determining Screenwriting Credits*, 13 Ohio St. J. on Disp. Resol. 221 (1997) at 221.

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**As a screenwriter, Greg's produced credits include *Bride Wars* and *Saving Silverman*. He has written screenplays for Disney, Miramax, MGM, New Line, Sony, Fox and Village Roadshow. Greg is a member of the Writers Guild of America, West. He has a MFA in Playwriting and has written for *The Washington Post*.**

# (Re)constructing Meaning for the National September 11 Memorial & Museum

By Stephanie Spangler

The National September 11 Memorial & Museum at the World Trade Center Foundation, Inc. (NS11MM or the Memorial) is the designated site<sup>1</sup> for an eight-acre memorial and subterranean museum. The memorial site is located in and around the Twin Towers' footprint, a mark made permanent through the construction of two pools on the Memorial plaza. This article investigates the effect ownership groups have over the design and construction of this particular cultural property.<sup>2</sup> It will address how the memorial site is architecturally designed for an intended use, how the mission statement of the NS11MM is drafted, and how the Museum's collection is curated are examples of how ownership groups can influence a certain, structured meaning of September 11th. The reconstruction of the World Trade Center (WTC) site is one of the most significant reconstruction projects in recent history. Generally, reconstruction is important because it allows the society of today to prescribe the direction of meaning of a memorial for the future. Though cultural meanings may change and evolve, the reference back to the original cultural meaning will continuously affect ongoing cultural associations and identity. Specifically, the reconstruction of the NS11MM will direct and redirect how we define ourselves in an American socio-political context or, for the international community, how we define ourselves against terrorism.

Each person capable of remembering can recall his or her personal memory of September 11, 2001. The NS11MM attempts to reconstruct these individualized memories into one cohesive, collective memory. This article delves into the 9/11 rubble of meaning and attempts to answer how present and future claims of cultural ownership will reconstruct the site's new meaning, why cultural ownership claims even matter, and examines how cultural ownership groups deal with contentious issues on prescribing an identity for the Memorial.

The NS11MM is a representation of the influence cultural ownership groups have on how a society affiliates and identifies with its cultural heritage. This article is not a critique of this inevitable process, but rather suggests that as much attention needs to be paid to what a memorial is not intended to symbolize as to what it is.

## I. History and Significance of the WTC Site as Cultural Property

### A. The Rise and the Fall and the Rising Again: Brief History of the Site

The history of the memorial site in the past century is typified by development. The desires for increased commercialization and economic development in downtown

Manhattan spurred the motivation to find a monumental use for the location. From the rise of the site as the WTC, designed by architect Minoru Yamasaki, to its devastating collapse on September 11, 2001, to its rising again, the place that once was undeveloped swampland has taken on new identities and new meanings in the cultural landscape of American and international communities.

### 1. The Rise

Beginning in the 1930s, Lower Manhattan saw a decline in commercial business because many businesses were moving to Midtown Manhattan, a place more easily accessible by train to suburban residents.<sup>3</sup> Lower Manhattan needed rejuvenation, and in the early 1960s two Rockefeller brothers took up the task. Then-Vice Chairman of Chase Manhattan Bank David Rockefeller,<sup>4</sup> who had failed to reenergize Lower Manhattan with 1 Chase Manhattan Plaza designed by the architecture firm, Skidmore, Owings & Merrill, looked for assistance from his brother, then-Governor Nelson Rockefeller, for devising a plan to bring life back into Lower Manhattan.<sup>5</sup> A partnership with the Port Authority, a bi-state agency controlled by New York and New Jersey, was formed, giving the Rockefellers two necessities for securing and developing the site: (1) the financing for the large development project, and (2) the power to exercise eminent domain over Radio Row, a commercial district full of radio repair and electronics shops that were located on the planned development location.<sup>6</sup> The Port Authority hired an unlikely choice, Detroit-based architect Minoru Yamasaki, to design the trade center, eventually giving rise to the iconic Twin Towers in 1971.

### 2. The Fall and the Rising Again

By 10:28 a.m. on September 11, 2001, both Twin Towers had collapsed and "[a]ll 16 acres of the WTC site [were] in ruins."<sup>7</sup> Just as the WTC had been designed with a specific intent (for commercial development), the collapse had been designed with a specific intent (for destruction), perhaps successful beyond the terrorists' expectations.<sup>8</sup> In the wake of the calamity, discussions on whether the WTC should be rebuilt reverberated throughout the community.<sup>9</sup> Many had opinions on how the WTC should be rebuilt, and a year after the terrorist attack, then-Mayor Rudy Giuliani wrote his opinion on the reconstruction of the WTC:

I am convinced that ground zero must first and foremost be a memorial. All other decisions should flow from that goal. If anything else is added to the site, it should complement and not over-

shadow the memorial. People a hundred years from now should be able to grasp the enormity of this attack by visiting this sacred ground. Ground zero is a cemetery. It is the last resting place for loved ones whose bodies were not recovered and whose remains are still within that hallowed ground.<sup>10</sup>

In the aftermath of September 11th, then-New York Governor George Pataki and Mayor Giuliani formed the Lower Manhattan Development Corporation (LMDC), a subsidiary of the Empire State Development Corporation, a New York State agency, to manage the WTC site's reconstruction. The LMDC's proclaimed priority is "to create a permanent memorial on the World Trade Center site that appropriately honors those who were lost, while reaffirming the democratic ideals that came under attack on September 11."<sup>11</sup> In pursuit of this goal the LMDC has worked with various stakeholder groups, such as the victims' families, downtown businesses owners, and local residents.<sup>12</sup> The LMDC organized the design competitions for the WTC's commercial site and the memorial site. Eventually, a jury of 13 individuals selected Daniel Libeskind's design, *Memory Foundations*, for the WTC site,<sup>13</sup> and Michael Arad and Peter Walker's design, *Reflecting Absence*, for the memorial site.<sup>14</sup>

## B. NS11MM as Cultural Property

### 1. Defining Cultural Property

Exacting a precise definition of *cultural property* is not a straightforward task.<sup>15</sup> Even the term itself is contested among legal scholars: Is the correct terminology *cultural property* or *cultural heritage*?<sup>16</sup> Cultural property can be the "objects that are the product of a particular group or community and embody some expression of that group's identity, regardless of whether the object has achieved some universal recognition of its value beyond that group."<sup>17</sup> Cultural heritage can also be "an individual or group creation of either a tangible or intangible good which, by virtue of the creation process, customary use, historical event, or simply geographic proximity, becomes an important expression of human or cultural life."<sup>18</sup> In this context, the NS11MM is cultural property because it is a tangible space including structures and artifacts or archeological remains, designed to memorialize an historical event in the cultural, human geography. This space and its designed structures and landscape are components of cultural heritage, which define and direct cultural identity for present and future generations of Americans and those abroad.

### 2. Site and Artifacts as Cultural Property

The NS11MM includes common characteristics of cultural property: a sacred site; on-site structures including name engravings of those who perished around two pools, a pavilion; and a museum that holds the archeolog-

ical remains in its collection. Further are digital components atypical of preexisting American memorials, which include a digital database of oral histories, some of which are accessible online;<sup>19</sup> a user-generated digital collection of stories and photographs about 9/11;<sup>20</sup> and an online, user-generated artists registry, where artists can post their works in various mediums and viewers can be their own curators.<sup>21</sup> The digital initiative to incorporate the larger international community expands the reach of the Memorial beyond the physical realm into the intangible.

**See Figure 1 on page 70 for the General Project Plan Site Image.**

## II. Ownership Issues of the WTC Site

### A. Legal Ownership

As mentioned earlier, the legal ownership of the memorial site harkens back to the 1960s, when then-Governor Rockefeller partnered with the Port Authority, an interstate agency (now the Port Authority of New York and New Jersey ("Port Authority")), to condemn and acquire through eminent domain the 16 acres that was known as Radio Row. Thanks to this action, the Port Authority established the much-needed PATH train, connecting New Jersey and New York's downtown by railroad,<sup>22</sup> and acquired legal title to the land on which the memorial site now rests.<sup>23</sup>

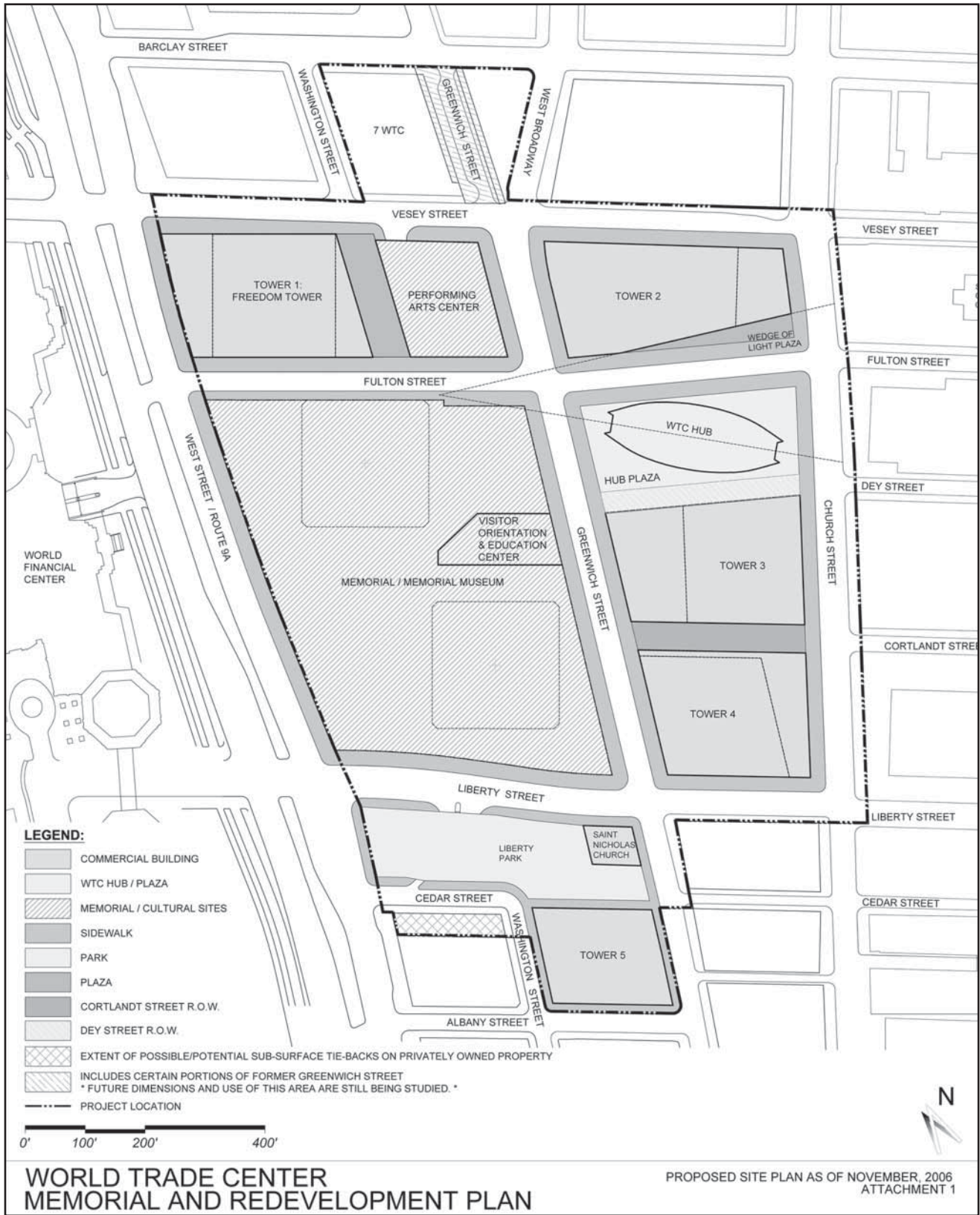
Larry Silverstein, owner of Silverstein Properties, Inc., possesses a leasehold interest in the WTC office space. Merely six weeks before the attacks on September 11, Mr. Silverstein and the Port Authority settled on a 99-year lease for \$3.2 billion. This lease was intended to help finance the Port Authority's transportation projects and to "bring the [Port Authority] out of the real estate business and back to its main mission of developing and maintaining regional transportation facilities."<sup>24</sup> Since the collapse of the Twin Towers, Mr. Silverstein's attention has been refocused off the memorial site to the immediate surrounding areas on which the new WTC buildings are being built. Upon expiration of the 99-year lease, the possessory interests will revert back to the Port Authority.

To make ownership issues more complex, the Metropolitan Transport Authority (MTA) also owns the 1 and 9 and N and R subway lines running underneath the memorial site. The City of New York owns streets and easements going through the WTC site, and the New York State Department of Transportation owns West Street, bordering the west side of the site.<sup>25</sup>

In spring 2005 the National September 11 Memorial & Museum at the World Trade Center Foundation, Inc., a 501(c)(3), was formed to work in collaboration with the LMDC.<sup>26</sup> The organization's purpose is to aid in the design and planning of the site, and it will manage the Memorial and museum after the construction's completion. Though the nonprofit is largely the acting steward for the Memorial, the organization inevitably has a political



# Figure 1



LMDC WTC Memorial and Cultural Program General Project Plan Site Image

anchor since Mayor Michael Bloomberg is currently the acting Chairman of the Board of Directors of the NS11MM Foundation. Broadly, the design and construction of the memorial site is a shared partnership between the State and City of New York; and more specifically, the legal owners who can exert some sort of influence over the site include the Port Authority, NS11MM Foundation, LMDC, MTA, and the State and City of New York.<sup>27</sup>

In addition to the real property interests of the memorial site, there is a wealth of intellectual property ownership at issue. The NS11MM Foundation owns the copyright in the site's architectural works.<sup>28</sup> In accordance with fair use principles, the Foundation allows easy access to the renderings and drawings of the Memorial's buildings and plaza, which can be downloaded from its website.<sup>29</sup> The NS11MM Foundation also owns trademarks: NATIONAL SEPTEMBER 11 MEMORIAL & MUSEUM AT THE WORLD TRADE CENTER and NATIONAL SEPTEMBER 11 MEMORIAL MUSEUM AT THE WORLD TRADE CENTER. Though there have not been any claims of copyright or trademark infringement for architectural works related to the Memorial, there has been a case regarding competing copyright ownership claims in World Trade Tower 1 (formerly the Freedom Tower)<sup>30</sup> that ultimately ended in a settlement.<sup>31</sup>

## B. Cultural Property Ownership

The reconstruction of the memorial site is more convoluted than a determination of mere legal ownership. From the outset, the LMDC aimed to characterize the reconstruction with transparency and open, public discussion.<sup>32</sup> The consequences for not listening to groups who desire a voice in the process of the reconstruction would result in political suicide for the State and City leadership. Furthermore, the transparency in decision making was required to build the public trust and approval of the proposed uses for the site.<sup>33</sup>

Stakeholder groups became involved almost at the outset with how the memorial site would be developed, designed, and constructed. The organized stakeholders include families of the victims, downtown businesses, and downtown residents. The LMDC has also formed eight Advisory Councils which include "Families; Residents; Restaurants, Retailers and Small Business; Arts, Education and Tourism; Financial and Professional Firms; Commuters and Transportation; and Development."<sup>34</sup> These organized stakeholder groups also have their own sub-groups, contributing to the complexity of the design and planning process, which has been wrought with contentious disagreements. Other stakeholder groups include the hired designers and architects of the project, survivors of the attack, and first responders, such as the fire and police departments and medical responders.

These stakeholder groups can also be defined as cultural ownership groups. They have no legal vested right

per se; however, the personal, emotional, financial, political, and cultural connections that these groups have to the WTC site provides a justification for their voice to be heard in conjunction with the legal owners regarding the reconstruction decision making. *Ownership* in this context is not a real property ownership, but instead a cultural property one. Professor Sarah Harding discusses the relationship between ownership and cultural heritage:

[legal] ownership tells us very little about the significance of the thing. But with respect to all things we tend to classify as cultural heritage, there is evidence of a pervasive and controlling sense of *obligation and duty* among those with some connection to and knowledge of the heritage in question.<sup>35</sup>

The kind of connection cultural ownership groups have with the memorial site defines their obligations and duties, thus affecting their vision for the Memorial's reconstruction. For example, many of the victims' families feel the strong obligation and duty to ensure that the memorial site is designated as a place of remembrance of their relatives who perished in the terrorist attacks;<sup>36</sup> whereas the downtown business owners may feel a stronger obligation towards economic redevelopment in the Lower Manhattan area and may be more interested in what kind of economic injection or competition will result from the presence of a nearby memorial. Unsurprisingly, the two more powerful ownership groups, the political organizations and the victims' families, have played the most influential role in the initial attribution of meaning of the site to one of sacredness, honor and remembrance of those who died, recognition of the courage of the survivors, and preservation of freedom.<sup>37</sup> Together the combined interests of the various stakeholder groups have influenced the end result of the aesthetics, function, and meaning of the NS11MM.

Though the stakeholders are mostly New York City or State affiliates (either they live or work in the area and so have a physical connection to the memorial site), a digital community stakeholder group has formed as a result of the NS11MM Foundation's digital initiatives. The difference between the previously discussed stakeholders and the digital community stakeholder group (though there is certainly overlap between the two groups) is twofold. First, the obligation and duty is less codified because digital community members have a more individualized voice, as opposed to an organized group with a mission statement or unified message. Second, the physical connection to the place is less pronounced or even absent for some within the digital community. The victims' families, downtown businesses and organizations, downtown residents, and those who worked in the WTC all have a literal, physical connection to the site. The connection that members in the digital community have to the site is more dispersed, metaphysical, or ideological, and this

connection exemplifies the intangible power the event has had on people hundreds or thousands of miles away.

The digital community directly affects the development of the meaning of the Memorial through its online participation. The online database of collected oral histories, the Artists Registry, and the Make History website all advance cultural ownership claims. The opportunity for digital participation is unique in the history of American memorials and memorial museums, and it is the digital participation that adds historical and cultural context to the tragic event and to the memorial site itself. Those who have participated in the online programs have in their own ways added an individualized filtration of meaning and significance of 9/11. As more and more data and information are compiled in the digital collection, the narrative will continuously evolve. The collected data are also intended to be accessible in a digital archive, ensuring that the individualized meanings will be publicly available.

There are limitations on how the digital community can contribute to the digital collection, mostly with regard to speech. The digital platforms are not a free for all public forum in which wholesale venting can occur. Rather, the progressive efforts of “tapping the collective energy of Web users to help build its collection” reveal the unique cultural position of the Memorial and Museum: to honor and remember the victims through a collective participation.<sup>38</sup> This collective participation as a digital community stakeholder group is inherently dependent upon the approval by the more influential ownership groups.

The content that users may upload to the Make History website, for example, helps to create an “historical record of 9/11” by uploading written experiences, photographs, and oral histories as content for the Museum’s collection.<sup>39</sup> However, the content that users may upload cannot be in the form of “ranting”: “9/11 is a contentious subject, and [the Museum] encourage[s] people to participate in online and offline conversations devoted to 9/11’s causes and ramifications. This particular site, however, is not designed to support such conversations.”<sup>40</sup> This guideline explicitly censors the kind of speech acceptable for the online contributions, and serves as a reminder that contributions to the database must be consistent with the purpose of the Memorial. Although there is an acknowledgment that venting or ranting about the events surrounding September 11 is encouraged, it is clear that the Make History site is not purposed for such speech. However, what constitutes as ranting may not be so straightforward. Could it include conspiracy theories about the attacks? Could stories and memories of illegal immigrants who died in the attacks be acceptable? Could memories of the terrorists themselves be appropriate? Though memories of the victims would likely be welcome on the Make History site regardless of citizenship status, it is uncertain whether commentary outside of the scope

of victimization would be considered inappropriate ranting for the Make History site, and thus not included in the curated history of 9/11.

### III. (Re)constructed Meaning of the NS11MM Through Cultural Ownership

#### A. Why Does Legal and Cultural Ownership Matter?

Whoever has a recognized claim of ownership consequentially has the right to definition and meaning. An established ownership status bestows an incredible power to the cultural ownership groups of the NS11MM, for it is these groups who are determining not only what the Memorial will look like and what it will signify, but also the converse. Especially in the politically and emotionally charged environments surrounding memorials, and this being no exception, controversy and contention are inextricably linked to determinations of the Memorial’s meaning. Professor Brigitte Sion comments on why controversy often surrounds memorial design:

Memory has so many faces, and the memorial has so many functions...you have to look at the tensions between all these people, all these stakes, all these aspects of memory and see how you can reconcile them, how they compete, how they will complete each other, but also how they will somehow inevitably be contrarians.<sup>41</sup>

Ownership claims provides a voice within the controversy. The compromises resulting from competing claims of ownership not only establish the current design of the Memorial, but also set the foundation for the future formulations of meaning.

In a *New York Times* editorial, two members of the design jury, Professors James Young and Michael Van Valkenburgh, noted that “[t]he memorial at ground zero is not a zero-sum project in which one interested party gets its way. It is, rather, an accretion of personal and civic memorial needs, a place for memory, mourning and the history of that horrible day.”<sup>42</sup> The editorial was written in 2006 when the original design plans for the Memorial and Museum were being challenged and altered due to financial and political factors.<sup>43</sup> This statement highlights the struggle among the ownership groups to determine what was actually going to be at the Memorial, what was going to be in the Museum, and even where the Museum was going to be located. Solidifying the meaning of the Memorial was a struggle from the beginning, and the design now in the construction process is a compromise among the many ownership groups.

Determinations of ownership matter because they enable group participation in the decision making process behind the purpose of the memorial site, but just because one gets a seat at the “determination table” does



not mean that the desired meaning will be attributed to the site. In this sense, the negotiation of meaning is not a zero-sum game, and the outcome of the negotiation is the common goal of all negotiations—a compromise with which people can be somewhat satisfied.

## B. Physical and Symbolic Reconstructions of Meaning

Regarding the physical construction of the site, decisions must be made about its appearance with concomitant justifications as to why it needs to look that way. Questions are asked and eventually answered: What kind of site is this (i.e., commercial, cultural, sacred)? What is the purpose of the Memorial? What structures will be on the memorial site? The physical reconstruction, then, integrates a level of symbolism, a representation of the Memorial's purpose and meaning. The physical reconstruction allows for public engagement in the symbolic reconstruction. This section examines the two main types of reconstruction of the site: the physical reconstruction and the symbolic (re)construction. It also discusses the tensions among cultural ownership groups and how those clashes have affected the physical and symbolic reconstruction efforts.

### 1. Physical Reconstruction

The physical reconstruction of the NS11MM is a manifestation of both the practical, such as financial and engineering concerns, and the symbolic.<sup>44</sup> Though the Memorial's current design is rather varied from its original design by Michael Arad and Peter Walker, the design

nation of the space as a place for contemplation, remembrance, and repose remains the same. Once the physical space was designated as a memorial site, the challenge then was to determine the physical aesthetic of the space. The physical reconstruction is a product of the compromises made by the legal and cultural ownership groups. Two issues of contention in particular have affected the physical aesthetic of the site: (1) the original architectural program of the Pavilion (whether the Pavilion should house cultural organizations) and (2) the designation of the site as sacred.

#### a. Pavilion as Site of Contention

The Pavilion, designed by Snøhetta, has been said to “establish the style and character for an otherwise vast, flat, horizontal memorial site—a fortuitous architectural outcome. On the practical side, it also houses the ventilation systems for everything below grade, from transportation to the memorial museum.”<sup>45</sup> Craig Dykers, partner and co-founder of Snøhetta, comments on the relationship of the Pavilion to the rest of the memorial site: “Our building which is very organic and very unusually shaped...is a part of forgetting. But at the same time it points...to the memorial pools which directs you to the memory of that place.”<sup>46</sup> The significance of the only inhabitable, above-grade structure on the memorial site is that its presence is showcased. It not only directs the visitor to the pools, but also plays a transitory role, inviting the visitor below-grade to the Museum, where the visitor can then engage in the Museum's September 11th narrative.

Figure 2



NS11MM Aerial Rendering—Pavilion shown at center. © 2004 -2008, National September 11 Memorial & Museum at the World Trade Center Foundation, Inc. All Rights Reserved.

The program of the Pavilion as it rests now, however, was not always as defined. The early decision making for the initial design plans was wrought with inter-ownership group disagreements, budgetary constraints, and political pressure. The Pavilion was originally intended to be a space of 250,000 square feet that was to house two cultural organizations—The Drawing Center and the International Freedom Center—and mechanical units, largely related to the Port Authority's below-grade railroads. However, a few but strong voices within the victims' families group were adamantly against the presence of cultural institutions on Ground Zero. What was even

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*"An online petition, a digital movement instigated by the victims' families, to 'Take Back the Memorial' was started to encourage support for 'a fitting and proper memorial to be built for those who perished on September 11th, and to tell the story of that fateful day—and that day alone.'"*

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more worrisome for opponents, including some victims' families and then-Governor Pataki, was the stark potentiality for free expression within these cultural organizations. Debra Burlingame, sister of one of the pilots of the plane that crashed into the Pentagon and one of the Board of Directors for the NS11MM Foundation, emphasized that the purpose of the Memorial is to be a place "for all Americans...to hear the story of 9/11 and that story only."<sup>47</sup> An online petition, a digital movement instigated by the victims' families, to "Take Back the Memorial" was started to encourage support for "a fitting and proper memorial to be built for those who perished on September 11th, and to tell the story of that fateful day—and that day alone."<sup>48</sup> Neither The Drawing Center nor the International Freedom Center would succumb to Governor Pataki's ultimatum—for the organizations to provide absolute guarantees that they would not showcase anything that "denigrates America, denigrates New York or freedom, or denigrates the sacrifice and courage that the heroes showed on Sept[ember] 11."<sup>49</sup> Ultimately, the cultural organizations were kicked out, the International Freedom Center became defunct, and the Pavilion was repurposed to become an entrance space for the subterranean museum and shrunk from 250,000 square feet to a more modest 46,000 square feet, a large portion of it being dedicated to mechanical units. As the architectural design is a physical manifestation of purpose and meaning, the final design for the Pavilion is one of appeasement and compromise,<sup>50</sup> and has become something with which no ownership group would strongly disagree—a transition space.<sup>51</sup>

#### b. Designation as Sacred Site Is Whose Rite?

Part of the Memorial mission statement is to "[r]espect this place made sacred through tragic loss."<sup>52</sup> This mission statement was drafted in collaboration with a constituency of the victims' families and the LMDC. The designation of the Memorial as sacred poses certain challenges for the physical design and reconstruction because the notion of sacredness implies certain uses are and are not appropriate. Sacredness suggests permanency, solemn reverence, and for some, a religious or spiritual aspect. Furthermore, places where atrocities and death have taken place often assume an identity as sacred because that location is seen as the final resting place or a de facto cemetery<sup>53</sup> for the victims, especially for those unidentified victims. Professor Brigitte Sion comments on the powerful aura exuded by sites on which atrocities have occurred:

Long after the event has passed, and after the rubble has been cleared, and after the construction has begun, and after everything is ready to be visited by tourists... something remains...it's the nature of the site itself and the emotional impact that it carries...when you are visiting a place and you know something happened there.<sup>54</sup>

The site, freighted with emotion, and its designation as sacred, have created tensions in the decision making regarding the appropriate use for the space. One reason why The Drawing Center and the International Freedom Center were evicted from the Memorial project was because those institutions were considered inappropriate for sacred ground, suggesting that "the past was going to take precedence over the future."<sup>55</sup> The site's identity as sacred, however, seems to be adapting to an evolutionary meaning, where sacred permanency is limited. For example, Mr. Dykers comments on the use of a public space in the middle of one of the largest cities in the world: "Sacred implies that it's untouchable. And nothing in a city, in my opinion, can be untouchable....In a city like New York, you cannot dictate the use of that much public space. I don't care how many rules and regulations there are...it's up to the public to decide."<sup>56</sup> The design can direct the visitors on how to use the space, but the visitors' pragmatic uses will ultimately determine how they will actually relate to the space.

Michael Shulan, Creative Director of the Museum, notes the approach that the planners and designers now have with the Memorial, that the NS11MM is not a petrification of 9/11, but is one that is continuously evolving:

[The Museum is] being designed with the realization that it will have to change whether it wants to or not. If it wants to remain relevant and if it wants to live up

to its charge...it has to do that and has to be a part of a living city, rather than a part of a historic site somewhere downtown, which is why the plaza...has been pushed to be more park-like...This is a living neighborhood downtown and ever more so the Museum needs to be a part [of it].<sup>57</sup>

Mr. Shulan importantly notes that the Museum and Memorial must be simultaneously responsive to the dynamics of New York City, while still remaining engaged in its mission to provide the context in which people can garner their own individual meanings of the “seminal expression in 9/11.”<sup>58</sup>

An open, urban, public space that is contemporaneously a cultural property poses problems for ownership groups if their intent is to preserve a sacred status for the site. Future generations who use and associate themselves with the space will attribute new meanings to the Memorial simply through their uses, and such uses may not be what the drafters of the mission statement would consider appropriate for sacred grounds. In addition, definitions of what is sacred are malleable in meaning. When ownership groups cannot agree on what is “sacred,” the compromised meaning becomes multilayered.

Though the architecture preserves sacred aspects, as in the solemnization of the victims in the name engravings bordering the two pools, the memorial site will become a combination of uses, both sacred and secular. The unique quality of the site is that it can provide space for multiple uses: to commemorate the victims, to educate oneself on the event of September 11th and its social impact, to visit the Museum and listen to oral histories about the victims, to appreciate the architecture and landscape, to walk one’s dog through the plaza, to eat lunch in the plaza, or to use it as a convenient cut-through walkway. “Sacred” inevitably has an expansive meaning that could embrace multiple uses of the site, whether it is one of development, commerce, recreation, or memorialization.

## 1. Symbolic Reconstruction

The symbolic reconstruction of the site is best understood through examining the symbolic evolution of the physical space since the conception of the original WTC project, which has altered from one as automonument to one as capitalism to one as memorialization. The symbolic meaning develops in conjunction with the physical design and reconstruction. Memory, in particular evolving memory, is the main element steering the designations of symbolic meanings for the NS11MM.

### a. As Automonument

When the planning for the WTC began in the 1960s, the emergency to revitalize Lower Manhattan was im-

mediate. Businesses were acting in their own kind of exodus towards Midtown Manhattan and the WTC needed to be a development that would grasp the attention of New York City’s businesses, convincing them to either stay or move in. Once built, the Twin Towers fulfilled their destiny as what world-renowned architect Rem Koolhaas refers to as the *Automonument*.<sup>59</sup> As the term suggests, the structure’s mass triggers the symbolism; yet, the meaning is empty relating only to the sheer size and nothing more:

This category of monument presents a radical, morally traumatic break with the conventions of symbolism: its physical manifestation does not represent an abstract ideal, an institution of exceptional importance, a three-dimensional, readable articulation of a social hierarchy, a memorial; it merely *is* itself and through sheer volume cannot avoid being a symbol—an empty one, available for meaning as a billboard is for advertisement.

The Automonument is in and of itself a symbol, and “its purest manifestation is the Skyscraper.”<sup>60</sup> Simply by its physical size, the Towers immediately fulfilled their symbolic designation as an empty monument, devoid of any meaning except their own solipsism.

### b. As Capitalism

The Twin Towers did indeed represent a type of blank billboard ready to be inscribed with some symbolic meaning beyond their monumental size. As time went on and as people began to relate to the WTC’s structures and surrounding space, “the WTC inadvertently became a symbol of both economic progress and the wonders of modern civil engineering—a way by which New Yorkers could measure their successes and physically orient themselves in a vast maze of streets.”<sup>61</sup> The Twin Towers became a symbol of “financial power and global economic liberalism.”<sup>62</sup> They were the symbolic representation of capitalism that made it an attractive target for terrorists, resulting in its victimization. The physical manifestation of their demise was the collapse of the WTC structures, the 3,000 lives lost (not including the undocumented or unidentified persons),<sup>63</sup> and the consequential pain and suffering of the survivors. Thus, the collapse of the Twin Towers led to the symbolic transformation “from a site of the profane (‘world trade’) to that of the sacred through the large-scale loss of life suffered there.”<sup>64</sup>

### c. As Memorialization

As discussed throughout this article, the aftermath of 9/11 led to intense public debate about what to do with the site. Through the turbulent discussions, certain ownership groups, namely the political leadership and certain constituencies among the victims’ families, managed the strongest voices, guiding the symbolic reconstruction of



the site. The initial, attributed meaning was one of sacred memorialization, namely through the act of memory and remembrance of those who perished from the attacks.

Though nothing is surprising about reserving some sort of memorial space, for memorials often occur “when memories of past atrocities are attached to specific sites,”<sup>65</sup> the amount of space reserved for a sacred site in a metropolitan city is unique.<sup>66</sup> The symbolic transition from that of capitalism to that of memorialization on extremely valuable land represents a token to the victims and their families: “Decommodification of the footprinted land has removed from market some of the most valuable real estate in the world, serving as a *type of compensation* for the 9/11 victims and their survivors.”<sup>67</sup>

The approach that the stakeholders, the LMDC, and the NS11MM Foundation have taken circulates around memory. After all, the term *memorial* is rooted in the Latin *memoralis* (serving as a reminder) or *memoria* (memory). The ownership groups control the preservation of memory through the physical manifestation of the Memorial. Names of the victims will be inscribed around the two pools on the Memorial. Oral histories and personal artifacts of the victims will be included in the Museum exhibit below ground. These are all components that reinforce the reconstructed meaning as one of sacred memory.

Just as the physical space of the Memorial will evolve from sacred to more egalitarian, so will the memory evolve and conform to new contexts by future generations. One of the jurists, Professor James Young, remarks on the inevitability of the evolution of memory for the NS11MM: “[T]his site should become an evolving memorial, one that will not only accommodate every new generation’s reasons for coming to it but that will also be animated by every new generation. And this memorial should recall its own constantly evolving meanings and reasons for being over time.”<sup>68</sup> The tensions rest between current ownership groups who prefer that the site always bear some sacred symbology versus those who anticipate that the uses and associations with the space will constantly change over time. The current designations of meaning of the NS11MM set the foundation for the September 11th narrative and provide the historical and cultural context from which the Memorial and the events on and after 9/11 will be evaluated by future groups.<sup>69</sup>

Mr. Shulan notes that the role of the Museum is not to prescribe the meaning, but instead is to provide the space where meanings can be determined on an individual basis: “We’re not saying what the meaning is...we’re giving you these things to look at and think about...but the meaning is up to you.”<sup>70</sup> The Museum is aware of its authority to curate the collection to portray a certain message, and the approach taken by the curators will influence the kind of reflection and associations visitors will have with the physical space and the events around

9/11. In this way, the Museum aims to provide a collection that is “a kind of archaeology of everyday life and of the present rather than a kind of exegesis or hagiography of the past.”<sup>71</sup>

As the tight hold of the stakeholders and ownership groups loosens and changes, the foundational meaning of sacred remembrance will also inevitably change. Perhaps one day the site will no longer bear its sacred identity. Perhaps new structures will be added onto the Memorial site. Perhaps after the trees die, something new will be planted or constructed in their place. As time goes on and as the physical structure needs maintenance and repair, so too will the attributed meaning.

One possibility for a stage in the site’s symbolic metamorphosis would be to evolve from a sacred place of repose where one can deal with the tragic loss, to a place of reconciliation, where people can engage in a process of mutual understanding on both sides.<sup>72</sup> Interestingly, though perhaps not unexpectedly, the aim for reconciliation is absent from available NS11MM materials. Though part of the mission of the Memorial is to “inspire an end to hatred, ignorance and intolerance,” the question remains as to whether this statement includes an end to one’s hatred, ignorance, and intolerance towards those identified to be responsible for the attacks.

The movement away from sacred permanency is slowly happening as the political climate itself changes and more voices regarding the symbolism of the space are being heard. On May 25, 2010, the Manhattan Community Board 1 held a hearing regarding the establishment of an Islamic community center, Cordoba House, two blocks from the memorial site.<sup>73</sup> Though many victims’ families protested the proximity of the community center because it could attract noisy protests near the “zone of tranquility,” this sentiment is not representative of the entire stakeholder group.<sup>74</sup> One family member stated that this community center, which is “dedicated to interfaith tolerance,” should be established near the Memorial.<sup>75</sup> Since then, opinions both for and against have been heard from across the country, including the White House. Though the designation of the Memorial as sacred will likely give rise to concerns to some members among the victims’ families in the future, these concerns will ultimately be less pronounced as time goes on and as people build new associations with the space.

The memorial site cannot simply be a stagnant place of sacred contemplation. Current ownership groups can set the foundation for meaning, but they cannot control it forever, and most people involved in its design process seem to accept and support this view. The meaning of the site is destined to change over time, for what is cultural property if not the physical manifestation of a society’s cultural and symbolic associations of the past, identification in the present, and potentiality of the future?

## IV. Conclusion

The NS11MM elucidates why cultural ownership groups matter in the development of cultural heritage. The influence that these groups have upon attributions of meaning establishes a foundation for the Memorial's purpose. The determinations on the aesthetics, use, and meanings of the NS11MM have been characterized by contentious disagreements eventually mitigated by compromise. The end cultural product that is the NS11MM exemplifies the struggle that cultural groups partake to establish and preserve meaning. As this article is being written, the stones of the Memorial plaza are being laid, and with each stone the symbolic meanings of the Memorial are also set. Yet just as the WTC site itself is being reconstructed, so too will the symbolic meanings be reconstructed by each generation of cultural ownership groups. The symbolic meaning of memorialization and sacredness may remain, but the meanings will evolve along with the memory of the cultural ownership groups. Nothing in a city as dynamic as New York can be made completely permanent; the designated meaning of the NS11MM is malleable, and necessarily so.

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*"Nothing in a city as dynamic as New York can be made completely permanent; the designated meaning of the NS11MM is malleable, and necessarily so."*

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## Endnotes

1. Throughout this paper unless otherwise indicated, "site" is used to refer to the memorial and museum site explicitly, not the surrounding commercial, transportation, and cultural buildings included in the rebuilding of the World Trade Center site.
2. The author generally uses "cultural property" and "cultural heritage" interchangeably throughout this paper. For more on the debate about cultural property or heritage terminology, see Lyndel V. Prott and Patrick J. O'Keefe, 'Cultural Heritage' or 'Cultural Property'?, 1 INT'L J. CULTURAL PROP. 307 (1992).
3. PAUL GOLDBERGER, UP FROM ZERO: POLITICS, ARCHITECTURE, AND THE REBUILDING OF NEW YORK 20 (2005).
4. David Rockefeller is also an honorary member on the jury that selected the WTC and Memorial and Museum designs. His main role is to be "available for consultation on the guiding vision for the World Trade Center and to provide historical perspective to the evolution of downtown Manhattan." Lower Manhattan Development Corporation, *The Plan for Lower Manhattan: World Trade Center Site Memorial*, <http://www.renewnyc.com/memorial/competition.asp> (last visited July 22, 2010).
5. GOLDBERGER, *supra* note 3, at 21-22.
6. Mary L. Clark, *Lessons from the World Trade Center for Open Space Planning Generally and Boston's Big Dig Specifically*, 32 B.C. ENVTL. AFF. L. REV. 301, 302 (2005).
7. National911memorial.org, 9/11 Timeline, [http://www.national911memorial.org/site/PageServer?pagename=new\\_history\\_timeline](http://www.national911memorial.org/site/PageServer?pagename=new_history_timeline) (last visited Apr. 5, 2010).
8. See JEAN BAUDRILLARD, *Requiem for the Twin Towers, in THE SPIRIT OF TERRORISM AND OTHER ESSAYS* 44 (Chris Turner trans., Verso 2d ed. 2003) (2002) (suggesting that "no one, not even the terrorists, had reckoned on the total destruction of the towers").
9. See Deborah C. Roth, *Wish You Were Here: A Cross-Cultural Analysis of Architectural Preservation, Reconstruction, and the Contemporary Built Environment*, 30 SYRACUSE J. INT'L L. & COM. 395, 416 (2003) ("Even before the dust had settled in downtown Manhattan, architects, engineers and the general public began debating as to whether the complex should be rebuilt, and if so, how to rebuild it.").
10. Rudy Giuliani, *Getting It Right at Ground Zero*, TIME, Sept. 9, 2002, at 67, available at <http://www.time.com/time/magazine/article/0,9171,1003231-1,00.html> (last visited July 22, 2010).
11. Lower Manhattan Development Corporation, *Principles and Revised Preliminary Blueprint for the Future of Lower Manhattan*, at 1, available at <http://www.renewnyc.com/content/pdfs/PrinciplesBlueprint071102.pdf> [hereinafter *Principles and Blueprint*].
12. *Id.* at 2.
13. For more information and images of the WTC plan, see Lower Manhattan Development Corporation, Refined Master Site Plan for the World Trade Center Site, [http://www.renewnyc.com/plan\\_des\\_dev/wtc\\_site/new\\_design\\_plans/Sept\\_2003\\_refined\\_design.asp](http://www.renewnyc.com/plan_des_dev/wtc_site/new_design_plans/Sept_2003_refined_design.asp) (last visited July 22, 2010). See also David W. Dunlap, *1,776-Foot Design Is Unveiled for World Trade Center Tower*, N.Y. TIMES, Dec. 20, 2003, at A1, available at <http://www.nytimes.com/2003/12/20/nyregion/1776-foot-design-is-unveiled-for-world-trade-center-tower.html?pagewanted=1> (last visited July 22, 2010) (discussing the prominence of the formerly named Freedom Tower as the tallest building in the world and stating "[t]his is not just a building. This is a symbol of New York. This is a symbol of America. This is a symbol of freedom." (quoting Governor George Pataki)).
14. For more information and images of the Memorial and Museum plan, see Lower Manhattan Development Corporation, Memorial: Reflecting Absence, [http://www.renewnyc.com/plan\\_des\\_dev/wtc\\_site/new\\_design\\_plans/memorial/default.asp](http://www.renewnyc.com/plan_des_dev/wtc_site/new_design_plans/memorial/default.asp) (last visited July 22, 2010).
15. For an excellent discussion of the different theories of property that make the definition of cultural property ever-changing, see Patty Gerstenblith, *Identity and Cultural Property: The Protection of Cultural Property in the United States*, 75 B.U. L. REV. 559, 567-72 (1995). See also Sarah Harding, *Value, Obligation and Cultural Heritage*, 31 ARIZ. ST. L.J. 291, 298-305 (1999).
16. Prott and O'Keefe, *supra* note 2.
17. Patty Gerstenblith, *Identity and Cultural Property: The Protection of Cultural Property in the United States*, 75 B.U. L. REV. 559, 569-70 (1995).
18. Sarah Harding, *Value, Obligation and Cultural Heritage*, 31 ARIZ. ST. L.J. 291, 303 (1999) (citations omitted).
19. The NS11MM has partnered with StoryCorps "to record at least one remembrance for each of the victims of the terrorist attacks on February 26, 1993 and September 11, 2001, as well as the narratives from survivors, rescue workers, witnesses, service providers and other such persons impacted by these events in order to preserve their extraordinary personal experiences." National911memorial.org, StoryCorps September 11 Initiative: Share Your Story, [http://www.national911memorial.org/site/PageServer?pagename=New\\_Museum\\_Do\\_SC](http://www.national911memorial.org/site/PageServer?pagename=New_Museum_Do_SC) (last visited July 22, 2010).
20. The Make History initiative is a "collective telling of the events of 9/11 through the eyes of those who experienced it, both at the attack sites and around the world." National911memorial.org, Make History, <http://makehistory.national911memorial.org/> (last visited July 22, 2010).
21. National911memorial.org, Artists Registry, <http://registry.national911memorial.org/index.php> (last visited July 22, 2010). Visitors can even become their own curators of 9/11 art by selecting works for their own "Favorites" folder.

22. GOLDBERGER, *supra* note 3, at 23.
23. See N.J.S.A. 32:1-35.61 (2000).
24. Ronald Smothers, *Leasing of Trade Center May Help Transit Projects*, Pataki Says, N.Y. TIMES, July 25, 2001, at B7, available at <http://www.nytimes.com/2001/07/25/nyregion/leasing-of-trade-center-may-help-transit-projects-pataki-says.html?scp=1&sq=Leasing%20of%20Trade%20Center%20May%20Help%20Transit%20Projects&st=cse> (last visited July 22, 2010).
25. Alex Garvin, *Negotiating the Mega-Rebuilding Deal at the World Trade Center: The Historical Context*, 10 TRANSACTIONS: TENN. J. BUS. L. 15, 20 (2008).
26. National911memorial.org, About Us, [http://www.national911memorial.org/site/PageServer?pagename=New\\_About\\_1](http://www.national911memorial.org/site/PageServer?pagename=New_About_1) (last visited July 22, 2010).
27. For discussion on the collaborative challenges among the ownership groups, see Mary L. Clark, *Reconstructing the World Trade Center: An Argument for the Applicability of Personhood Theory to Commercial Property Ownership and Use*, 109 PENN. ST. L. REV. 815, 824-25 (2005).
28. See generally Architectural Works Copyright Protection Act, 17 U.S.C. 101 (1990).
29. National911memorial.org, Terms of Use/Privacy Policy, [http://www.national911memorial.org/site/PageServer?pagename=new\\_misc\\_privacy](http://www.national911memorial.org/site/PageServer?pagename=new_misc_privacy) (last visited July 22, 2010).
30. *Shine v. Childs*, 382 F.Supp.2d 602 (S.D.N.Y. 2005).
31. Andrew Mangino, *Freedom Tower Suit Resolved*, YALE DAILY NEWS, Sept. 26, 2006, <http://www.yaledailynews.com/news/university-news/2006/09/26/freedom-tower-suit-resolved/> (last visited July 22, 2010).
32. The first in the list of the LMDC Principles for Action is “make decisions based on an inclusive and open public process.” *Principles and Blueprint*, *supra* note 11, at 3. See also Lower Manhattan Development Corporation, About Us, <http://www.renewnyc.com/overlay/AboutUs/> (last visited July 22, 2010).
33. Clark, *supra* note 6, at 312. “[D]iscussions with key players in the redevelopment decisionmaking process suggest that promotion of the LMDC’s credibility, assurance that the public would ‘buy into’ the final product, and concern for redressing the top-down decisionmaking and closed-door management of the original World Trade Center project motivated the LMDC to engage the public as it did.”
34. *Principles and Blueprint*, *supra* note 11, at 2. See also GOLDBERGER, *supra* note 3, at 64-65.
35. Harding, *supra* note 18, at 307 (emphasis added).
36. See Clark, *supra* note 6, at 314 (discussing the influence the victims’ families have had over the rebuilding).
37. National911memorial.org, About Us: Mission Statements, [http://www.national911memorial.org/site/PageServer?pagename=New\\_About\\_Mission](http://www.national911memorial.org/site/PageServer?pagename=New_About_Mission) (last visited July 22, 2010).
38. Alex Wright, *Online, It’s the Mouse that Runs the Museum*, N.Y. TIMES, Jan. 20, 2010, at C3, available at <http://www.nytimes.com/2010/01/20/arts/design/20museum.html> (last visited July 22, 2010).
39. National911memorial.org, Make History: Community Guidelines, <http://makehistory.national911memorial.org/communityguidelines> (last visited July 22, 2010).
40. National911memorial.org, Make History: Community Guidelines, *supra* note 38.
41. Interview by Clifford Chanin with Brigitte Sion, Assistant Professor of Religious Studies at New York University, in N.Y., N.Y., available at [http://www.national911memorial.org/site/PageServer?pagename=new\\_history\\_exploring](http://www.national911memorial.org/site/PageServer?pagename=new_history_exploring) (last visited July 22, 2010).
42. James E. Young and Michael Van Valkenburgh, *A Last Chance for Ground Zero*, N.Y. TIMES May 18, 2006, at A29, available at <http://query.nytimes.com/gst/fullpage.html?res=9D03EEDD123EF93BA25756C0A9609C8B63&sec=&spon=&pagewanted=all> (last visited July 22, 2010).
43. “The memorial project is sagging beneath the weight of competing constituencies, conflicting agendas and unfortunate political exploitation of the memory of 9/11. And while it’s true that all memorials evolve according to economic and political needs of the moment, the trade center memorial has not evolved so much as it has been piled on with additional features, pushed by well-meaning interests, which now threaten to sink it beneath a budget of nearly \$1 billion.” *Id.*
44. The Memorial design competition program guiding principles included “The memorial is to...create an original and powerful statement of enduring and universal symbolism,” emphasizing the symbolic significance of the space. Lower Manhattan Development Corporation, Memorial Program for the World Trade Center Site: Program Guiding Principles, <http://www.renewnyc.com/Memorial/memmission.asp> (last visited July 22, 2010).
45. Ada Louise Huxtable, *Rules of Engagement*, WALL ST. J., Mar. 31, 2010, at D7, available at [http://online.wsj.com/article/SB10001424052748704100604575146242370591062.html?mod=WSJ\\_latestheadlines#articleTabs%3Darticle](http://online.wsj.com/article/SB10001424052748704100604575146242370591062.html?mod=WSJ_latestheadlines#articleTabs%3Darticle) (last visited July 22, 2010).
46. Interview with Craig Dykers, Partner, Snøhetta, in N.Y., N.Y. (Mar. 31, 2010). Mr. Dykers continued on to explain the Pavilion as a “part of forgetting”: “All the act of forgetting allows you to do is to always feel fresh in your aspect of memory, that the memory isn’t dead, it’s a living memory, it’s changing and organic.”
47. David W. Dunlap, *Governor Bars Freedom Center at Ground Zero*, N.Y. TIMES, Sept. 29, 2005, at A1, available at <http://www.nytimes.com/2005/09/29/nyregion/29freedom.html?scp=7&sq=snohetta%20and%20the%20drawing%20center&st=cse> (last visited July 22, 2010). See also Debra Burlingame, *The Great Ground Zero Heist*, WALL ST. J., June 7, 2005, at A14, available at <http://www.opinionjournal.com/extra/?id=110006791> (last visited July 22, 2010). Ms. Burlingame emphasizes that the purpose of the site should not be “force-fed by ideologues hoping to use the memorial site as nothing more than a powerful visual aid to promote their agenda.” *Id.*
48. Take Back the Memorial, About this Site, [http://takebackthememorial.org/?page\\_id=46](http://takebackthememorial.org/?page_id=46) (last visited May 4, 2010, no longer available as of July 22, 2010).
49. David W. Dunlap, *After Its Rejection at Ground Zero, Drawing Center Plans a New Home*, N.Y. TIMES, Jan. 5, 2006, available at [http://www.nytimes.com/2006/01/05/nyregion/05drawing.html?\\_r=1&scp=1&sq=snohetta%20and%20the%20drawing%20center&st=cse](http://www.nytimes.com/2006/01/05/nyregion/05drawing.html?_r=1&scp=1&sq=snohetta%20and%20the%20drawing%20center&st=cse) (quoting George E. Pataki) (last visited May 4, 2010, no longer available as of July 22, 2010).
50. Snøhetta met with the stakeholder groups to reach a compromise in the design of the building: “We have to engage with politics, so the stakeholders have to be met, they have to be heard, they have to be accounted for. Not everyone will get their way, but we try to build consensus among larger groups of people.” Interview with Craig Dykers, *supra* note 46.
51. Mr. Dykers noted that “What we tried to say was look underneath all this discussion, what it should be, what it shouldn’t be. There’s a kind of natural place where we feel comfortable—that has to do with daylight. [It] has to do with sun, shade, color, qualities of comfort and repose. And more importantly transitional features because New York City is this crazy, crazy place and the Memorial is a really calm place. You can’t go from crazy to calm. You need several layers of transition in both directions and our building is meant to provide that and people understood that. They didn’t care [] after a certain point exactly what was happening anymore.” *Id.*



52. National911memorial.org, About Us: Mission Statements, *supra* note 37. The lack of inhabitable above-grade structure reinforces the notion that the Memorial is a sacred space, for often construction or development upon a sacred site would be seen as a blasphemy.
53. See Giuliani, *supra* note 10.
54. Interview with Brigitte Sion, *supra* note 41.
55. Ada Louise Huxtable, *supra* note 45. See also Take Back the Memorial, *Alliance of Fifteen Major 9/11 Family Groups Say International Freedom Center Does Not Deserve Place on Sacred Ground*, available at [http://takebackthememorial.org/?page\\_id=185](http://takebackthememorial.org/?page_id=185) (last visited Apr. 30, 2010, no longer available as of July 22, 2010) (stating that the International Freedom Center is too politicized to be housed on sacred ground).
56. Interview with Craig Dykers, *supra* note 46.
57. Interview with Michael Shulan, Creative Director, National September 11 Museum, in N.Y., N.Y. (Apr. 21, 2010).
58. *Id.*
59. REM KOOLHAAS, *DELIRIOUS NEW YORK 100* (The Monacelli Press 1994) (1978).
60. *Id.* "This category of monument presents a radical, morally traumatic break with the conventions of symbolism: its physical manifestation does not represent an abstract ideal, an institution of exceptional importance, a three-dimensional, readable articulation of a social hierarchy, a memorial; it merely *is* itself and through sheer volume cannot avoid being a symbol—an empty one, available for meaning as a billboard is for advertisement." *Id.*
61. Roth, *supra* note 9, at 417 (citing Cathleen McGuigan, *Requiem for an American Icon*, NEWSWEEK, Sept. 24, 2001, at 88).
62. BAUDRILLARD, *supra* note 8, at 43-44.
63. National911memorial.org, September 11, 2001: The Attacks, [http://www.national911memorial.org/site/PageServer?pagename=new\\_history\\_timeline](http://www.national911memorial.org/site/PageServer?pagename=new_history_timeline) (last visited Apr. 14, 2010): "The attacks resulted in almost 3,000 fatalities—the largest loss of life from a hostile attack by a foreign entity on American soil. The FDNY lost 343 members of its force, the NYPD lost 23 and the PAPD lost 37, the largest loss of emergency responders in a single event in U.S. history."
64. Mary L. Clark, *Treading on Hallowed Ground: Implications for Property Law and Critical Theory of Land Associated with Human Death and Burial*, 94 Ky. L.J. 487, 511 (2005).
65. David P. Janes, *Hiroshima and 9/11: Linking Memorials for Peace*, 2 BEHAV. SCI. OF TERRORISM AND POL. AGGRESSION 150, 152 (2009).
66. "The vision of downtown regeneration as the appropriate legacy of an unspeakable tragedy was lost, but the faulty process has resulted, largely by subtraction of every socially desirable feature, in the one thing New York's development philosophy absolutely abjures—an enormous, open, parklike public space on exorbitantly expensive land." Huxtable, *supra* note 45.
67. Clark, *supra* note 27, at 828 (citation omitted) (emphasis added).
68. James E. Young, *The Stages of Memory at Ground Zero*, in RELIGION, VIOLENCE, MEMORY, AND PLACE 214, 216 (Oren Baruch Stier and J. Shawn Landres eds., 2006).
69. See generally Barry Curtis, *That Place Where: Some Thoughts on Memory and the City*, in THE UNKNOWN CITY: CONTESTING ARCHITECTURE AND SOCIAL SPACE 54, 63 (Iain Borden ed., 2002): "Memory is one of the key ingredients in the creation of place, although it is important to acknowledge that memory is subject to political as well as psychic operations. Although it can be regarded as an antidote to selective and tendentious histories, memory can also be structured and guided....Although memory is involuntary and transient, it can also be stimulated and preserved."
70. Interview with Michael Shulan, *supra* note 57.
71. *Id.*
72. Interestingly, though perhaps not unexpectedly, the aim for reconciliation is absent from available NS11MM materials. Though part of the mission of the Memorial is to "inspire an end to hatred, ignorance and intolerance," the questions remains as to whether this statement includes an end to one's hatred, ignorance, and intolerance towards those identified to be responsible for the attacks. National911memorial.org, About Us: Mission Statements, *supra* note 37 (last visited July 22, 2010).
73. Clyde Haberman, *Near Ground Zero for the Sacred and the Profane*, N.Y. TIMES, May 27, 2010, at A16, <http://www.nytimes.com/2010/05/28/nyregion/28nyc.html> (last visited July 22, 2010).
74. *Id.*
75. *Id.*

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# ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

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# Impending Decline in Public Funding May Push Stadium Costs Downward

By Joseph M. Hanna and S. Philip Unwin

The New York metropolitan area has seen a tremendous boom in stadium construction in recent years. Of the nine franchises that play in the traditional four major pro sports leagues, three have opened new stadiums (New Jersey Devils, New York Mets and New York Yankees) since 2007, two more will be opening a new stadium in September 2010 (New York Giants and New York Jets), another plans to open a new stadium in 2012 (New Jersey Nets),<sup>1</sup> and another is actively looking for a new stadium (New York Islanders). The New York Knicks and New York Rangers, tenants of venerable Madison Square Garden (MSG), are staying in their building, but MSG is getting a massive renovation with completion tentatively slated for 2013.

A significant amount of the cost of this construction has been publicly funded, and a debate has raged over the years about whether such cost is worthwhile.

## **Prudential Arena (New Jersey Devils)**

**Built: 2007**

**Estimated Cost: \$310 million<sup>2</sup>**

**Final Cost: \$467.5 million<sup>3</sup>**

**Public Financing: \$311.5 million.<sup>4</sup>**

The Devils' franchise represents an example of the power of threatened relocation. The franchise itself had two homes before even settling in New Jersey; it began as the Kansas City Scouts, moved to Denver as the Colorado Rockies, and finally made its way to New Jersey in 1982. Shortly after winning the 1995 Stanley Cup, the Devils threatened to move to Nashville, Tennessee. Eventually, a deal was struck to keep the Devils in Brendan Byrne Arena (later Continental Airlines Arena and then the Izod Center), in East Rutherford, through 2007.<sup>5</sup> At the expiration of its lease, the Devils moved to the Prudential Center, in Newark.

The initial cost estimate of \$310 million likely did not account for infrastructure improvements that were necessary, and further improvements may drive the total cost over \$500 million. Newark has already had some buyer's remorse with regard to the deal. The city owns Prudential Arena, but the Devils have been withholding rent. The team claimed that the city failed to meet numerous construction deadlines, and thus created additional costs.<sup>6</sup> In response, the city proposed a five percent tax on all tickets sold at Prudential Arena.<sup>7</sup> As of the time of this article, the dispute was still pending, with the city claiming \$4 million in unpaid rent.<sup>8</sup>

## **Citi Field (New York Mets)**

**Built: 2009**

**Estimated Cost: \$600 million<sup>9</sup>**

**Final Cost: \$830.6 million**

**Public Financing: \$614.3 million.<sup>10</sup>**

## **Yankee Stadium (New York Yankees)**

**Built: 2009**

**Estimated Cost: \$930 million<sup>11</sup>**

**Final Cost: \$2.3 billion<sup>12</sup>**

**Public Financing: \$1.19 billion<sup>13</sup>**

These two stadiums need to be considered together. Before leaving office, New York City Mayor Rudy Giuliani announced agreements with the Mets and Yankees to build new stadiums, at a total cost of \$1.6 billion, \$800 million of which would come from the sale of tax-exempt bonds, and another \$390 million in additional infrastructure expenses paid by New York State.<sup>14</sup> When Michael Bloomberg took office, he quickly dismissed this as fiscal irresponsibility, but after learning that the deals worked out by the former mayor contained a clause that either team could leave New York with 60 days notice if "the city [did] not intend to proceed with the stadium project," expressed interest in working out an agreement with both teams.<sup>15</sup>

The amount of public financing for the projects varies tremendously, depending on the source cited. One estimate pegs the amount of public money for Citi Field at \$164.4 million,<sup>16</sup> and \$220 million for Yankee Stadium.<sup>17</sup> In a sense, this is accurate; the amount of direct public funding of these projects is significant, but not nearly as much in light of the overall cost of the projects. However, the Mets and Yankees have both benefited from the tax-exempt status of the bonds sold, from forgone property taxes, forgone sales taxes and rent rebates. The Yankees have also benefited from having a new parking garage constructed, at public expense, and having the land for the stadium granted to them.

Political opposition varied significantly between the plans for the two different stadiums.<sup>18</sup> Though both represented a significant public expenditure, albeit in an amount not clear to the casual observer, Yankee Stadium faced far stiffer opposition for a few reasons. First, Yankee Stadium was to be built on parkland, which had to be replaced, at city expense, while Citi Field was built on vacant land right next to the old Shea Stadium.<sup>19</sup> Second, the public sector expenditure, as disclosed, was significantly greater, and if the estimates above are accurate, nearly twice the Citi Field expenditure. Third, cost overruns plagued Yankee Stadium; as noted above, the final cost was roughly two-and-one-half times the estimate. The \$295 million parking garage was a particular sticking point.<sup>20</sup> Citi Field, by contrast, was part of New York City's unsuccessful 2012 Olympic bid, after the West Side Stadium (see below) fell through.<sup>21</sup>

## **Meadowlands Stadium (New York Giants and Jets)**

**Built: 2010**

**Estimated Cost: \$800 million<sup>22</sup>**

**Final Cost: \$1.6 billion<sup>23</sup>**

**Public Financing: Officially, none. However, the State of New Jersey is funding approximately \$400 million in road improvements and rail links, and is paying for the remaining debt on Giants Stadium at a cost of \$100 million.<sup>24</sup>**

The Giants had long desired to build a new home in East Rutherford to replace aging Giants Stadium, their home since 1976. The Jets, however, wanted their own stadium, having played in Giants Stadium since 1983 and generally been considered second-class citizens in their home field. Plan A for the Jets was a stadium on Manhattan's West Side, which would double as the centerpiece of New York City's 2012 Summer Olympics bid. The stadium was to be built on top of the Long Island Railroad train yards, at a cost of \$2.2 billion, with \$600 million in public financing. The plan was scuttled, however, when Assembly Speaker Sheldon Silver declined to support the project.<sup>25</sup> The city shifted its focus to Citi Field as the venue for the Summer Games, and the Jets moved on to Plan B. In an interesting twist, a large part of the opposition to the West Side Stadium came from the owners of MSG, a point discussed in greater detail below.

As with the Mets' and Yankees' new homes, with the Meadowlands, we see a case of private funding paying most (or in this case, all) of the cost of the stadium, but infrastructure costs being borne by the public. The Giants and Jets secured a \$300 million loan from the National Football League's (NFL) G-3 fund, a fund designed to assist teams in the construction of new stadiums.<sup>26</sup> The \$300 million loan exhausted the fund. Both teams contributed \$650 million, funded by a private bond auction.<sup>27</sup>

Meadowlands Stadium has been trumpeted as being entirely privately financed, and in a technical sense, this is true. However, its two tenants are exempt from property taxes.<sup>28</sup> The Giants and Jets pay rent to the New Jersey Sports and Exposition Authority, which in turn makes Payments In Lieu of Taxes (PILOT) to the city of East Rutherford. The PILOT was initially capped at \$1 million per year, but the parties involved reached agreement to increase that sum.<sup>29</sup> The final figure was \$1.3 million; however, the NJSEA agreed to pay any property taxes over and above that \$1.3 million, which could amount to \$10 to \$15 million per year.<sup>30</sup> Over the course of the 15-year lease, the City or State may forgo as much as \$200 million in lost tax revenue, in addition to the \$400 million for infrastructure improvements and \$100 million in debt service on Giants Stadium.

**Madison Square Garden (New York Knicks and Rangers)**  
**Built: 1968, renovations scheduled to be completed 2013.<sup>31</sup>**  
**Estimated Cost: \$775 to \$850 million**  
**Final Cost: N/A**  
**Public Financing: None.**

MSG has been intermittently scheduled for renovation for several years, but it appears that the renovations may finally occur. The project is still being worked out, but the plan is for the owner of MSG (Cablevision, an entity that

also owns the Knicks and Rangers) to pay for the entire cost of construction. It does not appear that any infrastructure improvements are scheduled at the present time. However, Cablevision benefits from a property tax exemption, which amounts to over \$11 million per year.<sup>32</sup> The property tax exemption was the product of a deal brokered in 1982, to abate property taxes for 10 years on MSG, at a time when the Knicks and Rangers were threatening to move.<sup>33</sup> However, the tax abatement was not rescinded in 1992, or at any time since, despite occasional threats to do so (most recently in 2008, when the City Council voted to repeal the tax),<sup>34</sup> but the State Legislature has the final say and the matter never moved forward.<sup>35</sup>

Whether Cablevision was content to not pursue public financing, or whether its executives felt that the political climate had become too toxic to do so, is conjecture. However, a multitude of factors made it likely that any attempt to secure public financing would likely prove unsuccessful. First, the aforementioned tax abatement, which caused some controversy. Second, both the Knicks and Rangers have been extraordinarily unsuccessful in recent years. The Yankees, Giants and Devils have world championships to show for their efforts, and the Mets and Jets have had some success, albeit not on the same level. Yet both the Knicks and Rangers have become infamous for fielding high-cost, low-performance teams.<sup>36</sup> Third, Cablevision has made more than its share of enemies in New York City politics. Apart from the tax abatement controversy, Cablevision was at the forefront of opposition to the ill-fated West Side Stadium. Cablevision felt that a West Side Stadium would have threatened MSG's position as the pre-eminent sports and entertainment venue in Manhattan. Its opposition was significant enough that the NFL took the step of pulling the NFL draft, a significant media and fan event, from MSG and instead moved it to the Jacob Javits Center.<sup>37</sup> Further, Cablevision backed away from plans to integrate a new MSG in with the long-awaited Moynihan Station project, the renovation of the ancient Penn Station.<sup>38</sup>

So what does all this mean for the future? Tax exempt financing has increasingly become the favored vehicle for publicly funding new stadiums, with lost revenue shared by taxpayers at all three levels of government: local, state and federal.<sup>39</sup> However, by arranging tax-exempt financing, and funding infrastructure costs publicly, political leaders can either escape, or at least minimize, the negative publicity that comes with public financing of a private entity. Contrast the Jets' ill-fated West Side Stadium with the successful completion of Meadowlands Stadium. The West Side Stadium was perceived as being a giveaway of public funds, and was ultimately not approved, while the Giants, Jets and other stakeholders in Meadowlands Stadium were able to proclaim that it was privately financed, and the stadium was built and approved with only token opposition and no political fallout.<sup>40</sup> This is despite the fact that the public financing of infrastructure projects connected to the stadium, and debt service on the old stadium, stand at a total of \$500 million, with perhaps another \$200 million to come in the form of forgone property taxes. If we take at



face value the estimate of a \$600 million public contribution for the failed West Side Stadium, it is hard to argue that taxpayers are appreciably better off.<sup>41</sup> It is far easier to sell infrastructure costs to the public as a necessary expense than it is stadium construction costs. After all, roads, bridges, and the like are all legitimately accepted public expenditures, yet construction costs are frequently derided as “corporate welfare.”

The New York Islanders is the only franchise in the metropolitan New York area without plans for a new stadium. The Islanders’ owner, Charles Wang, has been seeking a replacement venue for the team for several years. The Islanders’ current home, Nassau Coliseum, is the National Hockey League’s (NHL) oldest venue, and is almost universally derided as its worst. Wang has been seeking approval for the “Lighthouse Project” off and on since 2003.<sup>42</sup> The project would include a mammoth renovation of Nassau Coliseum, along with a shopping center and condominiums. Wang was reportedly seeking an arrangement with the Town of Hempstead and Nassau County where he would pay for a \$320 million renovation of the Coliseum and lease 77 acres of public land for \$1, as well as pay \$1.5 million in annual rent.<sup>43</sup> One assumes that there would be significant infrastructure cost for such a project, given that it involves a major renovation of public land, and that many, if not all, of these costs would be borne by the municipality. The project has been stalled, and Wang has tried to use the threat of relocation in an effort to move matters along. In 2009, the Islanders played an exhibition game in Kansas City, which does not currently have an NHL team, in hopes of sending a less-than-subtle message that he was serious about relocating.<sup>44</sup> More recently, the Mets have discussed the possibility of building an arena for the Islanders in Queens, though there is not yet a concrete proposal on the table.<sup>45</sup>

The Islanders face some difficulty that the other New York teams did not. For one, they have been woefully unsuccessful for most of the last 20 years, even by the meager standards of the Knicks and Rangers, and it is much easier to support a winning franchise than a losing one. The threat of relocation to Kansas City was, it seems, not taken all that seriously, and perhaps with good reason. Kansas City has already failed at hosting an NHL franchise once before, and the threat of leaving a huge market like New York for a far smaller market like Kansas City may ring hollow. What is more, the plans for the other New York stadiums were consummated prior to the 2008 recession. In the current political climate, any perceived public funding might well go over poorly at a time when the state is dealing with a serious budget crisis. We have seen in the case of both the West Side Stadium and with MSG the ever-decreasing willingness of political leaders to open the public’s wallet for these projects. Finally, the NHL as a whole is not on the solid footing of the other three major sports; one franchise is already in bankruptcy, and thus the NHL is not in a position to support new development as was the NFL. Wang thus faces a dilemma far worse than

any of his fellow owners did, and it is uncertain how it will resolve itself.

What conclusions can we draw from this? There seems to be an increasing reluctance on the part of political leaders to fund stadium projects. The era of direct payments and grants to franchises has likely passed; the costs to the public in most of the above cases were frequently hidden. We have observed the opposition to Yankee Stadium that intensified over time, the buyer’s remorse experienced by those who backed Prudential Arena, the outright veto of a West Side Stadium, and an attempt to revoke the property tax abatement for MSG. These point to a tougher case for sports franchises to make in the future if they want public money for stadium projects, however the funding is couched. Unfortunately for franchises, this goes directly against the trend of ever-increasing costs, which would necessitate a desire for greater public involvement. For example, the Jets and Giants had to commit to amounts of private financing with which some other NFL owners were uncomfortable. If public financing is harder to come by, franchises will either have to dig deeper into their own pockets or become more spendthrift with their building projects. Since sports leagues generally want to avoid their teams taking on high levels of debt, it seems reasonable to believe that there will be a push to decrease costs in the future.

## Endnotes

1. The New Jersey Nets are moving to Brooklyn, with a planned date of 2012. While it appears the recent litigation surrounding that move has come to an end, the Nets have just been sold to a new owner, so their situation remains in flux, and as such, is beyond the scope of this article.
2. It is unclear whether this initial estimate included costs for infrastructure, but it appears that it did not, per [http://www.nj.com/newarkguide/index.ssf/2007/10/project\\_pricetag\\_nears\\_500m.html](http://www.nj.com/newarkguide/index.ssf/2007/10/project_pricetag_nears_500m.html) (last visited July 22, 2010).
3. <http://devilsdaily.com/node/137> (last visited July 22, 2010). All final costs include necessary infrastructure work, i.e., parking and public transportation renovations. The venue itself is listed at a cost of \$375 million, per <http://www.prucenter.com/default.asp?prucenter=153&urlkeyword=Highlights> (last visited July 22, 2010).
4. [http://www.nj.com/newarkguide/index.ssf/2007/10/project\\_pricetag\\_nears\\_500m.html](http://www.nj.com/newarkguide/index.ssf/2007/10/project_pricetag_nears_500m.html) (last visited July 22, 2010). This number is very much up for debate. For the stadium itself, the City of Newark contributed \$210 million, revenues from a lawsuit against the Port Authority of New York and New Jersey, and the Devils paid the remainder, per <http://www.wchs880.com/Prudential-Center-Opens-Tonight/1131733> (last visited July 22, 2010). The remainders are infrastructure costs borne by the state of New Jersey and federal government.
5. <http://www.nytimes.com/1995/07/14/sports/hockey-devils-and-new-jersey-call-truce-and-strike-deal.html?scp=104&sq=nashville+devils&st=nyt> (last visited July 22, 2010).
6. [http://www.nypost.com/p/sports/devils/report\\_devils\\_owe\\_millions\\_in\\_back\\_TTon4qRyWhY6k5fS0pBY6l](http://www.nypost.com/p/sports/devils/report_devils_owe_millions_in_back_TTon4qRyWhY6k5fS0pBY6l) (last visited July 22, 2010).
7. [http://blog.nj.com/njv\\_joan\\_whitlow/2009/12/nets\\_or\\_no\\_nets\\_newark\\_needs\\_a.html](http://blog.nj.com/njv_joan_whitlow/2009/12/nets_or_no_nets_newark_needs_a.html) (last visited July 22, 2010).
8. [http://www.nj.com/news/index.ssf/2010/05/prudential\\_center\\_nj\\_devils\\_wo.html](http://www.nj.com/news/index.ssf/2010/05/prudential_center_nj_devils_wo.html) (last visited July 22, 2010).

9. <http://www.ballparks.com/baseball/national/nymbpk.htm> (last visited July 22, 2010). The stadium was to cost \$444.4 million, and the remaining \$155.6 million was for infrastructure.
10. <http://www.fieldofschemes.com/documents/Yanks-Mets-costs.pdf> (last visited July 22, 2010).
11. <http://www.nytimes.com/2008/02/08/sports/baseball/08sandomir.html> (last visited July 22, 2010).
12. <http://www.fieldofschemes.com/documents/Yanks-Mets-costs.pdf> (last visited July 22, 2010).
13. *Id.*
14. <http://www.nytimes.com/2002/01/17/opinion/bonus-season-for-baseball.html> (last visited July 22, 2010).
15. <http://www.nytimes.com/2002/01/16/nyregion/bloomberg-says-details-on-stadiums-were-omitted.html> (last visited July 22, 2010). It should be noted that the recently deceased Yankees owner George Steinbrenner had been intermittently threatening to move the Yankees out of the Bronx since the 1980s, with Manhattan and New Jersey the most commonly mentioned destinations, though it is unclear how serious that threat ever was, nor is it clear that it was ever taken seriously.
16. <http://www.ballparks.com/baseball/national/nymbpk.htm> (last visited July 22, 2010).
17. <http://www.ballparks.com/baseball/american/nyybpk.htm> (last visited July 22, 2010).
18. <http://www.plannyc.org/taxonomy/term/718> (last visited July 22, 2010).
19. <http://www.fieldofschemes.com/documents/Yanks-Mets-costs.pdf> (last visited July 22, 2010).
20. <http://www.allbusiness.com/trends-events/delays-postponements/12223713-1.html> (last visited July 22, 2010).
21. [http://www.nyc.com/arts\\_attractions/citi\\_field\\_stadium\\_mets.1001249/editorial\\_review.aspx](http://www.nyc.com/arts_attractions/citi_field_stadium_mets.1001249/editorial_review.aspx) (last visited July 22, 2010).
22. [http://www.usatoday.com/sports/football/nfl/2007-01-26-notebook\\_x.htm](http://www.usatoday.com/sports/football/nfl/2007-01-26-notebook_x.htm) (last visited July 22, 2010).
23. <http://www.nytimes.com/2010/04/09/sports/football/09stadium.html> (last visited July 22, 2010).
24. <http://www.nytimes.com/2009/10/11/sports/football/11taxes.html> (last visited July 22, 2010).
25. [http://www.nytimes.com/2005/06/07/nyregion/07stadium.html?\\_r=1](http://www.nytimes.com/2005/06/07/nyregion/07stadium.html?_r=1) (last visited July 22, 2010).
26. <http://www.washingtonpost.com/wp-dyn/content/article/2006/12/07/AR2006120701484.html> (last visited July 22, 2010). The G3 program is technically a loan, but functions more like a grant. The NFL loans the money to pay for stadium construction costs, but the loan is repaid with the visiting team's share of club seat revenue, essentially dispersing the costs of the loan to the remaining NFL teams. [http://articles.sfgate.com/2007-02-02/sports/17230571\\_1\\_stadium-fund-new-stadium-candlestick-point](http://articles.sfgate.com/2007-02-02/sports/17230571_1_stadium-fund-new-stadium-candlestick-point) (last visited July 22, 2010).
27. <http://sportsbusinessjournal.com/index.cfm?fuseaction=article.main&articleId=54208&requestTimeout=900> (last visited July 22, 2010).
28. [http://www.fieldofschemes.com/news/archives/2006/02/jersey-mayor\\_gr.html](http://www.fieldofschemes.com/news/archives/2006/02/jersey-mayor_gr.html) (original link unavailable).
29. [http://www.nytimes.com/2006/04/01/nyregion/01stadium.html?\\_r=1&oref=slogin](http://www.nytimes.com/2006/04/01/nyregion/01stadium.html?_r=1&oref=slogin) (last visited July 22, 2010).
30. [http://www.fieldofschemes.com/news/archives/2006/12/3094\\_giants\\_jets\\_get.html](http://www.fieldofschemes.com/news/archives/2006/12/3094_giants_jets_get.html) (original link unavailable).
31. <http://www.nytimes.com/2010/05/06/sports/06garden.html> (last visited July 22, 2010).
32. [http://www.nydailynews.com/news/2007/11/02/2007-11-02\\_mayor\\_bloomberg\\_wont\\_extend\\_109m\\_tax\\_bre-4.html](http://www.nydailynews.com/news/2007/11/02/2007-11-02_mayor_bloomberg_wont_extend_109m_tax_bre-4.html) (last visited July 22, 2010), though as of 2007, the tax break was actually estimated at \$11.6 million by the Independent Budget Office, per [http://www.fieldofschemes.com/news/archives/2007/11/bloomberg\\_ill\\_n.html](http://www.fieldofschemes.com/news/archives/2007/11/bloomberg_ill_n.html) (last visited July 22, 2010).
33. <http://www.nytimes.com/2002/11/21/nyregion/metro-matters-no-taxes-no-foul-at-the-garden.html> (last visited July 22, 2010).
34. <http://www.nytimes.com/2008/01/31/nyregion/31garden.html?ref=nyregion> (last visited July 22, 2010).
35. See n. 27. See also [http://www.nydailynews.com/ny\\_local/2009/02/22/2009-02-22\\_end\\_madison\\_square\\_garden\\_tax\\_breaks\\_sez.html](http://www.nydailynews.com/ny_local/2009/02/22/2009-02-22_end_madison_square_garden_tax_breaks_sez.html) (last visited July 22, 2010).
36. <http://www.nytimes.com/2008/01/07/nyregion/07garden.html> (last visited July 22, 2010).
37. <http://www.nytimes.com/2005/02/11/sports/football/11draft.html> (last visited July 22, 2010).
38. <http://www.nytimes.com/2008/04/04/nyregion/04madison.html> (last visited July 22, 2010).
39. <http://oversight.house.gov/images/stories/documents/20071010171736.pdf> (last visited July 22, 2010).
40. Although Gov. Jon Corzine's re-election bid failed, to the authors' knowledge, no one has yet attributed this to the financing of Meadowlands Stadium.
41. Of course, if we assume that Meadowlands Stadium would have been built irrespective of the fate of the West Side Stadium, then taxpayers obviously benefit, since they are funding one stadium and not two.
42. <http://www.lighthouse1.com> (last visited July 22, 2010).
43. [http://www.fieldofschemes.com/news/archives/2009/10/3856\\_islanders\\_sign.html](http://www.fieldofschemes.com/news/archives/2009/10/3856_islanders_sign.html) (last visited July 22, 2010).
44. <http://www.nbcnewyork.com/news/sports/How-Does-Kansas-City-Islanders-Strike-You.html> (last visited July 22, 2010).
45. [http://gothamist.com/2010/05/12/mets\\_talk\\_to\\_the\\_islanders\\_about\\_mo.php](http://gothamist.com/2010/05/12/mets_talk_to_the_islanders_about_mo.php) (last visited July 22, 2010).

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# Old Wine in New Bottles: May a Licensee Exploit Previously Licensed Content Without the Consent of the Copyright Owner?

By Andrew Berger

Technology continues to create attractive new products that give users easy access to a vast number of previously licensed copyrighted works. Ebooks are one example. However when the new product exploits these previously licensed works without the permission of the copyright holder, litigation is likely.

The parties to the litigation are most often the copyright holder who licensed the copyrighted work and the licensee who seeks to exploit the work in the new product. The licensor would claim that the license does not contemplate the new use. In response, the licensee would assert that the new use is simply an evolutionary or forward step in the presentation of the work and is therefore permitted by the license.

The intent of the parties usually determines the scope of rights granted by a license. Yet in most new use cases there was no intent. When the license was executed years before, the copyright holder and the licensee never dreamed of the new use. In the absence of intent, how does a court resolve a new use issue where the license fails to expressly authorize the use?

The three leading new use cases in the Second Circuit, *Bartsch v. Metro-Goldwyn-Mayer, Inc.*,<sup>1</sup> *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*,<sup>2</sup> and *Random House, Inc. v. Rosetta Books LLC*,<sup>3</sup> provide some guidelines. Each resolves the issue of the scope of the license by focusing on the language of the copyright holder's grant of rights.

These cases indicate that a licensee may exploit the copyrighted work without the consent of the copyright holder if: (a) the grant of rights in the license is broad enough to encompass the new use; (b) that use was not unknown at the time the license was executed; and (c) the new use may reasonably be said to fall within the medium described in the license.<sup>4</sup> The medium to which the courts appear to be referring, without ever expressly so stating, is the method or form of distribution of the copyrighted work.<sup>5</sup>

As discussed below, these cases provide some useful guidance to parties facing a new use issue.

## **Bartsch**

In *Bartsch*, the issue was whether a grant of motion picture rights included the right to exhibit the film on television. The motion picture license, executed in 1930, included the right "to copyright, vend, license and exhibit

such motion picture...throughout the world."<sup>6</sup> When the movie version of the film was televised, the plaintiff sued, and claimed that the telecast exceeded the scope of the license.

The Circuit Court affirmed the dismissal of the action. The Court admitted that "any effort to reconstruct what the parties actually intended nearly 40 years ago is doomed to failure."<sup>7</sup> The Court instead focused on the language of the grant, stating it conveyed the "broadest rights."<sup>8</sup>

The key to this result was the word "exhibit." It stated that the right to "[e]xhibit' such motion picture... throughout the world'" "means to 'display' or to 'show' by any method including on television and nothing in the rest of the grant sufficiently reveals a contrary intention."<sup>9</sup> The Court thus permitted the licensee to "'properly pursue any uses which may reasonably be said to fall within the medium as described in the license,'" thereby avoiding "the risk that a deadlock between the grantor and the grantee might prevent the work's being shown over the new medium at all."<sup>10</sup>

The Second Circuit added that "[i]f the words are broad enough to cover the new use, it seems fairer that the burden of framing and negotiating an exception should fall on the grantor" at least when "the new medium was [not] completely unknown at the time when the contract was written."<sup>11</sup> The Court noted that the "future possibilities of television were recognized" at the time the license was signed.<sup>12</sup>

## **Boosey**

*Boosey* raised the issue of whether a license to use a song in a motion picture included the right to distribute the motion picture on videocassette.<sup>13</sup> In that case, Igor Stravinsky licensed to Walt Disney in 1939 the "right 'to record [his music composition] in any manner, medium or form' for use 'in [a] motion picture.'"<sup>14</sup> After Stravinsky assigned his rights under this license to Boosey, it sued Disney in 1991 alleging that the latter's distribution of the motion picture in video format was not permitted by the license.<sup>15</sup>

The Second Circuit reversed the grant of summary judgment to the plaintiff on its infringement claim. The appellate court, echoing *Bartsch*, admitted the impossibility "many years after formation of the contract," of



“ascertain[ing] the parties’ intent.”<sup>16</sup> Instead, the Court stated “[w]hat governs under *Bartsch* is the language of the contract. If the contract is more reasonably read to convey one meaning, the party benefited by that reading should be able to rely on it.”<sup>17</sup>

In reading the contract, the appellate court applied “neutral principles of contract interpretation.” *Boosey* stated its “new-use analysis” neither “favors” nor “disadvantages” either party,<sup>18</sup> adding that *Bartsch* had not adopted “a default rule in favor of copyright licensees.”<sup>19</sup> *Boosey* also rejected an approach that “tilts against licensees.”<sup>20</sup> Such an approach would give “rise to antiprogressive incentives,” making movie “producers...reluctant to explore and utilize innovative technologies.”<sup>21</sup>

*Boosey* found the “license ‘to record [the musical composition] in any manner, medium or form’ doubtless extends to videocassette recording.”<sup>22</sup> The Court then went further and held that the “right ‘to record in any... medium’...for use ‘in [a] motion picture’” was “broad enough to include distribution of the motion picture in video format,” “absent any indication in the Agreement to the contrary.”<sup>23</sup> Under these circumstances, the Court stated that Stravinsky should have added appropriate language to the license “if he wished to exclude new markets resulting from subsequently developed motion picture technology.”<sup>24</sup>

In reaching this result, *Boosey* cited to and appeared to follow<sup>25</sup> the expansive definition of a motion picture in *Bourne v. Walt Disney Co.*<sup>26</sup> In *Bourne*, the Second Circuit stated that a motion picture included “a broad genus whose fundamental characteristic is a series of related images that impart an impression of motion when shown in succession.... Under this concept the physical form in which the motion picture is fixed—film, tape, discs, and so forth—is irrelevant.”<sup>27</sup>

Applying this definition, *Boosey* concluded that video format was simply one of the “subsequently developed methods of distribution of a motion picture” and was therefore permitted by the license.<sup>28</sup> *Boosey* added that “[i]f a new-use license hinges on the foreseeability of the new channels of distribution at the time of contracting,” the licensee “has proffered unrefuted evidence that a nascent market for home viewing of feature films existed” when the license was executed.<sup>29</sup>

### **Rosetta**

The District Court in *Rosetta* distinguished *Bartsch* and *Boosey*, and found that the grant of rights did not authorize the new use. In *Rosetta*, three authors, including William Styron, licensed to Random House the right to “print, publish, and sell” their novels “in book form.”<sup>30</sup> Thereafter, Rosetta Books acquired from these authors the right to publish their novels as ebooks. A day after Rosetta began selling the novels in ebook form, Random

House moved to enjoin the sale. The District Court denied the motion, finding that the authors had not conveyed ebook rights to Random House.<sup>31</sup>

The District Court first noted that the authors’ licenses to Random House distinguished between the “pure content—i.e. ‘the work’—and the format of display—‘in book form.’” The court stated that Random House’s own dictionary “defines a ‘book’ as ‘a written or printed work...usually on sheets of paper’...and defines ‘form’ as ‘external appearance of a clearly defined area.’”<sup>32</sup>

The court then stated that the licenses gave Random House additional rights to “publish book club editions, reprint editions [and] abridged forms.”<sup>33</sup> The court concluded that Random House would not have needed these additional rights “if the phrase ‘in book form’” was as broad as Random House contended and “encompassed all [these] types of books.”<sup>34</sup> The court also relied on trade usage, noting that the phrase to “‘print...in book form’ is understood in the publishing industry...to be a ‘limited’ grant” and “generally” refers to a “hardcover trade book.”<sup>35</sup>

The *Rosetta* court observed that the grants in *Bartsch* and *Boosey* were “far broader than here,”<sup>36</sup> adding that the “‘new use’ in those cases—i.e. display of a motion picture on television [*Bartsch*] or videocassette [*Boosey*]—fell squarely within the same medium as the original grant.”<sup>37</sup> In contrast, *Rosetta* noted the new use at issue, “electronic digital signals sent over the internet—is a separate medium from the original use—printed words on paper.”<sup>38</sup> The court relied in part on Random House’s expert, who concluded “that the media [analog and digital] are distinct because information stored digitally can be manipulated in ways that analog information cannot.”<sup>39</sup>

The court, mindful of avoiding an approach that “‘tilts against licensees,’” stated “that the policy rationale of encouraging development in new technology” was “at least as well served by finding that the licensors” retain ebook rights.<sup>40</sup> “In the 21st century it cannot be said that licensees such as book publishers and movie producers are ipso facto more likely to make advances in digital technology than start-up companies.”<sup>41</sup>

The Second Circuit, surprisingly adding little to the District Court’s reasoning, held that the denial of Random House’s request for an injunction was not an abuse of discretion. The Court stated that the issue whether “the licenses” “extend to ebooks” required “fact-finding regarding...the ‘evolving’ technical processes and uses of an ebook...and the reasonable expectations of the contracting parties.”<sup>42</sup>

### **Random House Does and About-Face**

Ironically, Random House, seven years after losing *Rosetta*, announced by memo dated December 11, 2009

that it had ebook rights to some of the same older works that were successful at issue in *Rosetta*.<sup>43</sup> The memo, making no reference to *Rosetta*, stated that Random House “considers contracts that grant the exclusive rights to publish ‘in book form’...to include the exclusive right to publish in electronic book publishing formats.”<sup>44</sup>

Random House recently reversed course. *The New York Times* reported on April 25, 2010, that Random House “appears to be letting go of digital rights” to at least two of Mr. Styron’s older works, *Sophie’s Choice* and *Confessions of Nat Turner*.<sup>45</sup> It further reported that Random House referred to William Styron as “a unique family situation.”<sup>46</sup> Random House may have instead reread *Rosetta* and acted accordingly.

## Conclusion

In sum, parties wishing to predict a new use outcome may gain useful assistance from these cases.

First, a licensee may make a use that was not set forth in the license if the language of the grant of rights may reasonably be read to permit the new use.

The grants in *Bartsch* and *Boosey* easily qualified because of their breadth. In *Bartsch*, the Court found the right to “exhibit” the motion picture included its “display” “by any method,” including television.<sup>47</sup> In *Boosey*, the Court held the grant, to “record” the musical composition “in any manner” or “form” for use in a motion picture extended to the movie’s distribution in video.<sup>48</sup> In contrast, the grant in *Rosetta* to “print...in book form” did not extend to the new use because the District Court found the scope of the grant was narrow.<sup>49</sup>

Second licensees are likely to prevail if they can show that the new channel of distribution might have been foreseen by the licensor at the time the license was executed. Thus, *Bartsch* noted that the future possibilities of television were not unknown.<sup>50</sup> *Boosey* referred to a “nascent market for home viewing.”<sup>51</sup>

Third, a broad grant usually enables the court to authorize an equally broad medium or form of distribution to effectuate the purpose of the grant. In *Bartsch*, the grant authorized multiple media distribution formats because the grant permitted the licensee to display the motion picture “by any method.”<sup>52</sup> In *Boosey*, the grant to distribute the motion picture also translated into a broad medium because of the loose definition of motion picture the court borrowed from *Bourne*.<sup>53</sup>

Finally, *Rosetta* offers licensors seeking to narrow the grant a road map. Trade usage or industry custom may be used to limit the scope of the rights granted by the license. Further, there may be separate grant language in the license setting forth other rights to the copyrighted works. In that case, a court may find that that additional

language would not have been necessary if, as the licensee contends, the grant language it seeks to enforce conveys all rights. *Rosetta* also indicates that a finding for the authors-licensors does not necessarily implicate anti-progressive incentives. That is because the Internet may have helped licensors achieve some parity with traditional licensees in developing “new technologies that will enable all to enjoy the creative work in a new way.”<sup>54</sup>

## Endnotes

1. 391 F.2d 150 (2d Cir.), *cert. denied*, 393 U.S. 826 (1968).
2. 145 F.3d 481 (2d Cir. 1998).
3. 150 F.Supp.2d 613 (S.D.N.Y. 2001), *aff’d*, 283 F.3d 490 (2d Cir. 2002).
4. 391 F.2d at 155; 145 F.3d at 488; 150 F. Supp. 2d at 620-23.
5. See *Boosey*, “[t]he words of Disney’s license are more reasonably read to include than to exclude a motion picture distributed in video format,” 145 F.3d at 487.
6. 391 F.2d at 151.
7. *Id.* at 155.
8. *Id.* at 154.
9. *Id.*
10. *Id.* at 155.
11. *Id.* at 154-55.
12. *Id.* at 154.
13. 145 F.3d at 485.
14. *Id.* at 484.
15. *Id.* at 485.
16. *Id.* at 488.
17. *Id.* at 487.
18. *Id.* at 487, 488 n. 4.
19. *Id.* at 487.
20. *Id.* at 488 n. 4.
21. *Id.*
22. *Id.* at 486.
23. *Id.*
24. *Id.* at 487.
25. *Id.* at 486.
26. 68 F.3d 621, 630 (2d Cir. 1995).
27. *Id.* at 630.
28. *Id.* at 486.
29. *Id.*
30. 150 F.Supp.2d at 614.
31. *Id.* at 624.
32. *Id.* at 620.
33. *Id.*
34. *Id.*
35. *Id.* at 621-22.
36. *Id.* at 622.
37. *Id.*
38. *Id.*
39. *Id.*

40. *Id.* at 623.
41. *Id.*
42. 283 F.3d at 491-92. Judge Leval in *Boosey* stated that in new use cases the Second Circuit applies “neutral principles of contract interpretation” favoring neither party. However the Second Circuit in *Rosetta* took a different and unexplained tack. It stated that New York “has arguably adopted a restrictive view of the kinds of ‘new uses’ to which an exclusive license may apply when the contracting parties do not expressly provide for coverage of such future forms.” Curiously, *Rosetta* did not overrule *Bartsch* and *Boosey*. Instead, *Rosetta* string cited those two cases preceded by the “but cf.” signal. *Id.* at 491. Hopefully, the Second Circuit will clarify whether neutral or restrictive principles of contract interpretation will apply in new use cases.
43. See <http://www.sarahweinman.com/rh121109.pdf> (last visited June 28, 2010).
44. *Id.*
45. <http://www.nytimes.com/2010/04/26/books/26random.html?scp=1&sq=random%20house%20styron%20ebook&st=case> (last visited on June 28, 2010).
46. *Id.*
47. 391 F.2d at 155.
48. 145 F.3d at 487.
49. 150 F. Supp. 2d at 623.
50. 391 F. 2d at 154.
51. 145 F.3d at 486.
52. 391 F.2d at 154.
53. 145 F.3d at 486.
54. 150 F.Supp.2d at 619.

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# One Singular Sensation: The Rise of Enhancement Deals Between Nonprofit Theaters and Commercial Producers

By Leia LeFay

In recent years, enhancement deals have become common arrangements between nonprofit theaters and commercial producers. An enhancement deal involves a transaction in which a commercial producer provides funding for a particular show that a nonprofit theater produces and performs as part of its regular season.<sup>1</sup> The nonprofit uses the funding to “enhance” the physical production with more elaborate sets and costumes.<sup>2</sup> Since the labor costs associated with putting on a nonprofit production amount to significantly less than the costs of mounting a Broadway show, the capital that a commercial producer contributes can go further in terms of on-stage embellishments. As a result, commercial producers receive the opportunity to “test-run” enhanced productions, so as to work out any rough spots, for much less than it would cost to mount the same show on Broadway.<sup>3</sup>

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*“This article proposes several flexible, yet clear, factors for both tax examiners and nonprofit theaters to use in assessing whether or not a nonprofit’s involvement in a specific enhancement deal could jeopardize the organization’s tax-exempt status.”*

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Commercial producers generally also receive the rights to transfer enhanced shows to Broadway, once they see how the productions look, how well they do at box offices, and how theater critics respond.<sup>4</sup> In addition to enhancement funds, nonprofits also usually receive either some percent of future royalties and/or box office proceeds if a show subsequently transfers to Broadway. When such transfers occur, nonprofits benefit from this revenue stream and from the cache of having incubated a Broadway hit.<sup>5</sup>

Proponents of enhancement deals can point to many Broadway successes that started as enhancement-funded productions at nonprofit theaters.<sup>6</sup> Critics of enhancement monies complain that the deals entice nonprofits to produce works chosen by commercial producers over less commercially appealing works that may be more in keeping with the mission of the nonprofit.<sup>7</sup> From a legal standpoint, this raises a serious question as to whether a nonprofit’s tax-exempt status may be threatened as a result of having engaged in a commercial activity that is not in furtherance of its mission.<sup>8</sup>

This article proposes several flexible, yet clear, factors for both tax examiners and nonprofit theaters to use in assessing whether or not a nonprofit’s involvement in a specific enhancement deal could jeopardize the organization’s tax-exempt status.

## I. Commercial v. Nonprofit Theater Productions

As a precursor to understanding the issues at stake in an enhancement deal, it is necessary to understand the operational differences between commercial and nonprofit theater productions. In a commercial theater production, investors provide financial backing for a show. These investors may include private individuals or corporations. The production does not usually affiliate itself with an already existing production company or theater. Instead, commercial producers organize ad hoc business entities, usually limited liability companies or limited partnerships, in order to enter into the transactions required to mount a specific production.<sup>9</sup> The limited liability entity that is formed is not an ongoing business, but lasts only for the life cycle of the immediate show for which it was organized. If the show goes on tour, it is likely a new entity will form for that venture.<sup>10</sup>

Nonprofit theaters differ from commercial theatrical ventures in a number of significant ways. The primary difference is that because these theaters are structured as 501(c)(3) tax-exempt organizations, the driving force behind all of their business decisions is not to maximize profits for investors, but to fulfill tax-exempt charitable purposes.<sup>11</sup> Nonprofit theaters have no investors on whose behalf they are required to maximize profits. Instead, nonprofit theaters are bound to serve the community for whom they were incorporated. Nonprofit theaters have traditionally received funding from a combination of tax-deductible donations, government grants, funding from foundations, and income generated from box office receipts, season subscriptions, and show merchandise.<sup>12</sup> In contrast to commercial theatrical ventures, nonprofit theaters are ongoing organizations that usually have their own performance venues. Nonprofits usually put on an entire season of productions, rather than focus on a single production.<sup>13</sup> The funding a nonprofit receives is not invested in a single production, but supports a diverse offering of shows across the season. While some degree of economic success for each production is a necessary goal on a practical level, having multiple productions in a single season spreads the financial risk involved in each individual production. This risk spreading, coupled with access to funding other than box office receipts, arguably allows nonprofits to more freely choose productions

based on their artistic merits, regardless of their commercial appeal.<sup>14</sup> Accordingly, nonprofit theaters play an important role in the evolution of theater, by providing a venue for cutting edge works that may not appeal to commercial investors and would otherwise fail to reach the stage.<sup>15</sup>

### A. Setting the Stage for Enhancement

A number of economic developments have created an environment ripe for enhancement deals, from the perspective of both commercial producers and nonprofit theaters. Decreases in traditional sources of nonprofit theater funding have made enhancement funds appealing, or even necessary, for nonprofits.<sup>16</sup> Cuts made to the National Endowment for the Arts budget in 1996 resulted in reductions in governmental funding that continue today.<sup>17</sup> While funding has decreased, expenses have increased, as has the competition for audience dollars from film, television and other entertainment events.<sup>18</sup>

On the side of commercial producers, the cost of mounting Broadway shows continues to increase, with budgets sometimes reaching above 10 million dollars.<sup>19</sup> As a result, commercial producers have sought to reduce risks by giving shows a “try-out,” either at a nonprofit or at a theater outside of New York.<sup>20</sup> Since these venues do not require the multi-million dollar investment of a Broadway opening, try-outs allow producers to test run the show, as well as to see how the production fares both at the box office and in the eyes of theater critics. Commercial producers can then resolve artistic problems that arise during the trial run before taking the show to Broadway.<sup>21</sup> In the event of a transfer to Broadway, no money is ultimately saved—as the commercial producer must eventually make the larger investment required to open the show on Broadway. There is always the possibility that the show will do poorly on Broadway despite a successful trial run, but overall trial runs greatly reduce the risk. In the case of a flop during a trial run, producers lose the amount of the enhancement. That amount, however, pales in comparison to the amount commercial producers stand to lose on a show that performs poorly at the box offices on Broadway.<sup>22</sup>

Given the economic pressures facing both commercial producers and nonprofit theaters, enhancement deals almost seem like a match made in heaven. Financial backing by commercial producers not only allows nonprofits to put on more elaborate productions than they can otherwise afford on their own, but also opens the door to other potential revenue streams for cash-strapped nonprofits. In addition to the solid box office receipts that an enhanced show may deliver during the production’s run at a nonprofit, a successful transfer to Broadway may provide a valuable source of income well after the production has left the nonprofit’s stage, in the form of royalties and Broadway box office receipts. A successful Broadway transfer may increase the reputation of a particular non-

profit theater among theatergoers and thereby ultimately result in increased subscription sales for that theater.

For commercial producers, the reduced financial risk achieved by trying out shows with smaller initial investments provides great incentive to participate in enhancement deals.<sup>23</sup> The most significant cost savings of working with a nonprofit theater come from the difference in required minimum pay for actors and other labor.<sup>24</sup> Commercial producers also save a great deal on transactional costs. A nonprofit theater provides commercial producers with an already organized entity that can enter into any agreements required to mount an enhanced production. The need to establish an ad hoc entity for the enhanced production is abrogated, as is the need to seek out and book a performance venue, since nonprofits generally also have their own theater spaces.

In addition to overhead cost savings, the risk reduction component of enhancement deals is also realized by the opportunity to preview how both theater critics and audiences will respond to the production. Producers can then take these reactions into consideration when deciding whether to transfer the show to Broadway at all. Commercial producers can respond to unfavorable reviews generated during the trial run by reworking the aspects of a show that drew criticism prior to a Broadway opening.<sup>25</sup>

While the advantages of enhancement deals for both commercial producers and nonprofits arguably benefit the general public as well because the net result of enhancement deals may be more theater overall, critics argue that nonprofits engaging in enhancement deals may be “selling out.” In a legal sense, “selling out” is an allegation with serious consequences, because under the tax laws that govern tax-exempt organizations, nonprofits are prohibited from forgoing their original missions in pursuit of profit. If a nonprofit organization’s activities deviate substantially from the mission statement for which it was originally granted tax-exempt status, these deviations may jeopardize the organization’s status as a tax-exempt entity.

## II. The Commerciality Doctrine and Tax-Exempt Status

Section 501(c)(3) of the tax code provides tax-exempt status to organizations operating for charitable purposes. In order to gain tax-exempt status, an organization must be both organized and operated for a charitable purpose.<sup>26</sup> In addition, the organization must not confer any special benefits upon individuals who exercise control over the organization.<sup>27</sup> The term “nonprofit” does not prohibit 501(c)(3) organizations from earning a profit or from engaging in commercial transactions with the public and with for-profit entities, but rather refers to the nondistribution constraint. The nondistribution constraint forbids the distribution of profits to shareholders or to other parties who exercise control over the organiza-

tion.<sup>28</sup> Since nonprofits must be organized and operated for charitable purposes, the community that a particular nonprofit has been organized on behalf of becomes the beneficiary entitled to receive the fruits generated by a nonprofit's activities. Unlike corporate entities, the driving force behind all the decisions made by a nonprofit cannot be the maximization of profit, but must be the fulfillment of an organization's charitable mission in the service of its beneficiaries. When a nonprofit operates outside of its mission, the question of whether or not the organization still deserves a tax exemption arises.

Many nonprofits necessarily engage in a degree of commercial activity in the process of fulfilling their missions. Nonprofit theaters, for example, produce shows, engage in marketing campaigns to promote their productions, and charge admission to the public. Nothing in the tax code restricts nonprofit theaters from engaging in commercial activities to the extent that the commercial activities are implicated in the fulfillment of a qualifying tax-exempt mission.<sup>29</sup> Commercial transactions such as compensating actors and charging admission for performances are not regarded as threatening to a nonprofit theater's tax-exempt status. If, however, a nonprofit's commercial activity interferes with the fulfillment of its mission—such as where the maximization of profit influences a nonprofit organization to make decisions that promote private financial interests above the furtherance of its charitable mission—the organization can lose its exempt status. The tax code and treasury regulations provide little guidance on where the line lies between permissible and impermissible commercial activity. Given the severity of this consequence, the lack of clarity creates a serious risk for nonprofits that engage in commercial activities.

## B. Qualifications for Tax-Exempt Status—The Organizational and Operational Tests

In order to qualify for tax-exempt status, an organization must be both created and operated in furtherance of a charitable purpose.<sup>30</sup> An organization's mission statement embodies the qualifying charitable purpose. Section 501(c)(3) of the Tax Code states that an organization must be "organized and operated *exclusively* for a charitable purpose" to qualify for tax-exempt status.<sup>31</sup> Treasury Regulation 1.501(c)(3)-1(c) seems to soften the standard by stating:

An organization will be regarded as operated exclusively for one or more exempt purposes only if it engages *primarily* in activities which accomplish one or more exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.<sup>32</sup>

Subsection (e) specifically addresses commercial activities, stating:

An organization may meet the requirements of section 501(c)(3) although it operates a trade or business as a substantial part of its activities, if the operation of such trade or business is in furtherance of the organization's exempt purpose or purposes and if the organization is not organized or operated for the primary purpose of carrying on an unrelated trade or business...<sup>33</sup>

Accordingly, in order for an organization to qualify for tax-exempt status, it must be able to show that it has been organized and is operated primarily for the fulfillment of a charitable mission. In the case where a nonprofit engages in commercial activities as a substantial amount of its total activities, it must show that the activities are in furtherance of its mission.<sup>34</sup> If the commercial activities constitute a substantial amount of an organization's overall activity without furthering the mission, the organization may have its exempt status denied or revoked. Conversely, the regulation implies that insubstantial unrelated commercial activity will not jeopardize the organization's exempt status.<sup>35</sup>

An organization demonstrates that it meets the standard of primarily serving a purpose worthy of tax exemption by satisfying both an organizational and an operational test.<sup>36</sup> The organizational test applies to the creation of a nonprofit and whether the primary motivation for organizing the nonprofit was a charitable purpose.<sup>37</sup> The operational test looks at an organization's subsequent operations to determine whether the organization functions in compliance with its qualifying exempt purpose.<sup>38</sup> In conducting the organizational test, an examiner looks at the organization's articles of incorporation to analyze whether or not the stated purpose qualifies for an exemption and whether or not the articles of incorporation authorize the organization to conduct activities that are not in furtherance of the exempt purpose.<sup>39</sup> In the context of nonprofit theaters, the organizational test rarely comes up as an issue, because support of the arts has long been considered a charitable purpose.<sup>40</sup>

The operational test addresses an organization's conduct. It looks at three aspects of an organization's operations: its primary activities; the distribution of earnings; and whether the organization functions as an action organization.<sup>41</sup> For the purposes of analyzing the conduct of nonprofit theaters in enhancement deals, only the primary activities prong and the earnings distribution prong are relevant.<sup>42</sup>

### 1. The Primary Activities Prong

The primary activities prong of the operational test focuses on the relationship between an organization's



primary activities and its charitable purpose. The primary activities prong asks whether a nonprofit in fact operates in furtherance of the charitable purpose for which it was organized and granted tax-exempt status. In assessing an organization's primary activities, Treas. Reg 1.501(c)(3)-1(c) simply instructs that an organization meets the primary activities prong of the operational test if the organization's activities primarily promote its exempt purpose.<sup>43</sup> The regulation further states that an organization cannot pass the operational test if it engages in a substantial amount of activity not in furtherance of its mission.<sup>44</sup> No guidance is provided on how to determine whether activities are in furtherance of mission, or on what constitutes "substantiality" in this context. Treas. Reg 1.501(c)(3)-1(e), the subsection pertaining specifically to commercial activity, adds little to the analysis. It merely acknowledges that the operational test is a facts and circumstances test, but provides no guidance on how to meaningfully analyze the relevant facts and circumstances.<sup>45</sup>

## 2. The Earnings Distribution Prong

The earnings distribution prong reflects the nondistribution constraint that requires nonprofits to benefit public rather than private interests, by prohibiting distribution of a nonprofit's earnings to private parties. Impermissible distribution of earnings can occur in two forms: "inurement" and "accrual of private benefits by third parties." Inurement refers to transactions which provide an excessive benefit to an organization's insiders.<sup>46</sup> Inurement violates the nondistribution constraint and is not tolerated in any amount.<sup>47</sup> The tax code requires a penalty for any excess benefit flowing to a nonprofit's insiders.<sup>48</sup>

Accrual of private benefits by third parties may arise when a nonprofit transacts with parties outside of the organization. A nonprofit's conferral of benefits upon a third party only violates the nondistribution constraint if the benefit acquired by a third party is more than merely incidental to transactional activities furthering the organization's exempt purpose.<sup>49</sup> While any amount of inurement results in a penalty, accrual of benefits by a third party does not pose a threat to exempt status when the benefit is incidental to activities conducted in pursuit of a charitable mission.<sup>50</sup> This more flexible standard reflects the practical reality that nonprofits often need to transact with private parties in order to further their missions.<sup>51</sup>

When an exempt organization allows its earnings to inure to insiders or be excessively accrued by third parties, the concern is that tax-exempt resources which should be used to benefit the public by advancing the nonprofit's charitable purpose, are instead serving solely private interests. In the case where a benefit to a third party is merely incidental to a transaction that is necessary to fulfilling a charitable purpose, this concern is assuaged. Accordingly, an organization may still pass the earnings distribution prong of the operational test even

if a private benefit accrues to a third party, as long as the private benefit is merely incidental to the furtherance of an organization's exempt mission.<sup>52</sup>

## B. Application of the Organizational and Operational Tests to Nonprofit Theaters Engaged in Commercial Activities

Two cases, *Broadway Theater League of Lynchburg v. United States* and *Plumstead Theater Society v. Commissioner of Internal Revenue*, have provided insight on the application of the organizational and operational tests to nonprofit theater companies engaging in commercial activities. In *Broadway Theater League of Lynchburg v. United States*, the petitioner was a nonprofit theater appealing from a denial of tax-exempt status. Exempt status was denied because of the Broadway League of Lynchburg's (League) contract with a commercial booking agency, United Performing Arts, Inc. (United).<sup>53</sup> The contract required the League to conduct a membership drive on a yearly basis. During the drive, members purchased theater subscriptions for the upcoming season. The contract further specified that the League include in every season a minimum of four shows booked by United. Both the League and United had the power to set prices for the season tickets.<sup>54</sup> At United's request, the League agreed to only sell season tickets and not to sell tickets to individual shows. The League also agreed to deal exclusively with United for the term of the contract, and to pay United a 15 percent commission on all membership dues.<sup>55</sup> In addition, the contract gave United the right to reorganize the League, should the League's current officers resign or should the continuance of the organization fall into jeopardy.<sup>56</sup>

In applying the organizational test, the court looked at the charitable purpose contained in the articles of incorporation. The tax commissioner took issue with the organization's purpose "to promote and cultivate in the citizens of Lynchburg, Virginia and the surrounding area, an interest in good theatrical performances of *all* kinds."<sup>57</sup> The government argued that the League's use of the word "all" resulted in making the mission broader than 501(c)(3) permits. The purpose to promote an interest in all kinds of theater productions might include commercial productions not deserving of a tax exemption. In the government's view, the League failed the organizational test because this language expressly empowered the organization to engage in an activity not in furtherance of a sufficiently charitable purpose. The court rejected the government's argument, finding that the promotion of the arts in general qualifies as a charitable purpose.<sup>58</sup> In reading the entire mission as a whole, the court found that the purpose it contained was sufficiently directed at this charitable goal.<sup>59</sup> The court further noted that the adoption of a broad mission does not necessarily mean that the organization has improperly empowered itself to engage in activities unrelated to its exempt purpose.<sup>60</sup>

The court's operational test analysis focused on the nature of the League's primary activities and on which party exercised control in making decisions relevant to these activities, based on the contractual relationship established between the League and United.<sup>61</sup> The government argued that the League failed the primary activities prong of the operational test, because the League's primary activities were controlled by United and conducted in furtherance of United's profit-making goals.<sup>62</sup> Similarly, the government asserted that because the League operated primarily for the benefit of United, it provided impermissible private benefits to United in the form of commissions and a reliable venue for touring productions that had hired United to book performance dates for them.<sup>63</sup>

However, the court then rejected the government's perspective, finding that the League exercised meaningful control over its own activities.<sup>64</sup> The court looked to a number of addendums to the contract that decreased United's power in the relationship and limited its ability to influence decisions made by the League.<sup>65</sup> In particular, the court noted several provisions that were financially protective of the League, to the detriment of United.<sup>66</sup> The court dismissed the government's objection to United's requirement that tickets only be sold in seasonal packages, emphasizing the risk reduction value in conducting full season advanced ticket sales. The court explained that the prohibition on ticket sales for individual shows was "nothing more than a cautious business practice designed to carry forth the purposes for which the League was created and insure the success of such a venture."<sup>67</sup> Accordingly, the court held that the League's primary activities were conducted in furtherance of its charitable mission, not for the purpose of advancing United's financial interests.<sup>68</sup>

As to the private benefits that accrued to United, namely the commission it earned on ticket sales in exchange for booking the season's shows and the use of the League's venue as an outlet for the touring productions that had contracted with United to book stops on their tours, the court found these benefits incidental.<sup>69</sup> The League's activities were not operated for the purpose of providing these benefits to United. Rather, these benefits arose incidentally from commercial activities carried on by the League in furtherance of its mission.<sup>70</sup> The court emphasized that a nonprofit is permitted to enter contracts and "incur ordinary and necessary expenditures in its regular activities without losing its exempt status."<sup>71</sup> Hiring United to book the season's shows was in furtherance of the charitable mission to promote the theater within the local community. The reasonable fee that the League paid to United for the service did not constitute an impermissible private benefit. The benefit United realized by having, on one hand, a venue in Lynchburg, Virginia seeking to book touring productions, and on the other hand, touring productions as clients looking for

performance venues, was simply an incidental result of United's business as a booking agency. Accordingly, the court found both the organizational and operational tests were met and the League was granted its tax exemption.<sup>72</sup>

*Plumstead Theater Society v. Commissioner of Internal Revenue* further developed many of the key factors expressed by the court in *Broadway Theater League of Lynchburg*. In *Plumstead*, a newly formed California nonprofit theater, the Plumstead Society Theater (Plumstead), decided to co-produce a play with the Kennedy Center, an established Washington, D.C. nonprofit theater.<sup>73</sup> Under the co-production agreement, each nonprofit contributed 50 percent of the capital needed for the production, and would share equally in both profits and losses.<sup>74</sup> The Plumstead was unable to come up with its share of required capital on its own. In order to make the required contribution, the Plumstead sold a percentage of its rights in the production to outside investors.<sup>75</sup> The Plumstead initiated a joint venture with the investors and formed a limited partnership, with the Plumstead acting as the general partner.<sup>76</sup> Two individuals and a for-profit company were the limited partners, contributing a total of \$100,000 in exchange for a 63.5 percent share in the Plumstead's profits from the production.<sup>77</sup> The partnership agreement did not require the Plumstead to make a capital contribution to the limited partnership, nor did the Plumstead incur liability to the limited partners for a return on their investment, even in the event of a loss.<sup>78</sup>

The tax commissioner denied a tax exemption for the Plumstead, stating that the theater operated substantially for a commercial purpose, as a result of the formation of a limited partnership.<sup>79</sup> In the tax commissioner's view, the limited partnership raised a potential conflict between the theater's obligation to further its tax-exempt mission, and the theater's duty as general partner to advance the financial interests of its limited partners. In rejecting the tax commissioner's position, the court began with the organizational test, looking at the Plumstead's extensive mission statement. The mission focused on the promotion of the arts and proposed several specific activities in furtherance of this purpose, such as commissioning works; providing grants and scholarships to artists; conducting workshops; and presenting public performances.<sup>80</sup> The court relied on *Broadway Theater League of Lynchburg*, finding that the promotion of the arts generally qualifies as an exempt purpose.<sup>81</sup> The court saw no evidence that the theater had been organized for any purpose other than its charitable mission, and accordingly the Plumstead satisfied the organizational test.

The real heart of this opinion emerged in the discussion of the operational test. In denying tax-exempt status to the Plumstead, the tax commissioner had pointed to the "commercial hue" of its activity. The tax commissioner claimed that in entering the co-production agreement with the Kennedy Center and forming a limited partner-

ship to fund the production, the Plumstead acted “in a manner indistinguishable from a commercial enterprise involved in the business of producing plays.”<sup>82</sup> In particular, the commissioner pointed to the fact that the play was advertised in newspapers, tickets were sold, and professional actors performed in the production.<sup>83</sup>

In declining to follow the commissioner’s approach, the court elaborated on the point made in *Broadway Theater League of Lynchburg*—that participation by a nonprofit in commercial transactions that are ordinary and necessary components of achieving its charitable purpose tax does not destroy tax-exempt status. The court rejected the commercial hue doctrine as applied to the analysis of theatrical productions under the operational test, because it failed to provide a meaningful distinction between nonprofit and commercial operations in the theater context.<sup>84</sup> The court found that all theater productions, both nonprofit and commercial, have some degree of commercial hue.<sup>85</sup> As in *Lynchburg*, the court emphasized that the presence of commercial activities does not result in a failure of the primary activities prong of the operational test, when those commercial activities are substantially related to the mission. “Nothing in Section 501(c)(3) dictates that the public find out about petitioner’s performances through word of mouth, that they be forced to watch amateurs act, or that they be seated totally free of charge.”<sup>86</sup>

Rather than looking for a “commercial hue” in the Plumstead’s operations, the court asserted several operational factors it deemed characteristic of a nonprofit theater operating primarily in furtherance of its mission and compared these factors to the operations of a commercial production.<sup>87</sup> The court conducted the primary activities prong of the operational test by analyzing the Plumstead’s activities under this rubric.<sup>88</sup> The court determined that the Plumstead clearly operated like a nonprofit theater and not like a commercial production company.<sup>89</sup> In both nonprofit and commercial settings, the first factor was choice of production—with the commercial production company generally selecting works based on their box office appeal, and the nonprofit often choosing more experimental works.<sup>90</sup> Secondly, the court examined the duration of the run of each show in both nonprofit and commercial contexts. The court noted that commercial productions usually run for as long as sales are strong, while a nonprofit offers limited runs, regardless of box office performance.<sup>91</sup> The duration of the run was correlated with a third factor—diversity of offerings in a season.<sup>92</sup> One reason for the shorter run in the nonprofit context is that the nonprofit has several other productions it is putting on in the same season. This diversity serves the exempt purpose by allowing the nonprofit to expose the audience to a variety of different works. The risk-spreading aspect of having a diverse season gives the nonprofit more freedom to take chances on experimental works. Commercial theater companies, by contrast, usu-

ally only concentrate on a single production at a time and run the production for as long as it generates high box office receipts.

Another factor considered by the court was cost of tickets.<sup>93</sup> A nonprofit usually has lower priced tickets overall, while the cost of a ticket to a commercial production reflects its profit motive and is solely based on the amount that the market will bear. Finally, the court noted that in a nonprofit context, the organization likely has educational programs or other programs that benefit the community.<sup>94</sup> In applying each of these factors to the Plumstead, the court found that the theater satisfied the primary activities prong of the operational test, because its primary activities were conducted in a manner typical of a nonprofit and not of a commercial production company.

The court addressed the private benefit prong of the operational test by analyzing the impact of the limited partnership on the theater’s operations. The partnership arrangement raised a private benefit concern because of the possibility that the Plumstead’s contractual obligations to its limited partners under the partnership agreement would lead the theater to place the limited partners’ financial interests ahead of the advancement of the theater’s charitable purpose. In that situation, the Plumstead would not only have failed to properly conduct its primary activities in furtherance of an exempt purpose, it would also fail the earnings distribution prong of the operational test, because the private benefits accrued by the limited partners would be more than merely incidental to the advancement of a charitable purpose.

In assessing the accrual of private benefits by the limited partners under the earnings distribution prong, the court recalled *Lynchburg* in its emphasis on who has control in a contractual arrangement. The court found that the Plumstead, as the general partner in a limited partnership, had complete control over the operation of its own activities and its activities were conducted primarily in furtherance of the mission.<sup>95</sup> Based on the structure of the partnership agreement, the court found that the Plumstead did not subordinate furtherance of its mission to the financial interests of the limited partners, and accordingly did not provide a private benefit to the limited partners that was more than incidental to the furtherance of its mission.<sup>96</sup> The investment transaction was an arm’s length deal in which investors paid a reasonable price in exchange for an interest in the production.<sup>97</sup> Neither of the individual limited partners nor any officer or director of the corporate limited partner worked for the Plumstead or sat on its board.<sup>98</sup> The partnership agreement did not require the Plumstead to contribute nonprofit funds to the venture or incur liability to the limited partners for a return on their investment.<sup>99</sup> Under this partnership agreement, the Plumstead retained artistic control over the production and remained free to place furtherance



of its mission above the financial interests of the limited partners. The court further noted that the joint venture production was but one of many planned productions, and that the performance of plays was but one of the many ways the Plumstead sought to fulfill its mission.<sup>100</sup>

### III. Proposed Legal Approach to Enhancement Deals

The *Lynchburg* and *Plumstead* decisions provide a useful framework for the development of meaningful standards to assess whether or not a nonprofit theater complies with the requirements of the organizational and operational tests, when a nonprofit engages in an enhancement deal. Critics of enhancement deals assert that as a result of these deals, nonprofit theaters neglect their missions by choosing more commercial productions than they might otherwise include in their seasons. While the point has some validity,<sup>101</sup> it is untenable from the perspective of developing a practical standard. The choice of which production to mount is primarily an aesthetic choice. The Internal Revenue Service (IRS) is institutionally unsuited to determine whether or not the choice of a particular production falls within the scope of a nonprofit's mission. Any analysis which involves the IRS drawing subjective lines as to what constitutes sufficiently experimental art would present tremendous implementation problems and likely provide no clear guidance to nonprofits engaging in enhancement deals.<sup>102</sup> Despite the validity of concern regarding choice of production, the IRS must defer to nonprofits on this issue and other primarily aesthetic questions.

#### A. The Organizational Test

There are many other factors, however, that can provide clear and practical insight as to whether or not a particular enhancement deal should threaten a nonprofit theater's tax-exempt status. Given the need to defer to the nonprofit on artistic matters, a tax examiner should regard the mission statement of a nonprofit theater broadly when applying the organizational test, as the court did in *Lynchburg*.<sup>103</sup> Where the nonprofit is organized for the promotion of the arts, the presumption should be that it passes the organizational test, without further requiring the nonprofit to show it is organized specifically for the promotion of arts that are especially experimental or otherwise without broad commercial appeal.<sup>104</sup> When subsequently applying the operational test and considering whether the organization's activities are conducted primarily in furtherance of its tax-exempt purpose, the examiner should compare the activities to a broad purpose to promote the arts rather than to a more narrow purpose to promote specific types of art (such as a purpose to promote solely avant-garde theater). This is necessary to avoid the kind of subjective line-drawing that would be required in working from a more narrowly drawn mission.

#### B. The Operational Test

Although the law must necessarily defer to the nonprofit on artistic matters such as choice of production, under *Plumstead* there are several other useful factors for evaluating the operations of the nonprofit.<sup>105</sup> This author's proposed operational analysis can be analogized to veil-piercing in corporate law. In corporate veil-piercing, the examiner looks at the facts of how the entity operates and determines if the chosen form is truly being respected, or if the entity is substantively a mere façade—established only to take advantage of the corporate limitations on personal liability. A similar question arises in regard to tax-exempt entities engaging in commercial activities. Is the entity a bona fide charitable institution, organized and operated in furtherance of a charitable purpose that benefits the general public? Or has the nonprofit form been chosen primarily to advance private interests through exploitation of the tax-exempt status and other economic benefits conferred upon charitable organizations?

As in the veil-piercing context, the primary activities and earnings distribution prongs of the operational test seek to answer these questions by conducting a facts and circumstances analysis of an organization's activities. Building upon the *Lynchburg* and *Plumstead* opinions, the primary activities analysis should focus on whether an entity functions more like a charitable organization or a commercial business, when looking at the entity's primary activities in the aggregate. Application of the earnings distribution prong should examine who exercises control over an organization's primary activities, in an enhancement deal between a nonprofit theater and a commercial producer. Overt articulation of which factors count in conducting an operational analysis of a nonprofit theater in the context of enhancement deals will provide greater clarity to parties seeking to engage in enhancement deals and to examiners faced with the task of conducting an operational test in connection with particular enhancement deals.

##### 1. The Primary Activities Prong

The opinion in *Plumstead* discusses four factors that may indicate that an organization operates primarily as nonprofit theater, rather than as a vehicle for commercial interests. These factors provide useful guidance for conducting the primary activities prong of the operational test and include: The diversity of a theater's season, the length of individual show runs, ticket prices, and a presence or absence of other activities such as educational or community programming. A nonprofit theater more likely operates primarily in furtherance of its mission when it offers a diversity of productions in a single season, with each show running for a limited time. A variety of shows indicates that the nonprofit chooses its productions based on many criteria, not simply box office potential. Such diversity serves the general purpose of furthering the arts by exposing the public to many different kinds of theater

in a single season. The fixed duration of the run, determined before a show even opens, points to the likelihood that the important decision of when to close the show is not based on box office receipts. Even if a show is a success, it must only run for so long, to make room for other (potentially less profitable) offerings. Conversely, a show that fails to perform well at the box office will still be given its full run and not be closed early due to poor sales, as would be the case in a commercial setting.

The availability of some tickets at affordable prices, not driven purely by what the market can bear, further evinces a charitable rather than a commercial purpose. Finally, the provision of educational programs or other programs that benefit the community indicates that an organization's primary activities are conducted in furtherance of its exempt purpose, rather than for the achievement of commercial goals.

## 2. The Distribution of Earnings Prong

In addition to assessing the primary activities of a nonprofit, the operational test also requires specific consideration of a nonprofit's distribution of its earnings and other benefits. Transactions which primarily benefit private parties violate the prohibitions on inurement and/or accrual of private benefit to third parties and may cause a nonprofit to fail the earnings distribution prong of the operational test. A nonprofit need not have an overtly self-serving motive in order to violate these prohibitions. Particularly in industries such as entertainment, where deals often emerge from personal relationships, entities may unknowingly engage in transactions that impermissibly confer benefits upon private parties.

In the context of enhancement deals, the concern is that commercial producers may be judged as receiving more than incidental private benefits from nonprofit theaters, in the form of the risk-reduction incentives arising from enhancement deals.<sup>106</sup> If the benefits accrued by a commercial producer in a specific enhancement deal are more than incidental to the nonprofit's furtherance of its mission, the nonprofit would fail the earnings distribution prong of the operational test. In analyzing a nonprofit's enhancement deal activities under the earnings distribution prong, an examiner should consider two questions to determine whether or not private benefits that are more than incidental have been accrued by commercial producers: 1) Does the nonprofit theater retain control in its relationship with a commercial producer and 2) does the nonprofit meaningfully exercise this control? The first question can be answered by looking at the structure of a particular deal and the written contract expressing the relationship between the parties. The second question can be resolved by evaluating the composition of the nonprofit's board and the board's role in making decisions regarding the specific enhancement deal.

The contractual relationship between the parties is an important factor in assessing whether or not any

excessive private benefits are accrued by the commercial producers.<sup>107</sup> As in *Lynchburg* and *Plumstead*, control is the essential consideration.<sup>108</sup> The question of who holds artistic control is particularly significant. An enhancement deal provides a nonprofit with an increased budget for a production, but as long as the nonprofit retains artistic control, it continues to produce a show within the parameters that allow it to exclusively pursue its exempt purpose, without needing to seek mutual approval from a commercial party. Under these circumstances, an enhancement deal is simply another source of funding for activities that are conducted in furtherance of mission. The risk reduction benefits enjoyed by the commercial producers are merely incidental to a transaction that promotes a charitable purpose.

In order to demonstrate that the private benefits accrued by commercial producers in a particular enhancement deal are merely incidental, artistic control should be explicitly addressed in a written contract between the parties.<sup>109</sup> Full artistic control over an enhanced production should be granted to the nonprofit theater.<sup>110</sup> In an established nonprofit theater, where the quality of work is generally high, commercial producers can be convinced to relinquish control over the production to the nonprofit, as the quid pro quo for the risk-reduction benefits enjoyed by the commercial producer.<sup>111</sup>

The financial and legal structure established in the contract is also important, as financial and legal obligations may influence aesthetic choices and diminish the scope of artistic control retained by a nonprofit. As in *Plumstead*, a nonprofit theater should not be liable to commercial producers for any return of funds contributed pursuant to an enhancement deal.<sup>112</sup> This point should appear in the contract.<sup>113</sup> Contractual provisions should also waive or modify any fiduciary duties that might obligate a nonprofit to advance the interests of commercial producers at the cost of furthering its mission.<sup>114</sup>

Once a nonprofit has shown that it retains control contractually, the examiner should also evaluate whether the nonprofit meaningfully exercises this control. To determine whether or not control is meaningfully exercised, an examiner should consider the composition of a nonprofit's board and the board's role in making decisions regarding a specific enhancement deal. An active and relatively disinterested board can do a great deal to ensure that a nonprofit stays true to its mission and to protect against the accrual of more than incidental private benefits by commercial producers in an enhancement deal.

Ideally, no board member would have significant ties outside of a nonprofit to any commercial producer engaging in an enhancement deal with that nonprofit. In practice, nonprofits seek board members who have business and social connections that may be valuable to the promotion of the nonprofit's mission. For this reason, it would

be impractical to insist that no member of a nonprofit theater board have connections to commercial producers. At the very least, a nonprofit's board should not be dominated by members whose interests are strongly aligned with commercial producers who are transacting with the nonprofit. Such a board composition would help avoid potential conflicts of interest that might allow for accrual of more than incidental private benefits by commercial producers transacting with the nonprofit.

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*"The current lack of clarity in the law makes it difficult for nonprofit theaters engaging in enhancement deals to judge whether their conduct is likely to jeopardize their tax-exempt status."*

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To be an effective guard against the accrual of more than incidental private benefits by commercial producers, a nonprofit's board should be actively involved in and kept up to date regarding the nonprofit's decision making process in connection with an enhancement deal.<sup>115</sup> Where connections exist between board members or officers of a nonprofit theater and commercial producers, these connections should be disclosed to the entire board in the process of vetting a possible enhancement deal to allow the board to properly address conflicts of interest. Through minutes of board meetings, a nonprofit can demonstrate its board's level of active participation in the decision making process. A board that is informed about any connections between board members and commercial producers, actively participates in decisions regarding enhancement deals, and is willing to engage in open dialogue with the artistic director where it is possible that the mission may be compromised, should be regarded as sufficiently protecting against the accrual of excessive benefits by commercial producers.<sup>116</sup>

## Conclusion

Enhancement deals between nonprofit theaters and commercial producers rightfully raise concerns about whether the nonprofit is operating primarily in furtherance of its mission and whether private benefits are being accrued by third parties. The current lack of clarity in the law makes it difficult for nonprofit theaters engaging in enhancement deals to judge whether their conduct is likely to jeopardize their tax-exempt status. Identifying concrete factors that distinguish the operations of nonprofit theaters from commercial productions, and incorporating these factors into the primary activities prong of the operational test, provides a functional framework for assessing whether a nonprofit's enhancement deal activities are properly conducted in furtherance of its mission. Recognizing that control is the key factor in preventing excessive accrual of benefits to commercial producers and focusing the earnings distribution prong on an analysis

of who has control in an enhancement relationship creates more tangible standards by which to evaluate an enhancement deal under the earnings distribution prong. Such guidelines are needed both by tax examiners who conduct operational tests and must know what to look for in reviewing a nonprofit's activities, and by nonprofits who want to know how to properly conduct themselves when engaging in enhancement deals.

Despite criticism, enhancement deals overall seem to be a positive force in contemporary theater. Enhancement deals have provided much-needed funding to nonprofits in the face of massive decreases in government spending on the arts. Many of today's Broadway hits began as enhanced shows, and likely would have not been produced without the safety net provided by such deals. Most importantly, nonprofit theaters have not stopped producing works that are risky and innovative.<sup>117</sup> By developing practical standards to govern the conduct of nonprofit theaters engaging in enhancement deals, the law will help to ensure that nonprofit theaters will continue to act in furtherance of their exempt purposes, for the benefit of the general public.

## Endnotes

1. Campbell Robertson, *Nonprofit Show, But Money's Riding On It*, NY TIMES, March 18, 2007. See also James Herbert, *Road to Broadway a Rough Ride*, SAN DIEGO UNION TRIBUNE, November 22, 2009. See also Isaac Butler *Enhancement?* PARABASIS BLOG, <http://parabasis.typepad.com/blog/2008/01/enhancement.html> (last visited July 18, 2010).
2. See Campbell Robertson, *Nonprofit Show, But Money's Riding On It*, NY TIMES, March 18, 2007.
3. See *id.*
4. See *id.*
5. See *id.*
6. For example, the hit musical *Rent* was developed through an enhancement deal. Focused on the stories of young artists in New York struggling with the impact of HIV on their communities and in their lives, the show was not typical commercial fare and likely would have been too risky to open immediately on Broadway. Commercial producers contributed \$150,000 to the nonprofit production at the New York Theater Workshop. Following the nonprofit run, *Rent* transferred to Broadway and enjoyed tremendous success, including subsequent touring productions and a film version. As a result of the enhancement deal, millions of dollars in royalties went to the New York Theater Workshop. This revenue stream allows the nonprofit to fund other works that are not as commercially appealing. See *id.*
7. See John Heilpern, *Rocco to the Rescue! Remember Your Raison D-Etre*, THE NEW YORK OBSERVER, July 16, 2000 (quoting criticisms made of enhancement deals by Rocco Landesman, President of Jujacymn Theaters and chairman of the National Endowment for the Arts). Landesman argues that enhancement deals have corrupted nonprofit theaters, driving nonprofits to produce commercial works that should not be considered tax-exempt activities. See also Carolyn Casselman, *Waltzing with the Muse or Dancing with the Devil: Enhancement Deals Between Nonprofit Theaters and Commercial Producers*, Spring Vol. COLUMBIA JOURNAL OF LAW AND THE ARTS 323, 325-6 (2004).
8. See Jack Siegel, *Theater Groups Take Payment From Producers: Possibly Jeopardizing Mission and Raising Tax Issues*, CHARITY GOVERNANCE, March 20, 2007, [http://www.charitygovernance.com/charity\\_](http://www.charitygovernance.com/charity_)



- governance/2007/03/theatre\_groups\_.html (last visited July 18, 2010).
9. Carolyn Casselman, *Waltzing with the Muse or Dancing with the Devil: Enhancement Deals Between Nonprofit Theaters and Commercial Producers*, Spring Vol. COLUMBIA JOURNAL OF LAW AND THE ARTS 323, 327 (2004).
  10. *Id.* at 327.
  11. *Id.* at 328.
  12. *Id.* at 328.
  13. *Id.* at 328.
  14. *Id.* at 328.
  15. *Id.* at 328.
  16. *Id.* at 328-9.
  17. The National Endowment for the Arts (NEA) provides grants to support the arts. From the mid 1980s to the mid 1990s, the NEA's annual budget ranged from \$160 million to \$180 million. In 1996, the NEA's budget was cut to \$99.5 million. In recent years, Congress has approved budget increases, but the NEA's 2009 budget was still lower than its budget was in 1995. Especially once inflation is taken into consideration, the grant-making capacity of the NEA today is significantly less than it was in the previous two decades. This decrease in federal grant monies has negatively affected nonprofit theaters. Barry Grove, the executive producer of the Manhattan Theater Club, one of the most established nonprofit theaters in New York, has estimated that NEA funding once accounted for 20% of a nonprofit's budget. Since the 1996 decrease, Grove estimates that NEA funding has dropped to as little as 2% of a nonprofit theater's budget. See John Rockwell, *For Profit or Not, It's All Showbiz*, NEW YORK TIMES, September 22, 2002. See also [http://en.wikipedia.org/wiki/National\\_Endowment\\_for\\_the\\_Arts](http://en.wikipedia.org/wiki/National_Endowment_for_the_Arts) (last visited July 18, 2010).
  18. In some cases, expenses have increased as a result of positive growth. The Roundabout Theater, one of the premier nonprofit theaters in New York, was faced with the costs of keeping up with its own success when its number of subscribers reached 40,000. In order to serve this volume of subscribers, the Roundabout needed to seek out a larger venue. The larger theaters are located on Broadway and the overhead of a long-term lease for such a space is significant. Hoping to avoid a potentially overwhelming commitment to increased expenses, from 1991-1999 the Roundabout rented the Criterion Theater. The agreement was for a rental, rather than a long-term lease, giving the Roundabout some flexibility should it find itself not able to sustain the increased expense over the long term. Since the agreement was for a shorter term, it contained a provision allowing for cancellation of the rental. When property values increased greatly, the landlord was able to exercise that option and cancelled the agreement. The theater subsequently became a Toys R Us. See John Rockwell, *For Profit or Not, It's All Showbiz*, NEW YORK TIMES, September 22, 2002.
  19. Carolyn Casselman, *Waltzing with the Muse or Dancing with the Devil: Enhancement Deals Between Nonprofit Theaters and Commercial Producers*, Spring Vol. COLUMBIA JOURNAL OF LAW AND THE ARTS 323, 329 (2004).
  20. *Id.* at 329.
  21. One example is the show *Next to Normal*, which was first produced using enhancement funds at the nonprofit theater Second Stage, under the title *Feeling Electric*. During the Second Stage run, the show received mixed reviews. The producers had the opportunity to consider these reviews and make revisions to the show before opening at the Booth Theater on Broadway to favorable reviews. See Casselman at 330.
  22. One clear illustration of both the vast cost saving that can be had by producing a show at a nonprofit instead of on a Broadway stage, and the value of the risk-reduction aspect of enhancement deals, is *Radiant Baby*, a DreamWorks-backed musical mounted by the nonprofit Public Theater in 2003. The show was expected to transfer to Broadway, but opened to mediocre reviews and never transferred. See Ben Brantley, *Theater Review: An Artist's Energy, Subdued Only by Death*, NEW YORK TIMES March 3, 2003. The Public Theater received just under one million dollars in enhancement money from DreamWorks for the production. Patrick Pacheco, *An Artist's Radiance Redeemed*, LOS ANGELES TIMES, February 23, 2003. Estimated costs for initially opening the same show on Broadway would have been substantially higher and would have resulted in a greater unrecouped investment for the production's commercial producer if the show subsequently closed at a loss. Interview with Cara Joy David, freelance theater journalist (November 30, 2009). See also Robert Holfer, *DreamWorks Pushing "Baby" in Buggy to B-Way*, VARIETY, Jan. 26, 2003, <http://www.variety.com/article/VR1117879497.html?categoryid=1236&cs=1&query=%22radiant%22+and+%22broadway%22> (last visited July 18, 2010).
  23. Telephone Interview with a former theater journalist (November 30, 2009).
  24. Actors working on Broadway shows are guaranteed a certain minimum salary based on the collective bargaining agreement that the actors' labor union, the Actor's Equity Association, has with Broadway theaters. Nonprofit theaters are members of the League of Resident Theaters (LORT), which has a different collective bargaining agreement in place with the Actor's Equity Association. The so-called "LORT rate," the minimum pay rate for actors working on a show in a LORT theater, is significantly less than the minimum rate payable to actors working in a Broadway theater. See Tobie S. Stein and Jessica Bathurst, *PERFORMING ARTS MANAGEMENT: A HANDBOOK OF PROFESSIONAL PRACTICES*, Allworth Press, 2008, at 105.
  25. Telephone Interview with a former theater journalist (November 30, 2009). See also Casselman at 330.
  26. I.R.C. § 501(c)(3).
  27. *Id.*
  28. James J. Fishman and Stephan Schwarz, *NONPROFIT ORGANIZATIONS*, Foundation Press (Third Edition 2006) at 3; see also Casselman at 326.
  29. *Plumstead Theater Society v. Commissioner of Internal Revenue*, 74 T.C. 1324, 1331-2 (1980).
  30. I.R.C. § 501(c)(3).
  31. *Id.*
  32. Treas. Reg 1.501(c)(3)-1(c).
  33. Treas. Reg 1.501(c)(3)-1(e).
  34. In order to be in furtherance of mission, the commercial activities cannot be engaged in simply to generate income to fund other activities that further the mission. The commercial activities themselves must be in direct furtherance of the mission. See *Better Business Bureau v. U.S.*, 326 U.S. 279 (1945) (rejecting the "destination of income" test).
  35. Insubstantial unrelated commercial activities are not policed by revocation of exempt status, but by the imposition of unrelated business income tax (UBIT) on income derived from the unrelated economic activities. James J. Fishman and Stephan Schwarz, *NONPROFIT ORGANIZATIONS*, Foundation Press (Third Edition 2006) at 616. UBIT issues have not generally arisen in the context of theater enhancement deals. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009).
  36. Treas. Reg 1.501(c)(3)-1(a).
  37. *Broadway Theater League of Lynchburg v. United States*, 293 F. Supp. 346 at 351.
  38. The organizational test was undoubtedly conceived and enacted to encourage a full disclosure as to the organization's intended method of operation and thus serves as a condition precedent to achieving an exempt status. The operational test would seem to be

- a condition subsequently enacted to insure that the organization would not deviate from its exempt purposes. *Id.* at 351.
39. Treas. Reg 1.501(b)(1)(i) (a) and (b).
  40. See *Rev. Rul. 64-175*, (1964) and *Rev Rul. 73-45*, (1973); see also Carolyn Casselman, *Waltzing with the Muse or Dancing with the Devil: Enhancement Deals Between Nonprofit Theaters and Commercial Producers*, Spring Vol. COLUMBIA JOURNAL OF LAW AND THE ARTS 323, 331 (2004).
  41. Treas. Reg 1.501(c)(3)-1(c)(1), (2), and (3).
  42. “Action organizations” refer to organizations that raise funds for political campaigns. James J. Fishman and Stephan Schwarz, *NONPROFIT ORGANIZATIONS*, Foundation Press (Third Edition 2006) at 556.
  43. Treas. Reg 1.501(c)(3)-1(c)(1).
  44. *Id.*
  45. “In determining the existence or nonexistence of such primary purpose, all the circumstances must be considered, including the size and extent of the trade or business and the size and extent of the activities which are in furtherance of one or more exempt purposes.” Treas. Reg 1.501(c)(3)-1(e).
  46. James J. Fishman and Stephan Schwarz, *NONPROFIT ORGANIZATIONS*, Foundation Press (Third Edition 2006) at 476.
  47. *Id.* at 476.
  48. Traditionally, inurement in any amount resulted in a revocation of tax-exempt status. Today, inurement that occurs in a small amount is punished instead by intermediate sanctions under I.R.C. § 4958. Intermediate sanctions are a less harsh remedy that taxes the excess benefit. *Id.* at 487.
  49. *Id.* at 485.
  50. *Id.* at 485.
  51. Private parties generally need an incentive to transact with nonprofits, as in any business transaction. Nonprofits should not need to rely solely on donations from private parties whenever a nonprofit needs to transact with a private party in order to further its mission. For example, a nonprofit theater need not fear that it will fail the earnings distribution prong of the operational test when it compensates actors for appearing in its shows or pays a printing company for producing promotional materials used in advertising its shows. These payments are incidental to activities that promote a nonprofit’s charitable purpose.
  52. Treas. Reg 1.501(c)(3)-1(c)(2). See also James J. Fishman and Stephan Schwarz, *NONPROFIT ORGANIZATIONS*, Foundation Press (Third Edition 2006) at 485 (noting that private benefit to third parties may not destroy tax-exempt status if the private benefit is incidental).
  53. *Broadway Theater League of Lynchburg v. United States*, 293 F. Supp. 346 (1968).
  54. *Id.* at 348.
  55. *Id.* at 348.
  56. *Id.* at 348.
  57. *Id.* at 352.
  58. *Id.* at 352.
  59. The charitable purpose contained in the League’s articles of incorporation was essentially the general promotion of theater in the local community. *Id.* at 348.
  60. *Id.* at 352.
  61. *Id.* at 353-4.
  62. *Id.* at 353.
  63. *Id.* at 354.
  64. *Id.* at 354-5.
  65. *Id.* at 354.
  66. The addendum reduced the contract term from three years to one year, prohibited United from incurring expenses on behalf of the League without the League’s prior written consent, required a rebate on United’s service fee if a scheduled show fell through, and established a mutual termination option that could be exercised in the case of low ticket sales. *Id.* at 354.
  67. *Id.* at 355-6.
  68. *Id.* at 355.
  69. *Id.* at 355.
  70. *Id.* at 355.
  71. *Id.* at 355.
  72. *Id.* at 356.
  73. *Plumstead Theater Society v. Commissioner of Internal Revenue*, 74 T.C. 1324 at 1327 (1980).
  74. *Id.* at 1327.
  75. *Id.* at 1328.
  76. *Id.* at 1328.
  77. *Id.* at 1328.
  78. *Id.* at 1328.
  79. *Id.* at 1328.
  80. *Id.* at 1325-6.
  81. *Id.* at 1329.
  82. *Id.* at 1330.
  83. *Id.* at 1331.
  84. *Id.* at 1331. The “commercial hue” doctrine suggests that one way to determine whether a nonprofit has passed the operational test is to consider whether it acts substantially similar to its for-profit counterpart. However, the commercial hue doctrine is unhelpful in contexts where the nonprofit and the for-profit will necessarily engage in many of the same commercial activities; for example, in the theater context where both produce shows for public audiences, charge admission fees and pay for advertising. See also *Presbyterian and Reformed Publishing Co. v. Commissioner*, 743 F.2d 148 (1984).
  85. *Plumstead Theater Society* at 1331-2.
  86. *Id.* at 1332.
  87. *Id.* at 1332-3.
  88. *Id.* at 1332-3.
  89. *Id.* at 1332-3.
  90. *Id.* at 1332-3.
  91. *Id.* at 1332-3.
  92. *Id.* at 1332-3.
  93. *Id.* at 1332-3.
  94. *Id.* at 1332-3.
  95. *Id.* at 1333-4.
  96. *Id.* at 1333-4.
  97. *Id.* at 1333-4.
  98. *Id.* at 1333-4.
  99. *Id.* at 1333-4.
  100. *Id.* at 1334. Accordingly, even if the joint venture production were deemed to be outside of the mission, it could not be considered substantial enough to threaten the Plumstead’s exempt status.
  101. Telephone Interview with a former theater journalist (November 30, 2009).

102. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009).
103. *Broadway Theater League of Lynchburg v. United States*, 293 F. Supp. 346 at 352.
104. This is particularly true because the public's sense of what constitutes an "experimental" as opposed to a "commercial" production necessarily changes over time. A provocative show, creatively nurtured, can have the power to open audiences' minds and reduce stigma attached to the show's subject matter. In such a case, subsequent commercial success clearly would not indicate that a nonprofit strayed from its mission in its choice of production.

There are numerous examples countering the common complaint that nonprofit theaters select less experimental works (and potentially depart from their mission statements in doing so) because they are increasingly focused on commercial transfers. On the contrary, given the risk-reduction advantage of mounting a show that has been previously produced at a nonprofit, commercial producers may be more willing finance edgy productions in which they would not ordinarily invest. A prime example is *Doubt: A Parable*, which originally opened at the nonprofit Manhattan Theater Club. Commercial producer Carole Shorenstein Hays held the commercial rights and later successfully transferred the production to Broadway. A haunting show about sexual molestation in the church, *Doubt* might have been considered a production with limited commercial appeal. Without the risk-reducing advantage of a nonprofit trial run, it is hard to say whether any commercial producer would have made the necessary investment to bring this provocative show to Broadway. See Zachary Pincus-Roth, *No Doubt This Play is in the Black*, VARIETY, June 28, 2005; see also Robert Hofler, *Doubt May Head to Kerr*, VARIETY, June 25, 2005.
105. It is worth noting that although the choice of production is one of many factors discussed in *Plumstead*, it cannot be considered because of the need to defer to the organization on artistic issues. Forgoing this factor still leaves plenty of other (more useful) factors to consider in applying the operational test. Further, the choice of production issue is somewhat subsumed by the factor that looks at the diversity of the season.
107. Although the standard on inurement is stricter in that any amount of inurement results in revocation of exempt status or intermediate sanctions, inurement does not present a real risk in the context of enhancement deals between nonprofit theaters and commercial producers. Inurement applies strictly to benefits that flow to an organization's insiders. Consequently, the circumstances which constitute inurement and the method for avoiding such circumstances are clear. A nonprofit theater should not enter an enhancement deal with a commercial producer who sits on its board or acts as an officer of the nonprofit. Where a commercial producer is a corporation, there should be no interlocking of directors or officers between the nonprofit and the corporate commercial producer. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009). See also Michael Schill, *The Participation of Charities in Limited Partnerships*, 93 Yale L.J. 1355 (June 1984).
107. See generally Carolyn Casselman, *Waltzing with the Muse or Dancing with the Devil: Enhancement Deals Between Nonprofit Theaters and Commercial Producers*, Spring Vol. COLUMBIA JOURNAL OF LAW AND THE ARTS 323 (2004).
108. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009). See also Jodi Schoenbrun, *Relationships between Commercial and Nonprofit Theater Primer*, OFF-STAGE RIGHT, May 6, 2009. <http://www.off-stage-right.com/2009/05/relationships-between-commercial-and-nonprofit-theatre-primer.html> (last visited July 18, 2010).
109. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009).
110. *Id.*
111. *Id.* See also Michael Schill, *The Participation of Charities in Limited Partnerships*, 93 Yale L.J. 1355 (June 1984).
112. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009).
113. *Id.*
114. One financial factor which should be weighed differently than was suggested in *Plumstead* is the capital contribution required of the nonprofit. In *Plumstead*, the fact that no capital contribution was expected from the Plumstead counted towards satisfaction of the operational test. In enhancement deals, nonprofits often are expected to contribute to the enhanced production. The capital contribution is actually recommended in some cases to avoid running afoul of the operational test, because along with a capital contribution comes a further justification for the right to control. Accordingly, a capital contribution by the nonprofit should not by itself be regarded as a negative factor. As a general rule, the nonprofit usually contributes the amount it would normally have budgeted for a single production in the season. If all goes well, the nonprofit does not spend any more on the enhanced production than it would have spent on a non-enhanced production filling the same spot in its season. Another factor to consider is whether the amount of the capital contribution is so great that it negatively impacts the nonprofit's budget for other, non-enhanced productions in its season. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009). See also Jodi Schoenbrun, *Relationships between Commercial and Nonprofit Theater Primer*, OFF-STAGE RIGHT, May 6, 2009. <http://www.off-stage-right.com/2009/05/relationships-between-commercial-and-nonprofit-theatre-primer.html> (last visited July 18, 2010).
115. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009).
116. *Id.* at 345-7.
117. Telephone Interview with Carolyn Casselman, Entertainment Associate, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Dec. 17, 2009).

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# Conflicting Ethics: A Case Study of the New Museum's Exhibit "Skin Fruit: Selections from the Dakis Joannou Collection"

By Elizabeth Bildner

Although public museums are governed and supported financially by their boards of trustees, they also draw on government funding. Public institutions are awarded government funding because they serve the public interest. However, in today's economy where museums struggle to financially sustain themselves and private collectors are amassing collections worthy of their own museums, the former are forced to renegotiate the traditional relationship between the public institution and the private collector. With the public's growing concern over whose interests are really being served, organizations such as the Association of Art Museum Directors (AAMD) and the American Association of Museums (AAM)<sup>1</sup> have created guidelines and codes of ethics that emphasize a museum's responsibility to be loyal to its mission, transparent in its actions and accountable to the public. The most recent exhibition of the New Museum of Contemporary Art (the Museum or New Museum) most titled "Skin Fruit: Selections from the Dakis Joannou Collection" epitomizes this ethical controversy.

The show, which consists of 100 selected works from New Museum Trustee Dakis Joannou's contemporary art collection and is curated by Jeff Koons, challenges even the most accepted ethical standards. Most prominent are the ethical issues of the Museum's lack of transparency and Joannou's trusteeship. Without abiding by the ethical standards in place, museums risk losing their tax-exempt status that for years has encouraged charitable donations and government funding. Although the AAM's and AAMD's ethical guidelines are currently unenforced, it is imperative that a governing board be created in order to hold museum officials, board members, and private collectors accountable; and, to remind them that museums exist to serve the public good, not private interests.

This article will begin by examining the history of the New Museum, its mission, and its exhibit, "Skin Fruit." Then it will lay out the ethical codes and guidelines promulgated by the museum profession and highlight how the Museum and Joannou violated their ethical responsibilities. The conclusion is a proposal of future actions that can be taken to ensure the sustainability of public institutions in the United States.<sup>2</sup>

## The New Museum and "Skin Fruit": A Case Study

Marcia Tucker founded the New Museum in 1977 as a museum that would function as a hybrid between grassroots art spaces and established museums.<sup>3</sup> The Museum does not have a permanent collection, so therefore cannot accept gifted works of art. While its director, Lisa Phillips, belongs to the AAMD, the Museum is not an accredited member of the AAM.

The Museum's succinct mission, "New Ideas, New Art," can be applied to both the style of art it exhibits as well as to the exploration of new ideas for museum collaborations. Throughout its 33-year history, the New Museum has lived up to its mission; it has mounted numerous solo shows of emerging or under-recognized contemporary artists and has established innovative programs that push the boundaries of traditional museum partnerships. Since assuming the directorship in 1999, Phillips has developed the New Museum into a recognizable and credible museum and has expanded its programmatic ambitions.<sup>4</sup>

On March 3, 2010, the New Museum opened "Skin Fruit," an exhibition of a 100 contemporary works of art by 50 international artists from the collection of New Museum trustee Dakis Joannou. It was curated by Jeff Koons. Koons is a close friend of Joannou and his work is heavily represented in Joannou's collection.

The New Museum, in conjunction with this exhibit, launched "The Imaginary Museum," a new program that will feature works from important private collections. Although "The Imaginary Museum" introduces a new programmatic way of presenting public/private collaborations, it also raises the question of whether the next private collection shown will be from another trustee—an action that will only fuel the current ethical crisis.

The exhibit opened to criticism and controversy because of the obvious overlap of private and public interests involved. The AAMD's Code of Ethics for Museum Directors and the AAM's guideline and Code of Ethics obligate the museum to "determine that there is a clear connection between the exhibition of the object(s) and the museum's mission," examine the lender's relationship to the museum and the obvious conflict of interest that arises from the partnership, "retain full decision making authority over the content and presentation of the exhibition," and communicate with the public in a way that promotes transparency and accountability.<sup>5</sup> The New Museum and its governing board failed in all of these efforts.

## AAMD and AAM Purpose, Practices, and Guidelines

The AAMD and AAM exist as organizations designed to help museums function efficiently, professionally and appropriately in a manner that best serves their role as a public trust.<sup>6</sup> These two organizations have codified ethical standards to which they feel museums and museum directors should adhere, as well as introduced explicit guidelines that address how a museum can ethically and professionally approach controversial situations it might

encounter. According to Erik Ledbetter, director of international programs and ethics at the American Association of Museums, all museums, even those not accredited, “are considered to be bound by its standards.”<sup>7</sup> However, neither organization has the authority to enforce the ethical policies.

The Code of Ethics for Museums and the Code of Ethics for Museum Directors both emphasize “loyalty to the mission of the museum and to the public it serves”<sup>8</sup> as a museum’s first priority. Second to that is a museum or museum director’s obligation to act with integrity and never compromise the reputation or position of the institution.<sup>9</sup> They also call for the implementation of a Code of Ethics within each individual museum.

Furthermore, the Association of Art Museum Director’s Professional Practices in Art Museums (PPAM) clearly defines a conflict of interest as “a conflict between an individual’s private interests and his or her official responsibilities.”<sup>10</sup> The PPAM suggests how those issues can be addressed and preventative measures can be taken. They state:

Such situations can be difficult in as much as good intentions, being unprovable, are an inadequate defense against later charges of impropriety. Some such situations may be resolved through the withdrawal of those with real or perceived conflicts from the decision-making process. In other cases, disclosure of conflicts may suffice. Every effort should be made to anticipate and address situations in which there is the appearance of conflict of interest, even if no actual conflict exists.<sup>11</sup>

Although the AAMD’s and AAM’s Code of Ethics are to be observed as is, the AAM guidelines are designed to be tailored to the individual missions of each museum, so as to make the policies applicable for every institution.<sup>12</sup>

The AAM’s Guideline on Exhibiting Borrowed Objects is comprised of two parts. The first part is an overview of the code of ethics of museums. This section emphasizes a museum’s adherence to ethical standards that exceed legal minimums, loyalty and consideration to its mission in all actions and exhibitions, implementation of a policy of transparency and accountability, and assumption of continual curatorial and intellectual control.<sup>13</sup> The second section recommends policies that a museum should enact before accepting a loan; three key points are of importance. The first is that the “museum ensures that there is a clear connection between the exhibition of the object(s) and the museum’s mission,” and that “the inclusion of the object(s) is consistent with the intellectual integrity of the exhibition.” The second requires the museum “to examine the lender’s relationship to the institution to determine if there are potential conflicts of interest, or an appearance of a conflict.” Third, the guidelines state

that the museum “retain full curatorial and intellectual control regarding the content and presentation of the exhibit, and should make public the source(s) of funding where the lender is also a funder.”<sup>14</sup>

### **The Ethical Failure of the New Museum and Its Board**

As is emphasized in the codes of ethics and guidelines, loyalty to a museum’s mission and public obligations are among the board’s primary responsibilities. By ensuring that the museum acts in accordance with its core mission and public purpose, the board provides a framework to ensure that its actions are responsible, and done for a specific purpose, consistent with the public good. In a press release, the New Museum’s representatives stated, “This initiative is an artistically and intellectually significant project consistent with our mission and vision.”<sup>15</sup> However, the works displayed at the museum are not those of artists presenting “new ideas” or “new art”; despite Koons’ inclusion of a few newer works by contemporary artists, the show displayed mainly artists that are established and contemporary work of the past several decades, demonstrating neither new artistic concepts nor new styles of art.

Given the ethical guidelines, the New Museum was obliged to seriously consider whether Joannou’s show complemented its mission. Yes, Joannou’s collection of contemporary art is esteemed and world-renowned. Yes, it has not been viewed in the United States before. However, the board should have then asked: Does showing this exhibition better our mission and fit our institution? While the Joannou show falls under the launch of the “Imaginary Museum,” this alone is not reason enough. Although the program presents a new model for exploring the relationship between museum and private collector, it does not justify the Museum so blatantly ignoring the significant conflicts of interest that jeopardized its credibility. The New Museum’s justification of the exhibit’s connection to its mission is weak and consequently creates, whether real or not, an illusion of intentional wrongdoing.<sup>16</sup>

In addition, the Museum’s choice to ask Jeff Koons to curate the exhibit of Joannou’s collection rendered all curatorial control over to a close friend of the collector. Joannou’s and Koons’ relationship, be it historical in the making of Joannou’s collection or long-standing throughout Koons’ progression from emerging to famous contemporary artist, does not make Koons an impartial judge, nor does it endow him with curatorial merit. Thus, the New Museum failed to maintain curatorial control over the selection and intellectual organization of this exhibit, directly contradicting the guidelines stipulated by the AAM. This decision further undermined the Museum’s credibility.

The Museum also created the impression of promoting private commercial interests by displaying un-prom-

ised works. It is common for a museum to require a private lender of un-promised works to enter into a contract or agreement stating that he or she will gift some, if not all, of the work included, offer the museum the first right of refusal,<sup>17</sup> or in the case of *kunsthalles* like the New Museum, sign a contract or enter into an oral agreement that it will not sell the work included for a stipulated amount of time, generally ranging between two to five years.<sup>18</sup>

Lisa Phillips noted that the New Museum board “has a policy against trustees lending a work of art if they are actively planning to sell it.”<sup>19</sup> Furthermore, Phillips publicly affirmed<sup>20</sup> that the New Museum has a lending contract in place. However, it is unclear if Dakis Joannou was obligated to sign one. Iwona Blazwick, director of the Whitechapel Art Gallery, stresses the importance of the choice of collector in these collaborations; it is imperative to choose a collector who has demonstrated collecting integrity, and has a purpose and passion for his or her collection. Her point is that in order to protect the museum from assertions of promoting private interests, it is imperative that a museum interacts and enters into collaborations with only those collectors who it trusts to not *flip* the artwork.<sup>21</sup> Museum officials need to require that a written contract be an obligation. This contract would require the lender to abstain from selling any pieces included in an exhibit for at least four years.<sup>22</sup> The establishment of this contract would help to ensure that lenders are held accountable.

Finally, the New Museum’s hesitation to disclose funding sources created a lack of transparency that continues to plague the “Skin Fruit” exhibition, and has the potential to severely limit similar collaborations in the future. Although funding information is generally included in press release statements for exhibits, the Museum chose not to include it in the “Skin Fruit” press release.<sup>23</sup> This created the appearance that Joannou was underwriting the exhibit, when in reality the show was funded by general museum program funds.<sup>24</sup> If this is in fact the case, why did the Museum hide this information? By readily admitting the funding sources, it could have significantly calmed the controversial discourse focused around the appearance of a “pay-to-play” situation. By withholding that information, the Museum compromised its integrity and credibility. Transparency, by means of full disclosure, holds a museum and its board accountable, and can more easily sustain the public’s trust.<sup>25</sup>

### Ethical Failure of Trustee, Dakis Joannou

Joannou’s relationship as trustee to the Museum created an explicit conflict of interest, because he, as a trustee, is a fiduciary to the Museum.<sup>26</sup> As Marie Malaro, an expert in Museum Ethics, explains, the role of the trustee is three-fold: Duty of Care, Duty of Loyalty, and Duty of Obedience.

Duty of Care establishes the fiduciary relationship between trustee and museum, the ethical standards by

which they should adhere, and a trustee’s liability for gross negligence and fraud. Duty of Loyalty echoes the AAMD’s and AAM’s emphasis of pursuing museum interests over private interests. This duty is governed by case law and guidelines, and requires board members to disclose any possible conflict of interests, while requiring the board to weigh “the real and apparent effects of this conflict.”<sup>27</sup> Well-organized museums have a policy in place to govern possible conflicts of interest and ethical conduct.<sup>28</sup> Finally, Duty of Obedience is the “obligation to focus on the specific mission of the organization,”<sup>29</sup> again emphasizing the importance of making all decisions of the museum in consideration of its mission and purpose.

Joannou, as trustee and fiduciary to the New Museum, failed to honor his duties. By going forth with “Skin Fruit,” the board, including Joannou, failed to weigh the seriousness of “the real and apparent effects of the conflict.”<sup>30</sup> The first two duties, Duty of Care and Duty of Loyalty, are explicit in their requirements that a trustee act in the best interest of the museum. The board and Joannou should have foreseen the public outcry at the extent of these overlapping ethical conflicts, and decided that the show was inappropriate for the Museum.

### Recommendations

Ethics create a foundation for trust, and in the case of museums, sustainability; in noting an unprecedented demand for ethical conduct by museum officials, Gary Edon writes in his book *Museum Ethics* that “unethical practices may jeopardize the standing of the group and depreciate the value of its services. In this way the code of ethics becomes a means of establishing a standard as a means of self-preservation.”<sup>31</sup> The AAM’s and AAMD’s first step in codifying ethics and establishing accepted professional standards is not enough. Without the possibility of legal repercussions, the hope of maintaining ethical standards is limited. The creation of a governing board—comprised of museum officials, top collectors, and respected art world leaders—to enforce the most basic ethical standards as established by the AAM and AAMD is essential to keeping the arts industry and our public institutions accountable and alive.

### Conclusion

With collectors buying up museum-quality works of art, for-profit corporations’ growing interest in associating with the arts to improve goodwill, and museums struggling to sustain themselves financially, the public/private relationship dynamics are shifting. In order to maintain the intellectual integrity and public accountability of these institutions, it is imperative that a governing board enforces the codified ethics of the AAM and AAMD. Only by holding public institutions and private individuals accountable for their actions can the arts community ensure the sanctity of the public interest and the sustainability of its public institutions.



## Endnotes

1. Another organization that has produced ethical guidelines is ICOM.
2. Caveat: There are many legal issues that can arise from the collaborations between a public institution like a museum and a private individual. Most importantly, since museums are qualified as non-profit, tax-exempt institutions that serve a public good, it is imperative that in these collaborations the public interest supersedes that of the private. If this does not happen, museums risk promoting private commercial interest and, consequently, losing their tax-exempt status that has for years encouraged financial and physical donations. There are also a variety of issues that can arise in contract law for lenders, as well as from breaches of contracts involving fiduciary responsibilities.
3. "About: History," The New Museum. <http://newmuseum.org/about/history/> (last visited July 12, 2010).
4. Deborah Sontag and Robin Pogrebin, "Some Object as Museum Shows Its Trustee's Art," *New York Times* (November, 11, 2009) <http://www.nytimes.com/2009/11/11/arts/design/11museum.html> (last visited July 12, 2010).
5. American Association of Museums, "Guidelines on Exhibiting Borrowed Objects," <http://www.aam-us.org/museumresources/ethics/borrowb.cfm> (last visited July 12, 2010).
6. Association of Art Museum Directors, "About AAMD," <http://www.aamd.org/about/> (last visited July 12, 2010) and American Association of Museums, "About AAM," <http://www.aam-us.org/aboutaam/index.cfm> (last visited July 12, 2010).  
In its mission, the AAMD states that "the purpose of the Association of Art Museum Directors is to aid its members in establishing and maintaining the highest professional standards for themselves and the museums they represent..." and the AAM's mission "is to enhance the value of museums to their communities through leadership, advocacy, and service."
7. Sontag and Pogrebin, "Some Object as Museum Shows Its Trustee's Art."
8. American Association of Museums, "Code of Ethics for Museums," <http://www.aam-us.org/museumresources/ethics/coe.cfm> (last visited July 12, 2010).
9. Association of Art Museum Directors, "Appendix A: A Code of Ethics for Art Museum Directors," in *Professional Practices in Art Museums*. 13 (NY: Association of Art Museum Directors, 2001).
10. Association of Art Museum Directors, *Professional Practices in Art Museums* (NY: Association of Art Museum Directors, 2001), 4.
11. *Id.* 4.
12. While the AAM produces guidelines for multiple museological issues, this article focuses only on the "Guidelines on Exhibiting Borrowed Objects."
13. American Association of Museums, "Guidelines on Exhibiting Borrowed Objects."
14. American Association of Museums, "Guidelines on Exhibiting Borrowed Objects."
15. The New York Times, "The New Museum's Position on Its Show From a Trustees Collection," *The New York Times* (November 11, 2009) <http://artsbeat.blogs.nytimes.com/2009/11/11/the-new-museums-position-on-its-show-from-a-trustees-collection/#more-52361> (last visited July 12, 2010).
16. In two press releases dated February 18, 2010, the New Museum revealed its exhibition schedule through Spring 2012. There are no "Imaginary Museum" exhibits scheduled. The first half of the exhibition calendar (through 2011) was confirmed a month later in a press release dated March 16, 2010. The lack of "Imaginary Museum" programming through to 2012 was again confirmed June 9, 2010 by the New Museum's press department. It added that while the program is not scheduled in the upcoming next two years, "the series will continue and be produced when the right partnership occurs."
17. The Whitney Museum often requires that the artist/dealer/individual, whose work is displayed in the biennial, offer the museum first right of refusal. This is usually accomplished by a contractual agreement.
18. Iwona Blazwick, Francesco Bonami, Tom Eccles and Lisa Phillips, "Panel 2: Crossing into the Future: New Models of Collaboration" (New Museum of Contemporary Art, New York, NY, March 13, 2010).
19. Sontag and Pogrebin, "Some Object as Museum Shows Its Trustee's Art."
20. Lisa Phillips made that statement at the Panel 2 discussion on March 13, 2010.
21. Iwona Blazwick, Francesco Bonami, Tom Eccles and Lisa Phillips, "Panel 2: Crossing into the Future: New Models of Collaboration."
22. Unfortunately, these contracts can be fruitless. Is it likely that a museum will sue one of its patrons and/or board members if in fact he or she does breach a lending contract?
23. Lee Rosenbaum, "Dakis Fracas, Continued: The Artists, the Funders and the AAMD President's Statement UPDATED" CultureGrrl: Lee Rosenbaum's Cultural Commentary, entry posted February 18, 2010, [http://www.artsjournal.com/culturegrrl/2010/02/dakis\\_fracas\\_the\\_artists\\_the\\_f.html](http://www.artsjournal.com/culturegrrl/2010/02/dakis_fracas_the_artists_the_f.html) (last visited July 12, 2010). Lee Rosenbaum noted that whereas the Urs Fischer press release included explicit details as to funding, the "Skin Fruit" exhibit press release did not, which was evidence of less transparency.
24. Lee Rosenbaum, "Dakis Fracas, Continued: The Artists, the Funders and the AAMD President's Statement UPDATED." Lee Rosenbaum, after persistent effort, received an unequivocal response from the Museum that Joannou did not directly or indirectly fund the exhibition; "Skin Fruit" was funded by general museum program funds.
25. American Association of Museums, "Guidelines on Exhibiting Borrowed Objects."  
The AAM's "Guidelines for Exhibiting Borrowed Objects" stresses the importance of "adhering to an ideal of transparency. Museums, as publicly accountable institutions, should take reasonable steps to make their actions visible and understandable to the public, especially where lack of visibility could reasonably lead to appearances of conflicts of interest."
26. Marie Malaro, "What is a Museum? What is Required of Its Board Members?" in *A Legal Primer on Managing Museum Collections* 2d. Ed. 1998, 3-10. In *Law, Ethics and the Visual Arts*, 5th ed. John Henry Merryman, Albert E. Elsen and Stephen K. Urice, 1172 (The Netherlands: Kluwer Law International BV, 2007).
27. *Id.* 1200.
28. Despite attempts, I was unable to obtain a copy of the New Museum's Conflict of Interest form or internal code of ethics and policies. However, I was able to gather information about the Museum's lender policies from the second panel of the symposium in which Lisa Phillips referenced a contractual agreement that required the lender to abstain from selling the work included in a show for an undisclosed period of time.
29. *Id.* 1200.
30. *Id.* 1200. It is necessary to note that because board meetings are private, it is difficult to note the extent of the discussion held regarding the "Skin Fruit" exhibit and the conflicts it posed.
31. Gary Edon, *Museum Ethics* (New York, NY: Routledge, 1997), 115.

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# The Performance Rights Act: Recognizing the Contribution of Performing Artists in Terrestrial Radio

By Bettina L. Hollis

## Introduction

When Bette Midler sang “Wind Beneath My Wings,” the song became a huge success.<sup>1</sup> Although her version made the song a standard, she was the eighth artist to record the song, which has since been recorded by almost 200 artists.<sup>2</sup> Each time Bette Midler’s version is played on the radio, Jeff Silbar<sup>3</sup> and Larry Henley,<sup>4</sup> the songwriters, receive a royalty. Bette Midler receives nothing.

The Beatles’ recorded “Money (That’s What I Want)” to the joy of millions of fans who continue to listen to it numerous times over the airwaves.<sup>5</sup> Each time the Beatles’ version is played on the radio, Branford Janie<sup>6</sup> and Gordon Berry Jr.,<sup>7</sup> the composers, receive a royalty. The Beatles receive nothing.

Janis Joplin and her performance of “Me and Bobby McGee” live on today over the airwaves, but, alive or dead, Janis’ rendition was just that. This Janis standard introduces listeners, old and new, to the rough voiced vocalist who helped define the 60s. The song was penned by Kris Kristofferson,<sup>8</sup> who deserves accolades, but it was made famous by Janis Joplin, who got nothing from its airplay.

The reason composers and songwriters receive a royalty is that copyright law entitles them “to a royalty each time the song is performed publicly.”<sup>9</sup> Although this performance right has been granted to sound recordings in countries around the world, it has never been fully extended to them in the United States.

Currently, Congress is considering amending the law to provide for a full performance right in sound recordings. In this article I will discuss the history of copyright to lay a foundation and give justification for a full performance right in sound recordings. Next, I will explore the rise of digital technology and how it has influenced changes to copyright law in regards to sound recordings. Finally, the value added to a composition by the performer will be discussed including theoretical aspects and reasons why fairness and the United States Constitution demand that performance rights be extended to sound recordings on terrestrial radio.

## A Condensed History of Copyright

### 1. From the Renaissance to the French Revolution

The origins of copyright are found in the Renaissance.<sup>10</sup> This period brought about a “sense of individualism,”<sup>11</sup> economic expansion<sup>12</sup> and the Gutenberg printing press.<sup>13</sup> At this time, the privileges and exclusive rights

were contained in patent<sup>14</sup> and were given by a sovereign to the printer of the book, not the author.<sup>15</sup> England eventually granted these rights exclusively to the printers of the Stationers’ Company, who they knew “would not publish books that the Crown considered politically or religiously objectionable.”<sup>16</sup> These privileges were not created by statute and had to be granted by a sovereign who could revoke them at will.<sup>17</sup> This early system created little incentive for creators of books or music who “typically handed over their manuscripts against one single payment.”<sup>18</sup> Some composers and authors could curry favor with the Crown and receive grants of privileges and protection, but these were few and far between.<sup>19</sup>

The Statute of Anne in 1710 was the first law granting copyright to authors of books, and its purpose was to give them incentive to create.<sup>20</sup> Under the Statute of Anne, exclusive right to a book lasted 14 years and could be renewed for one additional term of 14 years.<sup>21</sup> It did not protect music or composers, but music publishers still fought over multiple publications of compositions.<sup>22</sup>

While authors in London had to deal with a “complex system of registration, notice and deposit requirements,”<sup>23</sup> authors on the European continent were vested with a much broader “moral right” in their works.<sup>24</sup> It is best illustrated as such, “‘as the heavens and the earth belong to God, because they are the work of his word . . . so the author of a book is its complete master, and as such can dispose of it as he chooses.’”<sup>25</sup> The French are particularly interested in these rights as they had just come out of the French Revolution and were assembling and creating their new government.<sup>26</sup> At around the same time, the United States was passing its own copyright laws.<sup>27</sup>

### 2. The United States Constitution

Under British rule, citizens of the United States were subject to the Statute of Anne.<sup>28</sup> Building on this idea “of copyright as a regulation for the benefit of the public, incentivizing creative production,”<sup>29</sup> the Copyright Clause<sup>30</sup> was adopted. Subsequent to the Revolutionary War, states each passed their own copyright laws, which mostly resembled the Statute of Anne, but which also led to confusion and “[d]issatisfaction with the lack of uniformity”<sup>31</sup> and a “general consensus that a national law was necessary.”<sup>32</sup>

Pursuant to the power vested in Congress by the Copyright Clause,<sup>33</sup> the Copyright Act of 1790 was passed.<sup>34</sup> It was closely modeled after the Statute of Anne, affording protection to works for 14 years, renewable for an additional 14 years.<sup>35</sup> Its protection did not include

works of foreign authors. Indeed, under section 5,<sup>36</sup> it encouraged nationals to pirate foreign works.<sup>37</sup>

As time passed, copyright protection in the United States was amended several times. In 1831, it extended protection to musical compositions as well as other non-book art.<sup>38</sup> In 1856, it allowed for a public performance right in dramatic works.<sup>39</sup> In 1891, it included “nondramatic public performance of musical compositions.”<sup>40</sup> This “piecemeal approach”<sup>41</sup> worked until the Industrial Revolution, when the influx of so much new technology harkened an overhaul of copyright protection.<sup>42</sup>

### 3. The Copyright Act of 1909

The Copyright Act expanded copyright protection to include speeches and works in progress and extended the protection to 28 years renewable for an additional 28 years.<sup>43</sup> Although the legislative history shows an intent by some legislators to expand protection for musical works and sound recordings,<sup>44</sup> the result was very limited.

Unless the musical work was used for profit, the copyright owner could not prohibit its use.<sup>45</sup> The Copyright Act set up the first “compulsory licensing scheme”<sup>46</sup> for the collection of royalties for musical compositions used for profit.<sup>47</sup> While “manufacturing of phonorecords for public sale”<sup>48</sup> did not require a copyright owner’s approval, there were steps set up by statute to be followed.<sup>49</sup>

Sound recordings received no protection under the Copyright Act of 1909.<sup>50</sup> Instead, “Congress chose... to leave such protection to the states.”<sup>51</sup> As technology changed, sound recordings replaced live performances as the method most used to listen to music.<sup>52</sup> With the creation of cassette tapes and tape recorders came the dawning of home recording and a serious threat to revenue streams in the music industry.<sup>53</sup> Succumbing to pressure from the recording industry<sup>54</sup> and results of studies by the Copyright Office,<sup>55</sup> Congress granted protection for sound recordings in 1971 from copying or reproduction of the sound recording.<sup>56</sup> The protection only applied to recordings made after February 15, 1972.<sup>57</sup> Older recordings were thus left to common law and statutory protection, “which is set to expire on February 15, 2067.”<sup>58</sup> Shortly before Congress revised the copyright law, the law extending protection to sound recordings was challenged as unconstitutionally vague but survived.<sup>59</sup>

### 4. The Copyright Act of 1976

The most substantive change to copyright law since 1909, the Copyright Act of 1976 was the result of extensive studies done by the Copyright Office and lobbying by interest groups.<sup>60</sup> The scope of copyright law was expanded to grant protection to works “upon being ‘fixed in a tangible medium of expression’ even if they were unpublished.”<sup>61</sup> The duration of copyright was also expanded to “life of the author plus 50 years, or 75 years in

the case of anonymous works, pseudonymous works, and works made for hire.”<sup>62</sup>

Rights to copyright owners were now also separable and assignable as a subdivision of the right.<sup>63</sup> For example, the “right to reproduce, prepare derivative works of, publicly distribute, publicly perform and publicly display”<sup>64</sup> a work could each be licensed or assigned separately. The public performance right enumerated in the 1976 Act only applies to musical compositions and does not apply to sound recordings.<sup>65</sup>

Again, the legislative record shows support for a “full public performance right.”<sup>66</sup> In fact, a public performance right for sound recordings was included in the first Senate bill,<sup>67</sup> but was later removed as “Congress bowed to the pressure of the broadcast industry and performing rights societies.”<sup>68</sup> In compromise, Congress commissioned another study from the Copyright Office regarding the issue.<sup>69</sup> In 1978, the report was issued by the Register of Copyrights and gave full support to a “full public performance right,” stating “there was no justification for allowing the creator of sound recordings to be without [it].”<sup>70</sup>

Although some foreign works were granted copyright protection in the International Copyright Act of 1891,<sup>71</sup> United States policy had been to exclude, as much as possible, foreign nations from its copyright protection.<sup>72</sup> Since most international agreements included reciprocity conditions,<sup>73</sup> American authors and musicians were left out of a world full of protection. It would take another big technological advancement to change this policy.

### 5. The Berne Convention

Computers and computer programs brought international copyright to the forefront of the American political debate.<sup>74</sup> American technological advancement in computers was great and so was the danger that programs could be brought overseas and exploited without any protection.<sup>75</sup> In order to protect computer programs and American entertainment exports abroad, the United States joined the Berne Convention in 1989, a mere 103 years after it was first introduced in 1886.<sup>76</sup>

Under the Berne Convention, the duration of protection is the author’s life plus 50 years. Both the United States and the European Union extend that protection to 70 years.<sup>77</sup> Just as countries can expand on the protections provided by the Berne Convention, countries may narrowly tailor certain stipulations in a treaty so long as it does not go against the purpose of the treaty.<sup>78</sup> Although the Berne Convention provides for moral rights,<sup>79</sup> the United States never fully recognized those rights and narrowly tailored the Visual Artists Rights Act (VARA) of 1990.<sup>80</sup> This would not be the first time United States international copyright are out of step with Europe.

### 6. The Rome Convention of 1961

In 1961, the international community recognized, for the first time, the rights of performers in sound recordings



and enacted the Rome Convention.<sup>81</sup> The Rome Convention is a reciprocal agreement whereby each signatory affords and is afforded the same protections as other signatories.<sup>82</sup> Consequently, countries that are not signatories of the Rome Convention, like the U.S., do not have protection in most instances.<sup>83</sup> The result of this is that American records played in London do not receive the same protections as a French record played in London, since both France and the United Kingdom are signatories.<sup>84</sup>

Under the Rome Convention, rights of performers to their performances and phonograms of their performances are enumerated.<sup>85</sup> Article 12 of the Rome Convention grants the payment of “equitable remuneration” when a sound recording is broadcast.<sup>86</sup> This means that a radio station that plays a record on the air would have to pay royalties for the musical composition (i.e. the composer/songwriter)<sup>87</sup> and for the performance (singer/musicians and/or record label that produced the sound recording).<sup>88</sup>

The United States is one of the biggest exporters of entertainment.<sup>89</sup> From Elvis and Johnny Cash to Green Day and Mariah Carey, “over 60 percent of foreign record sales are of albums made by Americans.”<sup>90</sup> However, because the U.S., although active in the drafting of the Rome Convention, is not a signatory,<sup>91</sup> it is estimated that “[a]s of 2000, an estimated \$600 million had been lost in foreign royalties.”<sup>92</sup>

While the world recognized the contributions of the performers in sound recordings and granted rights, the United States refused to recognize their contributions.<sup>93</sup> Just as Congress did not protect phonorecords from unauthorized copying until the music industry was significantly threatened,<sup>94</sup> it waited for another major threat to the music industry before granting minimal performance rights for sound recordings.

## The Digital World—Performance Rights

### 1. Digital Recording at Home

As discussed above, changes in copyright law follow innovation, but not closely.<sup>95</sup> As copyright is an exclusive right, Congress has been historically hesitant and tentative about granting additional rights or protections through it.<sup>96</sup> Technology, however, has been developing rapidly, and technological innovations far outpace copyright protections.<sup>97</sup>

For instance, in the 1990s, years after phonorecords were first granted protection from unauthorized copying, and after the first cassette tape and tape recorder were introduced, innovation introduced “digital audio tape recorders.”<sup>98</sup>

A regular tape recorder can record a sound recording, but the sound will not be quite as clean as the original recording.<sup>99</sup> Each subsequent copy of that recording will deteriorate the sound a little more.<sup>100</sup> In contrast, a digital audio tape allows “people to make copies of sound recordings without any deterioration in audio quality.”<sup>101</sup>

The United States Office of Technology Assessment did a study showing “nearly one billion recorded musical works were copied each year using digital technology, resulting in an estimated 22 percent sales displacement rate for the record industry.”<sup>102</sup> In response to this information, Congress passed the Audio Home Recording Act of 1992 (AHRA).<sup>103</sup>

Without regard to the frequency or identity of the music being copied, the AHRA imposed a royalty on manufacturers and importers of devices and blank media needed to make digital audio recordings.<sup>104</sup> By passing the royalty on to the manufacturers and importers, Congress effectively removed the issue from the public eye.<sup>105</sup> The AHRA allows individuals to make copies of music they purchased “for the individual’s private noncommercial use.”<sup>106</sup> Thus, the issue of copyright infringement in sound recordings was swept under the rug for a later day when new technology would surface to reawaken the performance rights debate.

### 2. The Computer Becomes the Stereo

During the same period when Congress was passing the AHRA, the Internet was developing at a rapid pace. Instead of making a digital recording of a purchased CD, consumers could now record off of digital transmissions beamed directly to their computers.<sup>107</sup> The music industry was once more in trouble.<sup>108</sup>

In response, Congress passed the Digital Performance Right in Sound Recording Act (DPRA),<sup>109</sup> in 1995. The DPRA was passed with the intent “to protect against reductions in record sales due to copying from high quality digital transmissions, as compared to analog transmissions, and due to the availability of such recordings to subscribers on demand.”<sup>110</sup>

Under the DPRA, Internet-only webcasters and digital simulcasts of terrestrial radio broadcasts would pay royalties for the use of the sound recordings.<sup>111</sup> This right was applied to interactive broadcasts whereby a user would request a particular song.<sup>112</sup> Collection of royalties fell to the Recording Industry Association of America (RIAA) which set up a monitoring program called “Soundexchange”<sup>113</sup> to collect and distribute the royalties.<sup>114</sup>

A major criticism of the DPRA is the number of limitations imposed. The rights do not apply to public performances of music “on analog radio, in dance halls, bars, restaurants, [or] stores.”<sup>115</sup> Radio and television stations that broadcast digitally are excluded from the performance right if they do not charge for the broadcasts.<sup>116</sup> Cable companies can rebroadcast the free radio or television broadcasts within a 150-mile radius and also avoid the performance right.<sup>117</sup> Most notably, Congress did not alter the wording of the 1976 Copyright Act where sound recordings were not included in the public performance right.<sup>118</sup> Instead, it added a new paragraph,<sup>119</sup> making the performance right in digital sound recordings an obvious

exception to the historical rule excluding performance right in sound recordings.

The many limitations created by the DPRA caused confusion and logistical headaches throughout the music and technology world. In *Atlantic Recording Corporation v. XM Satellite Radio, Inc.*<sup>120</sup> the court had to distinguish between the AHRA and the DPRA. XM Satellite Radio, Inc. (XM) provided its customers with “‘XM + MP3’ players”<sup>121</sup> that would allow recording and storing of music played via XM’s subscription satellite radio services.<sup>122</sup> Record companies saw this as infringing on their distribution right inherent in section 106(3) of the Copyright Act of 1976.<sup>123</sup>

The confusion was brought about by the language in the statute barring copyright claims against manufacturers, importers or distributors of digital audio recording devices.<sup>124</sup> XM argued it was just distributing digital audio recording devices.<sup>125</sup> The court disagreed and held that since the act of distributing the digital audio recording device is not the reason for the infringement action,<sup>126</sup> but rather the act of distributing the actual music,<sup>127</sup> the AHRA was inapplicable.<sup>128</sup> The court then discussed the DPRA’s rules and restrictions,<sup>129</sup> finding that XM was acting as “broadcaster and distributor, but is only paying to be a broadcaster.”<sup>130</sup>

### 3. Who Needs CDs or Cassettes?

Atlantic was a case subject to the Digital Millennium Copyright Act (DMCA),<sup>131</sup> which was an amendment to the DPRA due in part because of the confusion the DPRA was causing.<sup>132</sup> In fact, the DMCA was an attempt by Congress to execute two treaties aimed at international uniformity of protection for intellectual property.<sup>133</sup> The DMCA expanded the digital performance right for sound recordings to include “noninteractive nonsubscription services,”<sup>134</sup> such as free internet radio sites. It also provided for “protection against the circumvention of copyright protection systems,”<sup>135</sup> listed and limited the liabilities of Internet Service Providers with regard to infringements using provided Internet connections,<sup>136</sup> and set up an easier method to obtain licensing for the “digital transmission of music for non-interactive purposes.”<sup>137</sup>

As stated above, the DMCA was born of two treaties. These treaties were negotiated at a meeting of the World Intellectual Property Organization (WIPO),<sup>138</sup> and afforded the United States some reciprocity with other countries for performing rights in sound recordings.<sup>139</sup> The treaties were the Copyright Treaty<sup>140</sup> and the Performances and Phonograms Treaty.<sup>141</sup> The latter recognized that “unauthorized transmission of a musical work via the Internet could be an infringement of the right of the copyright owner even though a physical copy of the sound recording was not distributed.”<sup>142</sup>

This recognition of value in the musical sound recording separate from its physical manifestation renews the “fundamental tenet of copyright law that ‘all who de-

rive value from a copyrighted work should pay for that use.’”<sup>143</sup> Recognizing that Internet and satellite broadcasters derive profit from the mere transmission of a sound recording is an important step towards a full performance right in sound recordings. Advertising is a source of great income to webcasters,<sup>144</sup> just as it is a great source of income for terrestrial radio stations that charge for advertising based on the sizes of their listening audiences.<sup>145</sup> The difficulty in implementing a full performance right in sound recording stems partly from the stated intent of Congress when it passed the DMCA.<sup>146</sup> Congress’ stated intent was to offset losses suffered by the recording industry in sales of records.<sup>147</sup> As the legislation was tied to record sales rather than a recognition that sound recordings themselves have value beyond their fixation in CD or digital audio cassette, the DMCA and its predecessor the DPRA can actually serve as blocks to a full performance right.<sup>148</sup> Evidence of this is found in the language of the statutes themselves, which, through their many limitations,<sup>149</sup> show the intent to balance “supporting creative pursuits through copyright protection...[with] promoting innovation in new communication technologies.”<sup>150</sup>

### 4. Whoa! Taking a Step Back in Granting Copyright Protections

Before diving into the proposed performance rights bill, a brief look at copyright law since the DMCA is warranted.

Although the DMCA and the DPRA seem to advance rights in music and sound recordings, Congress took a step back from advancing such rights in 1998.<sup>151</sup> The ironically named Fairness in Music Licensing Act<sup>152</sup> removes the performance right from both sound recordings and musical compositions by “allow[ing] bars, restaurants, and stores greater use of music in their establishments on a royalty-free basis.”<sup>153</sup> In other words, depending on their size, these establishments can provide music to the public (their customers) via radio, television, cable or satellite and not pay royalties for the performances at all.<sup>154</sup>

This exception to the performance right associated with musical compositions since 1891<sup>155</sup> and the performance right of sound recordings under DPRA and DMCA also raised red flags in the international community. According to the Copyright Office, treaties to which the United States is a signatory<sup>156</sup> might be violated by granting relief to small restaurants, bars and stores by not charging performance royalties.<sup>157</sup> The European Union, long a champion of performance rights in music,<sup>158</sup> felt this was a step back from any movement the United States had made towards “harmonization of our copyright laws as they relate to music.”<sup>159</sup>

This issue was brought before the World Trade Organization Dispute Settlement Body (the Panel) in May 1999.<sup>160</sup> As the Copyright Office predicted, European signatories to TRIPS alleged that the Fairness in Music Licensing Act violated the treaty because it was “incom-

patible with the provisions of Articles 11 and 11bis of the Berne Convention<sup>161</sup> to which provisions the U.S. must conform<sup>162</sup> and no exceptions or limitations apply.<sup>163</sup>

Exceptions or limitations to the requirements of Article 11 and 11bis are found in Article 13 of the TRIPS Agreement.<sup>164</sup> Under the Fairness in Music Licensing Act, exemptions to the performance right of copyright holders are found in the “home style exemption”<sup>165</sup> and the “business exemption.”<sup>166</sup> The Panel applied the “three step” test proscribed by Article 13<sup>167</sup> and found that the Fairness in Music Licensing Act violated the TRIPS Agreement with respect to the business exemption only.<sup>168</sup> An arbitration award was assessed and the United States was instructed to amend the Fairness in Music Licensing Act to be in conformity with the treaty but has not, as of yet, passed the appropriate legislation.<sup>169</sup>

Given its recent history of non-compliance with an international treaty, the United States seems ready to bring its copyright laws into better harmonization with the rest of the world at least partially so as to redeem itself from this embarrassing international blunder.

### The Proposed Performance Rights Act

Two bills have been drawn up and brought to the House and Senate, respectively, and they each are called “The Performance Rights Act.”<sup>170</sup> Both bills, which passed out of committee in 2009, have been placed on the calendar of business to be considered by their respective houses,<sup>171</sup> and a report from the Government Accountability Office (GAO) is being reviewed while Congress awaits their final analysis and recommendation.<sup>172</sup> H.R. 848 is the bill that passed committee in the House of Representatives (the House Bill) and is written “to provide parity in radio performance rights under title 17, United States Code, and for other purposes.”<sup>173</sup> S. 379 is the bill that passed committee in the Senate (the Senate Bill) and is written “to provide fair compensation to artists for use of their sound recordings.”<sup>174</sup> Both bills make significant changes to § 114 of United States Code, title 17 (the Copyright laws).

The first amendment in both bills is to change § 106(6), which currently specifies a performance right in sound recordings only “by means of a digital audio transmission.”<sup>175</sup> Both the House and Senate Bills amend the provision to say, “(6) in the case of sound recordings, to perform the copyrighted work publicly by means of an audio transmission.”<sup>176</sup> In the same section, both bills amend § 114(d)(1) and § 114(j)(6) to remove the specification of “digital” to afford terrestrial radio stations those same exemptions that digital audio recordings were given under the current law.<sup>177</sup> The Senate Bill goes on to amend § 114(d)(2) to include “non-subscription and noninteractive broadcast transmission” as eligible for statutory licensing without having to meet the requirements set forth therein as a way of eliminating regulatory burdens for terrestrial broadcast stations.<sup>178</sup>

Fees, royalty rates and license fees will be set by the Copyright Royalty Judges, pursuant to § 114(f) of title 17 of the United States Code.<sup>179</sup> Both bills attempt to ease the administrative burden of determining applicable fees by setting flat fees for small “individual terrestrial broadcast station[s]”<sup>180</sup> and “public broadcasting entities.”<sup>181</sup> Additionally, transmissions of religious services and “incidental use of a musical sound recording” are exempted from royalties altogether.<sup>182</sup> Furthermore, the bills allow for “per program” licensing for stations that “make limited feature uses of sound recordings.”<sup>183</sup>

ASCAP, BMI and SESAC are performance rights organizations representing composers and owners of the underlying musical compositions.<sup>184</sup> Until recently,<sup>185</sup> they had been opposed to the Performance Rights Act because they felt it would infringe on royalties paid to their constituents.<sup>186</sup> Congress, in an obvious bid to appease them, has expressly ordered that licensing pursuant to this legislation shall not affect the current royalties paid to composers and copyright owners of the underlying musical compositions.<sup>187</sup> In other words, according to § 5 of the Senate bill and § 5 of the House bill, licensing of the sound recording is not a license to the underlying musical composition, so two licenses are needed.<sup>188</sup> Furthermore, licensing for musical compositions cannot be “cited, taken into account...in any administrative, judicial, or other governmental forum...to reduce or adversely affect the license fees payable”<sup>189</sup> to the owners of the copyright in the musical composition.

The bill introduced to the Senate in February 2009 was amended before being reported to include § 6 of the House bill.<sup>190</sup> This section spells out, in great detail, how the monies collected will be distributed to the performers.<sup>191</sup> Interestingly, while performance rights societies currently collect royalties from radio stations and distribute the payments for licenses to the underlying musical composition,<sup>192</sup> the House and Senate bills seem to put that responsibility on the copyright owners of the sound recording (usually the record labels). Section 6 specifies that the record companies are to pay the “featured recording artist...in accordance with the terms of the artist’s contract.”<sup>193</sup> It goes on to specify that one percent of the remaining received royalties must be deposited into a fund for “the nonfeatured performers.”<sup>194</sup> The record label must “use reasonable good faith efforts”<sup>195</sup> to meet the reporting requirements of the Performance Rights Act.<sup>196</sup>

The House bill ends at § 6, but the Senate bill includes a § 7.<sup>197</sup> Under § 7 of the Senate bill, royalty rates for “ephemeral recordings”<sup>198</sup> are to be set based on various enumerated considerations.<sup>199</sup> The effect of this is nominal, as it just rewords § 112(e)(4) to dispel any confusion that additional royalties for the sound recording would be levied for the making of such recordings.<sup>200</sup>

Congress has commissioned the GAO to analyze the House and Senate bills and the potential effects on both the recording and the broadcast industries.<sup>201</sup> Although



the final report has not been released, a preliminary report and a supplement have been submitted to Congress. The preliminary report, released February 26, 2010, includes comments from the Federal Communications Commission on the economic troubles facing the broadcasting industry and the “negative impact that station layoffs might have on the public interest.”<sup>202</sup> The supplement, released on June 7, 2010, includes comments from the Copyright Office that were unavailable when the first report was issued.<sup>203</sup> The Copyright Office “voiced support for the proposed Act,”<sup>204</sup> and suggested that the GAO “elaborate on the permanent nature of the challenges facing the recording industry, and in particular, the challenges arising from the illegal downloading of music.”<sup>205</sup> The GAO is scheduled to issue a more detailed final report and analysis later this year.<sup>206</sup>

## So What’s the Problem?

It is perhaps not surprising that the Performance Rights Act has met with resistance. Most opposing organizations are those who would have to pay the royalties. In this section, several arguments put forth by various broadcasters and broadcasting associations against the Performance Rights Act will be discussed.

The first argument put forth by radio broadcasters is that they provide free promotion of performers by playing their music over the air.<sup>207</sup> There is no doubt that songs played on the radio are heard by millions of people.<sup>208</sup> Furthermore, a song’s popularity is directly affected by the amount of exposure it gets on terrestrial radio.<sup>209</sup> Never in *Billboard*’s music rating history has a song hit number one without being played on the radio first.<sup>210</sup>

Record labels know the value of radio air play. This is evident in the discontinued practice called “payola.”<sup>211</sup> Payola, big in the 50s and 60s, occurred when record companies would pay DJs to play their songs.<sup>212</sup> Today, the practice is less obvious because it is done through a middleman. Instead of paying DJs, record labels pay “independent promoter[s], who [are] responsible for ‘suggesting’ songs to be played by its client radio stations.”<sup>213</sup> The argument continues that if record labels are willing to pay so much money just to play a song on the radio, then airtime must be valuable to the record label and sound recording.<sup>214</sup> Therefore, since airtime is valuable, then performers and copyright owners are already receiving value for the sound recording and do not need royalties in addition.<sup>215</sup>

This argument is flawed in two respects. First, the rise of webcasting and websites such as myspacemusic.com puts the importance of radio up for debate.<sup>216</sup> While millions of people tune in to their radios every day, billions from around the world log on to the Internet. In fact, *Billboard* keeps a separate chart of top digital songs.<sup>217</sup> Webcasters and satellite radio can reach people all over the country, while a terrestrial radio station’s reach is limited.

Webcasters and satellite radio stations pay a performance royalty and have the potential to promote a song to many more listeners than radio.<sup>218</sup> Furthermore, if radio stations are being paid to play music, is that not a benefit to them as well?

Second, many radio stations play older songs without any payola being paid. For example, Jimi Hendrix can be heard on classic rock stations throughout the country but his estate gains no promotional benefit from the air time.<sup>219</sup> In addition, radio stations also gain the benefit from playing music,<sup>220</sup> and more listeners result in more money from advertisers.<sup>221</sup> In fact, according to a recent study, “catalog music makes up at least half of all spins on 7 of the top 10 radio formats, [and] [o]ver 25 percent of CHR/Top 40 is made up of catalog music.”<sup>222</sup>

The second argument put forth by radio broadcasters is that the burden added by having to pay another royalty would cause radio stations to fail and people to lose their jobs.<sup>223</sup> The economy is suffering and radio stations have been losing revenue and listeners to other forms of entertainment.<sup>224</sup> Broadcasters point to small, independent stations as the first likely victims of such a new “tax.”<sup>225</sup>

The bills put forth in Congress provide an option for radio stations with “gross revenues less than \$1,250,000 [to pay one] fee of \$5,000 per year.”<sup>226</sup> Public broadcasting stations are capped at \$1,000 per year, and there is even an option to license single programs on a radio station.<sup>227</sup> Should one of the stations choose not to pay the flat fee, it would be assessed fees in accordance with its usage of the music.<sup>228</sup>

The crux of the argument is that big conglomerate radio stations who lobby against the Performance Rights Act would not have the flat fee option and would have to deal with the rate set by the Copyright Royalty Judges.<sup>229</sup> Clear Channel Communications owns more than 1,200 stations and with the “next nine largest companies in radio embrace two-thirds of listeners and revenue.”<sup>230</sup> By owning more than one station, these conglomerates are able to “consolidate operations and reduce fixed expenses [thereby creating] increased profit potential.”<sup>231</sup> Radio is obviously big business, and it is apparent that the bigger radio stations would be paying the most in royalties should the Performance Rights Act pass. However, does it follow that they would fail financially? Probably not, as the Copyright Royalty Judges must take economic factors as well as promotional benefit into consideration when determining a rate.<sup>232</sup> In the end, “it would involve a change in the current business model, requiring the radio conglomerates to simply decide how best to absorb or pass on added royalty costs.”<sup>233</sup>

This argument was perpetuated by webcasters when the DPRA and the DMCA were passed and many in the industry felt it would be the death of Internet radio.<sup>234</sup> When the RIAA wanted to set the rate at .4 cents per listener, Congress lowered the rate to a much more manage-

able .07 cents.<sup>235</sup> Additionally, a “percentage-of-revenue formula” for smaller businesses was also set up to ease their burdens.<sup>236</sup> Although some webcasters closed up shop, others did not and they continue to thrive today.<sup>237</sup>

The final argument stems from the Constitution and the wording of the Copyright Clause.<sup>238</sup> Inherent in the wording of the Copyright Clause is a balancing between the interests of the public and incentives to “progress.”<sup>239</sup> If radio stations pass on this new royalty to listeners, change to talk-radio, or fail altogether, what happens to the “public’s right of access to sound recordings”?<sup>240</sup> While copyright exists to give incentive to creation, there must be “some concomitant public benefit.”<sup>241</sup> As the argument goes, copyright owners already have the incentive of record sales so an added performance right would not add anything,<sup>242</sup> and the burden on radio stations would therefore be unjustified.<sup>243</sup>

Given the prevalence of digital technology and music piracy, both of which were considered by Congress when creating the DPRA and the DMCA,<sup>244</sup> it is difficult to find much incentive in record sales. According to the RIAA, CD sales fell almost 25 percent between 2007 and 2008.<sup>245</sup>

Broadcasters argue additionally that performers, because they are in the public eye, have many other ways of making money, like through concert ticket sales and merchandise, while songwriters are behind the scenes and performance royalties are the only incentive to write.<sup>246</sup> This is like saying to a merchant, you charge for the glasses so you should give the wine for free. It is also not the case for most performers who “hold day jobs and struggle to make a living.”<sup>247</sup>

Additionally, the benefits a radio station receives for playing sound recordings over and over might be put in better balance with the work put in to the sound recording if they were to pay a performance royalty. After all, each sound recording takes time to create, not to mention the years spent honing musical skills. When Whitney Houston recorded Dolly Parton’s “I Will Always Love You,” the song went multi-platinum and was played on radio stations around the country.<sup>248</sup> The song as recorded by Dolly Parton had some success on country charts, but never enjoyed the same success or airplay of Houston’s version.<sup>249</sup> Radio stations played Whitney Houston’s version, instead of Dolly Parton’s, because the former was in demand and was being requested.<sup>250</sup> Had they substituted Dolly Parton’s version, however, listeners would have changed to a station playing Whitney Houston.<sup>251</sup>

## There Is No Problem

In response, the recording industry argues in favor of the Performance Rights Act because it would be fair to the performers, give incentive to create, and lead to international parity.<sup>252</sup>

The current royalty scheme benefits composers and music publishers only and leaves performers out of the

equation. This makes it inherently unfair. It discounts the contributions and importance of the sound recording in the success of the composition.<sup>253</sup> Just as discussed above, Whitney Houston’s performance of Dolly Parton’s song catapulted it to fame.<sup>254</sup> It cannot be denied that the song would not have had the same success if it was performed by Roseanne Barr.<sup>255</sup>

It is not fair to compensate the composer and not the performer when often the performer attracts the listeners to the song.<sup>256</sup> This is an argument of equity. Frank Sinatra was a household name. When he sang a new song, radio stations played it because Frank sang it.<sup>257</sup> Whether the musical composition was of high quality and innovative, or repetitive and formulaic, if sung by Frank Sinatra, a song was a hit.<sup>258</sup>

As previously discussed above, the main objective of copyright is to give incentive “to further progress in science and the useful arts.”<sup>259</sup> This important idea stemmed from John Locke’s “labor theory of property” upon which modern copyright is originally based.<sup>260</sup> According to Locke’s theory, when a person labors and/or works on something, “it is converted into an exclusive ‘private dominion.’”<sup>261</sup> In other words, one owns what one works on or creates. Ownership of the “exclusive ‘private dominion’” is the incentive or reward of work or labor.<sup>262</sup>

Performers and producers of sound recordings put work into the finished phonorecord.<sup>263</sup> Record labels fund the sound recording thereby taking most of the financial risk.<sup>264</sup> If copyright is founded on incentives to create and work is the tool of creation, then it follows that the greater reward or protection offered for the work, the more incentive to create.<sup>265</sup> When Congress extended copyright protection by 20 years in 1998, it was with the express intent to “be an incentive for U.S. authors to continue using their creativity to produce works.”<sup>266</sup>

It is important to note that famous rock stars who sell out big arenas and billions of albums are not the majority of musicians and performers. Most recording artists play small venues, work day jobs and struggle to pay their bills, and “a performance royalty could provide the necessary income to prevent exit from the recording business.”<sup>267</sup> The introduction of a performance royalty could cause a change in the current way record companies do business “resulting in a larger and more heterogeneous body of widely available music.”<sup>268</sup> This change in business model would also serve to increase the public’s access to music, and more musicians would be given a chance at success.

Radio stations counter that they would not be playing new music because the need to pay the performance royalty would cause them to raise advertising revenue.<sup>269</sup> In order to attract more advertisers, they need more listeners.<sup>270</sup> Consequently, “they will be unable to take a chance on new artists because they will be forced to play the songs that they know will bring in advertising money

and listeners.”<sup>271</sup> As discussed above, however, radio is a business. Broadcasters already base much of their programming on music to attract listeners and raise advertising revenue,<sup>272</sup> and they play little, if any, new music.<sup>273</sup>

Another fairness argument asserts that radio broadcasters have “an unfair advantage over their competition.”<sup>274</sup> The assertion is that because satellite, Internet and cable radio have to pay a performance royalty in sound recordings, they cannot compete on the same level as terrestrial radio.<sup>275</sup> It seems too early to determine if this is the case as most listeners compartmentalize their use of radio, Internet radio and subscription radio services, such as satellite or cable, depending on several factors, including reception, availability of high-speed Internet and frequency of travel.<sup>276</sup> At this relatively early stage, one does not seem to affect the other with the exception of satellite radio which serves only to take listeners away from terrestrial radio rather than the other way around.<sup>277</sup>

International parity is the final main argument in favor of the Performance Rights Act. As discussed above, many countries are party to treaties granting a performance right in sound recordings with reciprocity requirements.<sup>278</sup> The United States is not a party to these treaties or reserves out of the performance right<sup>279</sup> and, therefore, American artists do not get the benefit of a performance right even in countries that do provide it.<sup>280</sup> Entertainment is one of the United States’ biggest exports,<sup>281</sup> yet “an estimated \$600 million ha[s] been lost in foreign royalties”<sup>282</sup> because of the “failure to grant a public performance right.”<sup>283</sup>

During the hearings for the House Bill, international parity was discussed. An “[a]dvocate[] of the Performance Rights Act note[d], ‘We’re the only OECD country and virtually the only industrialized nation that doesn’t provide the creator compensation for performance on the radio, putting us in the company of nations such as Iran, China, and North Korea.’”<sup>284</sup> As discussed in detail above, the United States is out of step with the rest of the world on this issue.

Those against a performance right in sound recording point to Article 16(1)(a)(1) of the Rome Convention<sup>285</sup> as a dispute to international parity. This article allows a country to opt out of the performance right in sound recording for radio.<sup>286</sup> Thus, the argument goes, if the United States were to grant a performance right, other countries, with “small domestic recording industries,” would opt out and not have to pay the American performers anyway.<sup>287</sup> The concern is valid because countries fear a “royalty imbalance with the U.S.,”<sup>288</sup> which would result in most of the collected royalties being sent to the United States and relatively few royalties coming in.

What would be the implications if small countries opt out of performance rights? The United States would still receive reciprocal treatment from countries, notably France and England, that do not opt out.<sup>289</sup> As the clause

is reciprocal, the United States would not have to pay a performance right to countries that have opted out. Therefore, the United States would not lose anything and only stands to gain, at least a little. While some royalties would be sent to participating countries, the bottom line results in royalties being paid to American artists from overseas.<sup>290</sup>

## Conclusion

The idea of granting a full public performance right to sound recordings is not new. In fact, “[s]ince 1926, over twenty-five bills seeking to grant [this right] have been presented, without success, in the U.S. Congress.”<sup>291</sup> Congress is closer to passing this legislation than ever before.<sup>292</sup>

It is not just a matter of fair and unfair, as political pressures abound. Each Representative and Senator is an elected official. Each side of the debate on the Performance Rights Act has powerful lobbyists.<sup>293</sup> The difference between today and 80 years ago may be the power of radio. Radio used to play an enormous role in people’s lives, from listening to radio plays and music for entertainment to getting the weather reports, news and political speeches.<sup>294</sup> While radio still attracts many listeners, it is one of many information gathering tools at our disposal. Technology has affected radio just as much as it has affected the recording industry.<sup>295</sup> Radio’s apparent loss of influence may be the reason Congress has taken the bills this far.

The National Association of Broadcasters and the Music First Coalition are in negotiations to attempt to fashion an agreement regarding the Performance Rights Act.<sup>296</sup> The history of copyright shows that in times of technological advancement, changes to copyright law follow.<sup>297</sup> As technology makes it easier for music to be manipulated and exploited, greater incentive is needed to inspire artists to share their creations. The Performance Rights Act would bring the United States into harmony with international copyright law and demonstrate an appreciation of the contributions of the musicians and performers to the music we all enjoy.

One can barely start spelling R E S P E C T without thinking of Aretha Franklin. Her version of that song, written by Otis Redding, became so popular it was added to the National Recording Registry in the Library of Congress in 2002.<sup>298</sup> Although Otis Redding wrote the song, it was different from the version recorded by Aretha Franklin. She and her producer added a bridge and tenor saxophone, they rearranged the song so it would fit Aretha’s voice and singing style.<sup>299</sup> It is time to show respect. Respect for the efforts of musicians like Ms. Franklin and Gladys Knight, whose R&B version of “Wind Beneath My Wings,” called simply “Hero,” was a hit<sup>300</sup> before Bette Midler’s performance launched the song out of obscurity. Ms. Knight is a proponent of the Performance Rights Act because she has seen how hard it is for musicians and



singers to make a living and how many are compelled to keep performing while their music continues to make money for radio stations.<sup>301</sup> Put simply, Ms. Knight says, “It’s time to pass the Performance Right Act. It is simply the right thing to do.”<sup>302</sup>

## Endnotes

1. Dale Kawashima, *Jeff Silbar: Writing the Classic “Wind Beneath My Wings,”* SONGWRITER UNIVERSE, available at <http://www.songwriteruniverse.com/wind.html> (last visited July 8, 2010) (noting that the song got to number 1 on Billboard charts and “became a worldwide hit”).
2. *See id.* (listing the many artists that have recorded a version of “Wind Beneath My Wings”).
3. *See id.*
4. *See id.*
5. *See* Emily F. Evitt, *Money, That’s What I Want: The Long and Winding Road to a Public Performance Right in Sound Recordings*, 21 INTELL. PROP. & TECH. L.J. 10, 10 (Aug. 2009).
6. *See id.*
7. *See id.*
8. *See* Kris Kristofferson *Biography*, <http://www.biography.com/articles/Kris-Kristofferson-177860> (last visited July 8, 2010).
9. Matthew S. DelNero, *Long Overdue? An Exploration of the Status and Merit of a General Public Performance Right In Sound Recordings*, 51 J. COPYRIGHT SOC’Y U.S.A. 473, 474 (2004).
10. *See* MUSIC AND COPYRIGHT 22 (Simon Frith & Lee Marshall eds., Routledge 2004) (1993).
11. *Id.* at 22 (explaining that this first factor leading to copyright was “realized in the art of Italian painters and sculptors”).
12. *See id.* (stating that merchants from other countries and trade fairs “created an efficient distribution structure for new ideas”).
13. The Gutenberg printing press was invented around 1440/1450 and allowed for more efficient reproduction of printed materials. *See id.*; *see also* ROBERT P. MERGES, PETER S. MENELL & MARK A. LEMLEY, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 384 (4th ed. 2007).
14. *See* MERGES, *supra* note 13, at 384 (discussing that the granting of a patent in a printing press at that time afforded the owner exclusive rights to print all books in a territory or a particular book for a set period of time).
15. *See id.*; *see also* MUSIC AND COPYRIGHT, *supra* note 10, at 23.
16. *See* MERGES, *supra* note 13, at 385; *see also* MUSIC AND COPYRIGHT, *supra* note 9, at 23.
17. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 25 (comparing the old system of privileges with copyright).
18. *See id.* at 24 (noting the imbalance between printers and authors that existed under the system of privileges).
19. *See id.* at 24–25 (listing a “few exceptions...where authors began to assert themselves” and obtain rights to their works and noting that “Joseph Haydn’s contract of employment...still contained a clause forbidding the publication of his works” in 1761).
20. *See id.* at 25–27 (discussing the statute’s creation and political implications and that the preamble sets its aim as the encouragement of creation); *see also* MERGES, *supra* note 13, at 385.
21. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 26; *see also* MERGES, *supra* note 13, at 385.
22. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 27 (giving as an example the argument over three competing editions of Corelli’s Twelve Sonatas Op. 5 in 1700 London).
23. MERGES, *supra* note 13, at 385.
24. *See id.* (explaining moral rights as those that an author has by virtue of writing a work).
25. *Id.*
26. *See id.* (noting that copyright on the continent included both a property right “based on a decree by the Revolutionary government in January 1791 and on a series of moral rights”).
27. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 30 (discussing the Copyright Act of 1790).
28. The Statute of Anne was passed in 1710, well before the Revolutionary War. *See id.* at 25; *see also* MERGES, *supra* note 13, at 385.
29. MUSIC AND COPYRIGHT, *supra* note 10, at 29.
30. U.S. CONST. art. I, § 8, cl. 8 (“To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”).
31. John R. Kettle III, *Dancing to the Bear of a Different Drummer: Global Harmonization and the Need for Congress to get in Step with a Full Public Performance Right for Sound Recordings*, 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1041, 1054 (2002); *see also* MERGES, *supra* note 13, at 385 (stating that the state laws “contained complex and often conflicting formal requirements”).
32. MERGES, *supra* note 13, at 386.
33. *See* U.S. CONST., art. 1, § 8, cl. 8.
34. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 30; *see also* MERGES, *supra* note 13, at 386.
35. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 30; *see also* MERGES, *supra* note 13, at 386.
36. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 30 (“nothing in this act shall be construed to extend to prohibit the importation or...publishing within the United States...chart, book or books written...by any person not a citizen of the United States...”).
37. *See id.* (noting that by allowing the unbridled dissemination of information from foreign lands would be advantageous to the new country).
38. *See* Kettle, *supra* note 31, at 1055–56; *see also* MERGES, *supra* note 13, at 386.
39. *See* Kettle, *supra* note 31, at 1056.
40. *Id.* (“Under this amendment, the copyright owner could now demand a fee for, or prevent, another’s public performance of the musical work.”).
41. *Id.* at 1057 (dubbing the amendments from up until 1909 “piecemeal”).
42. *See id.* at 1057–58 (discussing new technology of the Industrial Revolution and uncertainty in what was copyrightable as impetus of a three-year Congressional study “with the goal of rewriting the copyright act”).
43. *See* MERGES, *supra* note 13, at 286 (enumerating what “all writings” under the Act includes).
44. *See* Kettle, *supra* note 31, at 1058 (“some legislators sought to convince the drafters of the bill that composers of music should have total control over the use of their musical works”).
45. *See id.* (discussing the limited protection afforded to copyright owners of musical compositions under the Act).
46. *Id.*
47. *See id.* at 1059 (stating that manufacturers of phonorecords for sale had to “account for and pay the statutory royalty set by law”).
48. *Id.* at 1058.
49. *See id.* at 1058–59 (listing the steps the music user would need to take in order to be in compliance with the law and not to be “deemed a copyright infringer”).

50. See Kettle, *supra* note 31, at 1058.
51. See *id.*
52. See *id.* at 1059 (noting that jukeboxes, radio and phonorecords replaced live performances of music).
53. See *id.* (“The performances of recording artists could be ‘captured on records and cassettes, which were easily played, stored and reproduced in the home’ making it simple to reproduce and exploit ‘an individual’s unique rendition of a particular song...’”).
54. See *id.* at 1060.
55. See MERGES, *supra* note 13, at 387 (discussing a 1955 Congressional mandate for the Copyright Office to investigate the current state of copyright and emerging technologies).
56. See *id.* at 387.
57. See Kettle, *supra* note 31, at 1060.
58. *Id.*
59. See *United States v. Taxe*, 540 F.2d 961 (9th Cir. 1976).
60. See Kettle, *supra* note 31, at 1063 (discussing studies commissioned by the Copyright Office to explain the need to revise the laws); see also MERGES, *supra* note 13, at 387 (noting the process of reform and how it took the Copyright Office two decades to complete the studies with aid from “principal interest groups”).
61. MERGES, *supra* note 13, at 387.
62. *Id.*
63. See Kettle, *supra* note 31, at 1064; see also RICHARD RAYSMAN, COMPUTER LAW: DRAFTING AND NEGOTIATING FORMS 1 § 5.06(1) (2009).
64. See RAYSMAN, *supra* note 63, at § 5.06(1).
65. See Kettle, *supra* note 31, at 1064; see also RAYSMAN, *supra* note 63, at § 5.06(1) n.2 (“The public performance right is limited to ‘literary, musical, dramatic and choreographic works, pantomimes, and motions pictures and other audiovisual works.’”).
66. See Kettle, *supra* note 31, at 1064.
67. See *id.*
68. *Id.* at 1065.
69. See *id.* (implying that the Congress asked for a report in exchange for the votes needed to pass the bill).
70. *Id.* at 1065-66.
71. See MERGES, *supra* note 13, at 386.
72. See *id.* (noting that the 1909 Act promoted a nationalistic policy excluding foreign works and “keeping the United States at odds with the growing number of nations joining the Berne Convention”).
73. See Berne Convention for the Protection of Literary and Artistic Works art. 1–2, Sept. 9, 1886 (Paris Text 1971, as amended Sept. 28, 1979), 828 U.N.T.S. 221 [hereinafter Berne Convention] (creating a “union” of signatories and granting reciprocal rights to members of the union).
74. See MERGES, *supra* note 13, at 387 (Congress added protection to computer programs to the Copyright Act and an additional 20 years to the duration.); see also MUSIC AND COPYRIGHT, *supra* note 10, at 40 (citing exports from Hollywood and Redmond as impetus to joining Berne).
75. See MERGES, *supra* note 13, at 387.
76. See *id.*; see also MUSIC AND COPYRIGHT, *supra* note 10, at 40; see also Berne Convention, *supra* note 73, at art. 2 (listing the works protected and stipulating that all listed works “shall enjoy protection in all countries of the Union”).
77. See Berne Convention, *supra* note 73, at art. 7; see also MUSIC AND COPYRIGHT, *supra* note 10, at 40.
78. JEFFREY L. DUNOFF, STEVEN R. RATNER & DAVID WIPPMAN, INTERNATIONAL LAW NORMS, ACTORS, PROCESS—A PROBLEM ORIENTED APPROACH 61-62 (2nd ed. 2006) (explaining international requirements of treaty interpretation as set forth under the Vienna Conventions).
79. See Berne Convention, *supra* note 73, at art. 6bis (covering moral rights that continue to imbibe in the author even after transfer of ownership or copyright in the work and includes the right to “claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation”).
80. See MERGES, *supra* note 13, at 519 (discussing moral rights and VARA); see also MUSIC AND COPYRIGHT, *supra* note 10, at 40 (implying that the United States does not like moral rights by noting that the paternity right and integrity right included in the 1928 Rome revisions to the convention are not included in TRIPS at the insistence of the U.S.).
81. See International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, Oct. 26, 1961, 496 U.N.T.S. 43, available at [http://www.wipo.int/treaties/en/ip/rome/trtdocs\\_wo024.html](http://www.wipo.int/treaties/en/ip/rome/trtdocs_wo024.html) (last visited July 8, 2010) [hereinafter Rome Convention].
82. See Rome Convention, *supra* note 81, at art. 2 (defining national treatment); see also Rome Convention, *supra* note 81, at arts. 4, 5 & 6 (requiring “each Contracting State [to] grant national treatment to” performers, producers of phonograms, broadcasting organizations in “another Contracting State”).
83. See *id.* at art. 5 cl. 2 (granting protection to phonograms not first published in a Contracting State “if it was also published, within thirty days of its first publication, in a Contracting State”).
84. See DelNero, *supra* note 9, at 497 (discussing aspects of the Rome Convention and citing the United Kingdom and France as signatories).
85. See Rome Convention, *supra* note 81, at arts. 2-34.
86. See *id.* at art. 12.
87. See Evitt, *supra* note 5, at 10 (discussing the history of performance rights organizations such as ASCAP and their role in streamlining the royalty to composer process).
88. See DelNero, *supra* note 9, at 496 (discussing Art. 12 of the Rome Convention and how it would affect American broadcasters).
89. See MERGES, *supra* note 13, at 387 (stating that the entertainment and computer industries caused the U.S. to take a second look at joining the Berne Convention); see also MUSIC AND COPYRIGHT, *supra* note 10, at 40 (naming Hollywood as a compelling reason to join the Berne Convention).
90. DelNero, *supra* note 9, at 496 (citing statistics from the United States Trade Representative from February 1996).
91. See DelNero, *supra* note 9, at 495.
92. Evitt, *supra* note 5, at 11.
93. See *id.* at 494–95 (stating America is not a signatory to the Rome Convention and does not grant full performance rights in sound recordings).
94. See Kettle, *supra* note 31, at 1062–63 (citing court cases that emphasize a willingness to recognize “protectable differences between the musical composition and the sound recording” and that the common law protected sound recordings before the federal government applied this protection in 1972).
95. See *id.* at 1054-60 (discussing the history of copyright and the technological advances that spurned changes to copyright law); see also MUSIC AND COPYRIGHT, *supra* note 10, at 22–35 (naming the invention of the Gutenberg Press, phonorecords and the industrial revolution as catalysts to changes in copyright law); see also MERGES, *supra* note 13, at 387 (stating that the printing press and industrial revolution triggered changes in copyright law).

96. See Kettle, *supra* note 31, at 1058 (noting various legislative histories and intentions to grant greater protections failing to get enough votes).
97. See *id.* at 1063 (asserting that Congress neglected to pass copyright laws protecting phonorecords from copyright infringement until the music industry was in great financial trouble).
98. See *id.* at 1067.
99. See Digital Audio Tape, [http://en.wikipedia.org/wiki/Digital\\_Audio\\_Tape](http://en.wikipedia.org/wiki/Digital_Audio_Tape) (last visited July 8, 2010).
100. See Sound Recording and Reproduction, [http://en.wikipedia.org/wiki/Sound\\_recording\\_and\\_reproduction](http://en.wikipedia.org/wiki/Sound_recording_and_reproduction) (last visited July 8, 2010).
101. Kettle, *supra* note 31, at 1067.
102. *Id.*
103. Pub. L. No. 102-563, 106 Stat. 4237 (codified at 17 U.S.C. §§ 1001-1010).
104. See Kettle, *supra* note 31, at 1067-68.
105. See 17 U.S.C. §§ 1003-1004 (imposing royalty payments on manufacturers and importers of digital audio recording devices only, not to individuals or the public at large).
106. Kettle, *supra* note 31, at 1068.
107. See Evitt, *supra* note 5, at 11; see also Kettle, *supra* note 31, at 1070; see also *United States v. Am. Soc'y of Composers, Authors and Publishers*, 562 F.Supp.2d 413, 417 (S.D.N.Y. 2008) [hereinafter ASCAP] ("By the end of the 1990's, a new technology emerged that enabled the delivery of large files, especially music and audiovisual files, on a widespread basis for commercial gain to a large segment of the public—high speed Internet access").
108. See ASCAP, 562 F.Supp.2d at 418-19 (reviewing the history of webcasters and digital music streaming).
109. Digital Performance Right in Sound Recordings Act, Pub. L. No. 104-39, 109 Stat. 336 (1995) (codified as amended in scattered sections of 17 U.S.C.).
110. RAYSMAN, *supra* note 63, at § 5.06 n.6.
111. See ASCAP 562 F.Supp.2d at 418; see also Kettle, *supra* note 31, at 1070-71.
112. See DelNero, *supra* note 9, at 485.
113. Kettle, *supra* note 31, at 1072.
114. See Kettle, *supra* note 31, at 1071-72 (explaining the royalties to be paid pursuant to the DPRA); see also DelNero, *supra* note 9 at 490.
115. Kettle, *supra* note 31, at 1070.
116. See *id.*
117. See *id.*
118. See 17 U.S.C. § 106(4) (granting exclusive right to performance only "in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly").
119. See 17 U.S.C. § 106(6) (granting exclusive right to performance "in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission").
120. 2007 WL 136186 (S.D.N.Y. 2007) [hereinafter *Atlantic*].
121. *Id.* at 2.
122. See *id.* at 2 (describing XM + MP3 players and how they allow storage of MP3 files previously owned by the consumer and "permit subscribers to record, retain and library individually disaggregated and indexed audio files").
123. See *id.* at 1; see also 17 U.S.C. § 106(3) (affording sound recording copyright owners the exclusive right "to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending").
124. See *Atlantic* 2007 WL at 4 (reviewing XM's argument for why it was not infringing based on the language of the AHRA).
125. See *id.*
126. See *id.* at 6 (stating that XM is not being sued for distributing the recording device so it is not covered by AHRA).
127. See *id.*
128. See *id.* (finding the protections offered by the AHRA inapplicable to the actions of XM in distributing music and the case brought before the court).
129. See *id.* at 5-6.
130. *Atlantic* 2007 WL at 6.
131. Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 17 U.S.C.).
132. See JAY DRATLER, JR., CYBERLAW: INTELLECTUAL PROPERTY IN THE DIGITAL MILLENNIUM, § 3.02, (2009) (asserting that the DPRA is too wordy and detailed, and therefore, more difficult to understand).
133. See Kettle, *supra* note 31, at 1072, 1078-79.
134. See DelNero, *supra* note 9 at 485; see also Kettle, *supra* note 31, at 1072.
135. 17 U.S.C. 1201.
136. See 17 U.S.C. 512.
137. See Kettle, *supra* note 31, at 1072-73 (describing the method of licensing and the split of royalties between record companies and recording artists).
138. See *id.* at 1072 (discussing the meeting of WIPO in Geneva in 1996 that resulted in the two treaties being signed by the United States).
139. See *id.* at 1078-79 (describing the call by other countries for reciprocal treatment in the United States of their sound recordings under the "Uruguay Round of the Multilateral Trade Negotiations to Amend the General Agreement on Tariffs and Trade" and how the WIPO treaties were a compromise of affording limited performance rights).
140. See *id.* at 1079.
141. See *id.*
142. *Id.*
143. *Atlantic*, 2007 WL at 7 (quoting Paul Goldstein, *Goldstein on Copyright* § 7.7.2 at 7:158 (3d ed. 2005 and 2006 Supp.)).
144. See ASCAP, 562 F.Supp.2d at 419-20 (differentiating between the subscription model of website access whereby consumers pay to access the content versus the advertising model whereby access to content is free for consumers).
145. See Clear Channel—Advertise with Us, <http://clearchannel.com/Corporate/PressRelease.aspx?PressReleaseID=1782&p=hidden> (last visited July 8, 2010) (soliciting advertising by highlighting the amount of listeners reached every week).
146. See DelNero, *supra* note 9, at 491.
147. See *id.* ("In light of the structure and history of the DPRA and DMCA, sound recording copyright owners and artists are intended to receive no greater royalty compensation than that to which they were entitled under the traditional analog system, which depended entirely upon revenues from the exclusive rights to reproduce and distribute sound recordings.").
148. See Evitt, *supra* note 5, at 11 (asserting that the threat to record sales, rather than the goal of international parity in copyright law, is the reason these laws were passed and why they have so many limitations).
149. See DRATLER, *supra* note 132, at § 3.02, (2009) (discussing the brevity of the rights granting language of the statutes as compared to the detailed language of the limitations on those rights).
150. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 928 (2005) (holding that distributors of devices "with the object



of promoting its use to infringe copyright” will be held liable of copyright infringement if it can be shown that they intended this use through “clear expression or other affirmative steps taken to foster infringements”).

151. See Kettle, *supra* note 31, at 1081.
152. See 17 U.S.C. § 110(5)(B) (2001).
153. Kettle, *supra* note 31, at 1081.
154. *Id.* at 1081–82 (stating that the “effect of the amendment . . . is to not only perpetuate the denial of royalties to the copyright owner of the sound recording, but it also reduces the entitlement of royalties for songwriters and music publishers”).
155. See *id.* at 1056 (stating that a performance right in nondramatic musical compositions was given to copyright owners in 1891).
156. The treaties implicated were the portions of the Berne Convention incorporated under the “Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPs) of the Uruguay Round of GATT.” See *id.* at 1082; see also J.A.L. STERLING, L.L.B., *WORLD COPYRIGHT LAW*, 441 (3d ed. 2008).
157. See Kettle, *supra* note 31, at 1082.
158. See Berne Convention, *supra* note 73; see also Rome Convention, *supra* note 81.
159. Kettle, *supra* note 31, at 1083 (predicting possible findings of the WTO on the issue of the Fairness in Music Licensing Act).
160. See STERLING, *supra* note 156, at 441–44 (discussing the dispute settlement procedures under Article 64 of the TRIPs agreement).
161. Article 11 and 11bis of the Berne Convention provide for the exclusive right in the author of the public performance of their works “by any means” or by “broadcasting of their work or communication thereof.” Berne Convention, *supra* note 73, at art. 11 & 11bis.
162. STERLING, *supra* note 156, at 442.
163. See *id.* (both the Berne Convention and TRIPs Agreement have exceptions and limitations enumerated to the requirements that can apply to statutes passed in signatory countries).
164. Article 13 of the TRIPs Agreement states: “Members shall confine limitation or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.” *Id.* at 442–43 (reviewing the defense put forth by the United States to the allegations of the European Community).
165. The “home style” exemption applies when an ordinary radio or television, sold mainly for home use, is used in a restaurant or bar so long as the patrons are not charged to watch the television or listen to the radio. Additionally, the exemption “does not apply in respect of performances or displays of non-dramatic musical works.” See *id.* at 441.
166. The “business” exemption applies to broadcasts, either live or retransmissions, of “non-dramatic musical works” depending on the size of the establishment, whether it serves food or alcohol, how many loud speakers are used and whether or not it uses audio-visual devices. Additionally, the establishment cannot charge directly to hear or see the broadcast or retransmission “and the initial transmission must have been licensed by the relevant copyright owner.” See *id.*
167. Three conditions in article 13 are: 1) “certain special cases;” 2) “not conflict with a normal exploitation of the work;” and, 3) “not unreasonably prejudice the legitimate interests of the right holder.” *Id.* at 443–44.
168. See STERLING, *supra* note 156, at 444 (summarizing the holdings of the Panel).
169. See *id.* (mentioning that the United States has not yet come into compliance with the Panel’s recommendation).
170. See *Performance Rights Act*, H.R. 848, 111th Cong. (2009); see also *Performance Rights Act*, S. 379, 111th Cong. (2009).
171. See GovTrack.us: A Civic Project to Track Congress, *H.R. 848: Performance Rights Act*, <http://www.govtrack.us/congress/bill.xpd?bill=h111-848> (last visited July 8, 2010) (reporting that the House Bill was reported by committee on May 13, 2009, recommended to be considered by the House as a whole and placed on the calendar of business); see also GovTrack.us: A Civic Project to Track Congress, *S. 379: Performance Rights Act*, <http://www.govtrack.us/congress/bill.xpd?bill=s111-379> (last visited July 8, 2010) (reporting that the Senate Bill was reported by committee on Oct. 15, 2009 with recommendation to be considered by the Senate as a whole and placed on the calendar).
172. See Stacy Brown, *Performance Rights Act Still in Limbo*, TIMES TRIB., June 18, 2010, available at <http://thetimes-tribune.com/arts-living/performance-rights-act-still-in-limbo-1.851710> (last visited July 8, 2010).
173. See *Performance Rights Act*, H.R. 848, 111th Cong. preamble (2009) (hereinafter *House Bill*).
174. See *Performance Rights Act*, S. 379, 111th Cong. preamble (2009) (hereinafter *Senate Bill*).
175. 17 U.S.C. § 106(6) (2002).
176. *House Bill*, *supra* note 173, at § 2(a); *Senate Bill*, *supra* note 174, at § 2(a).
177. See *House Bill*, *supra* note 173 at § 2(b)–(c); see also *Senate Bill*, *supra* note 174, at § 2(b)–(c); see also 17 U.S.C. § 114(d)(1) and § 114(j)(6).
178. See *Senate Bill*, *supra* note 174, at § 2(d) (giving consideration to terrestrial radio stations so as not to add administrative burden under this bill).
179. See 17 U.S.C. § 114(f) (designating the reasonability requirements of royalty rates and finding that Copyright Royalty Judges will determine and establish such rates).
180. See *Senate Bill*, *supra* note 174, at § 3(a)(1) (adding (D) under Section 114(f)(2) of Title 17); see also *House Bill*, *supra* note 173, at § 3(a)(1).
181. See *Senate Bill*, *supra* note 174, at § 3(a)(1) (adding (E) under Section 114(f)(2) of Title 17); see also *House Bill*, *supra* note 173, at § 3(a)(1).
182. See *Senate Bill*, *supra* note 174, at § 3(b) (amending Section 114(d)(1) by exempting transmission of religious services and incidental use); see also *House Bill*, *supra* note 173, at § 3(b).
183. See *Senate Bill*, *supra* note 174, at § 4; see also *House Bill*, *supra* note 173, at § 4.
184. See Evitt, *supra* note 5, at 10 (discussing the history of performance rights organizations); see also ASCAP 562 F.Supp.2d at 418 (reviewing licensing structures to determine fairness of fee set).
185. See GovTrack.us: A Civic Project to Track Congress, *H.R. 848: Performance Rights Act*, <http://www.govtrack.us/congress/bill.xpd?bill=h111-848> (last visited July 8, 2010) (listing the organizations for and against the bill).
186. See Kettle, *supra* note 31, at 1053 (asserting that performance rights societies opposed a full performance right out of fear of losing royalties because the same money coming in would have to be divided by more parties); see also Evitt, *supra* note 5, at 13 (stating that composers fear that “the same pie of royalties will be divided among more parties and composers will be left with a smaller slice”).
187. See *Senate Bill*, *supra* note 174, at § 5; see also *House Bill*, *supra* note 173, at § 5.
188. See *Senate Bill*, *supra* note 174, at § 5(a); see also *House Bill*, *supra* note 173, at § 5(a).
189. *Senate Bill*, *supra* note 174, at § 5(c); *House Bill*, *supra* note 173, at § 5(c).
190. See GovTrack.us: A Civic Project to Track Congress, *S. 379: Performance Rights Act*, <http://www.govtrack.us/congress/>

- billtext.xpd?bill=s111-379 (last visited July 8, 2010) (juxtaposing the bill as introduced to the bill as reported).
191. See *Senate Bill*, *supra* note 174, at § 6; see also *House Bill*, *supra* note 173, at § 6.
  192. See Evitt, *supra* note 5, at 10 (describing the emergence of performance rights societies as receptacles of royalties and their distribution).
  193. *Senate Bill*, *supra* note 174, at § 6; *House Bill*, *supra* note 173, at § 6.
  194. *Senate Bill*, *supra* note 174, at § 6; *House Bill*, *supra* note 173, at § 6.
  195. *Senate Bill*, *supra* note 174, at § 6; *House Bill*, *supra* note 173, at § 6.
  196. See *Senate Bill*, *supra* note 174, at § 6; see also *House Bill*, *supra* note 173, at § 6.
  197. See *Senate Bill*, *supra* note 174, at § 7.
  198. Ephemeral recordings are “cop[ies] or phonorecord[s] of... transmission[s] of program[s] embodying the performance or display” and are made by broadcasters for purposes of transmissions or archival purposes. 17 U.S.C. 112(a)(1).
  199. See *Senate Bill*, *supra* note 174, at § 7 (adding a list of “economic, competitive and programming” considerations to be taken into account by Copyright Royalty Judges when determining royalty rates).
  200. Compare 17 U.S.C. § 114(e)(4) and *Senate Bill*, *supra* note 174, at § 7.
  201. See Gov’t Accountability Off., Proposed Performance Rights Act, GAO-10-428R, 1 (Feb. 26, 2010).
  202. *Id.* at 15.
  203. See Gov’t Accountability Off., Comments from the Copyright Office on GAO-10-428R, an E-Supplement to GAO-10-428R, GAO-10-707SP, 1 (June 7, 2010).
  204. *Id.*
  205. *Id.* at 1–2.
  206. See *id.* at 2; see also Brown, *supra* note 172.
  207. See DelNero, *supra* note 9, at 506 (asserting that radio broadcasters feel that by promoting the music, they are already compensating the artists); see also Evitt, *supra* note 5, at 12 (enumerating the various arguments against a full performance right in music).
  208. See Clear Channel—Advertise with Us, <http://clearchannel.com/Corporate/PressRelease.aspx?PressReleaseID=1782&p=hidden> (last visited July 8, 2010) (soliciting advertising by highlighting the amount of listeners reached every week).
  209. Harry Emons Martin III, *The Correlation Between College Students’ Familiarity With Potentially Offensive Popular Music And Self-Reported Tolerance Of Obscene Language And Sexual Behavior*, May 2003, [http://etd.lsu.edu/docs/available/etd-0409103-090119/unrestricted/Martin\\_thesis.pdf](http://etd.lsu.edu/docs/available/etd-0409103-090119/unrestricted/Martin_thesis.pdf), 7–9 (discussing the correlation between radio air play and popularity and efforts by record companies to keep lyrics clean enough for radio) (last visited July 9, 2010).
  210. Billboard collects data on radio air play and record sales. Compare Billboard Chart of Top Radio Songs to Top 100 and you will see they are the same. See Billboard.com—*Charts Hot 100* <http://www.billboard.com/#/charts/hot-100> (last visited July 9, 2010); see also Billboard.com—*Charts Radio Songs* <http://www.billboard.com/#/charts/hot-100> (last visited July 9, 2010).
  211. See DelNero, *supra* note 9, at 507–08.
  212. See *id.* (Congress outlawed “payola” in 1960).
  213. *Id.* at 508 (explaining “modern-day payola” whereby which a promoter purchases an exclusive right to represent a radio station in its dealings with record labels); see also Evitt, *supra* note 5, at 12.
  214. See DelNero, *supra* note 9, at 508 (discussing the importance of airplay to record labels and performers).
  215. See *id.*
  216. *Results for the 2009 Fiscal Third Quarter Ended June 30, 2009*, MKT. NEWS PUBL’G, Aug. 6, 2009 (reporting financial results for the third quarter of Warner Music Group, noting that while most revenue was down, digital revenue was up).
  217. See Billboard.com—*Charts Digital Songs*, <http://www.billboard.com/#/charts/digital-songs> (last visited July 9, 2010).
  218. See Digital Performance Right in Sound Recordings Act, Pub. L. No. 104-39, 109 Stat. 336 (1995) (codified as amended in scattered sections of 17 U.S.C.); see also Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 17 U.S.C.).
  219. See DelNero, *supra* note 9, at 510 (noting that older works do not get a promotional benefit from being played on the radio, while radio stations gain viewers).
  220. People choose which radio station to listen to based on the programming offered by that radio station, for example, classical music, oldies, classic rock, and country.
  221. See Clear Channel—Advertise with Us, <http://clearchannel.com/Corporate/PressRelease.aspx?PressReleaseID=1782&p=hidden> (last visited July 8, 2010) (soliciting advertising by highlighting the amount of listeners reached every week).
  222. Massarsky Consulting Inc., Analysis of Catalog vs. Current Airplay on Commercial Radio, 2009, Oct. 19, 2009 (defining “catalog music” as “music that has been released for at least 2 years” and demonstrating that most music heard on terrestrial radio is not new music).
  223. See DelNero, *supra* note 9, at 512 (analyzing the argument put forth that this is an undue burden to broadcast media); see also Kettle, *supra* note 31, at 12.
  224. See Kettle, *supra* note 31, at 12 (comparing the fiscal performance of the radio industry in 2008 and 2009 and asserting that it decreased more each year).
  225. See *id.* (noting that broadcasters call the performance rights act a tax).
  226. *Senate Bill*, *supra* note 174, at § 3; *House Bill*, *supra* note 173, at § 3.
  227. See *Senate Bill*, *supra* note 174, at § 3; see also *House Bill*, *supra* note 173, at § 3.
  228. See *Senate Bill*, *supra* note 174, at § 3; see also *House Bill*, *supra* note 173, at § 3.
  229. See 17 U.S.C. § 114(f)(1)(B) (discussing the procedures by which rates will be set).
  230. DelNero, *supra* note 9, at 512.
  231. *Id.* at 513.
  232. See 17 U.S.C. § 114(f)(2)(B) (setting considerations to be noted when setting the royalty rate).
  233. DelNero, *supra* note 9, at 513–14.
  234. See *id.* at 514–15.
  235. See *id.*
  236. See *id.* at 515.
  237. See *id.* at 516.
  238. U.S. CONST. art. 1, § 8, cl. 8 (“To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”).
  239. See *id.* (wanting “to promote” arts and sciences for the good of the people and therefore giving “exclusive right to their respective writings and discoveries,” but only for a “limited time”).
  240. *Id.* at 516.
  241. *Id.* at 517.
  242. See *id.* (discussing the balancing between public access to information and the copyright monopoly rights).

243. *See id.*
244. *See* Evitt, *supra* note 5, at 11 (finding that Congress justified the DPRA “on the ground that new digital distributions...threatened to substitute sales of sound recordings”).
245. RIAA, *2007-2008 U.S. Shipment Numbers—2008 Year-End Shipment Statistics*, available at <http://76.74.24.142/D5664E44-B9F7-69E0-5ABD-B605F2EB6EF2.pdf> (last visited July 8, 2010) (reporting that CD sales fell 24.7% from 2007 to 2008).
246. *See* Evitt, *supra* note 5, at 11 (reporting the broadcasters’ argument that due to the availability of “other available revenue streams,” a full performance right would result in a windfall for performers).
247. *Id.*
248. *See* Mary Wayne, *Who Wrote I Will Always Love You*, Mar. 17, 2009, available at <http://woodenspears.com/who-wrote-i-will-always-love-you> (last visited July 8, 2010).
249. *See id.*
250. *See id.* (debuting at number one, Whitney Houston’s version “remained in the charts for a long time”).
251. *See id.* (Whitney Houston’s version of the song became “one of the best selling singles of all time and the all time best selling single by a female artist.”).
252. *See* Evitt, *supra* note 5, at 11 (enumerating the arguments by proponents of the Performance Rights Act).
253. *See* DelNero, *supra* note 9, at 502.
254. *See* Wayne, *supra* note 248.
255. *See* DelNero, *supra* note 9, at 502 (“in listening to a song, ‘we are as much listening to it because of that performer’s skill and style as because of the skill and style of the musical composer, lyricist, or music publisher’”).
256. *See id.* at 501 (stating that in pop culture “consumers are often more interested in the performer than the composer”).
257. *See id.* at 502 (asserting that Sammy Cahn, Frank Sinatra’s composer, is practically unknown, while “Old Blue Eyes remains a household name”).
258. *See* Billboard.com – *Frank Sinatra Chart History*, <http://www.billboard.com/artist/frank-sinatra/3626#/artist/frank-sinatra/chart-history/3626> (last visited July 8, 2010) (listing the comprehensive chart history of Frank Sinatra, which is extensive and includes albums on the charts as late as 2008).
259. U.S. CONST. art. 1, § 8, cl. 8.
260. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 25–26 (discussing Locke’s theory and the beginnings of copyright law and that “[t]here are obvious resonances with contemporary corporate lobbying for intellectual property protection”).
261. *Id.* at 25 (“Locke’s theory may be summarized thus: in a state of nature, goods are held in common through a grant from God. ‘Being given for the use of men, there must of necessity be a means to appropriate them some way or other, before they can be of any use or at all beneficial.’ Every man has property in his own person: ‘this nobody has a right to but himself. The ‘labour’ of his body and the ‘work’ of his hands, we may say, is properly his.’ If a person mixe[s] his labour’ with a common good, it is converted into an exclusive ‘private dominion.’”).
262. *See id.*
263. *See* DelNero, *supra* note 9, at 502 (explaining the contributions of the producer to the sound recording).
264. *See id.* (record companies typically lay out money for studio time, producers, etc. when creating an album with no guarantee of a return on the investment).
265. *See* MUSIC AND COPYRIGHT, *supra* note 10, at 25–26.
266. *See* DelNero, *supra* note 9, at 504.
267. *Id.* at 505 (contrasting the incentive effect for independent artists as opposed to “megastars,” such as Madonna).
268. *Id.* at 506 (arguing that if granted a performance right, record companies might change their current business model resulting in more exposure to smaller acts, thus giving the public more access to the music).
269. *See* Evitt, *supra* note 5, at 12.
270. *See id.*
271. *Id.*
272. *See* Clear Channel—Advertise with Us, <http://clearchannel.com/Corporate/PressRelease.aspx?PressReleaseID=1782&p=hidden> (last visited July 8, 2010) (constant solicitation of advertisers shows the business behind the music).
273. Massarsky Consulting Inc., *Analysis of Catalog vs. Current Airplay on Commercial Radio*, 2009, Chart of Catalog Music Share by Format, Oct. 19, 2009 (finding that “catalog music makes up at least half of all spins on 7 of the top 10 radio formats,” some formats, like oldies and adult hits, play more than 95% from catalog music).
274. Gladys Knight, *Broadcast Radio Should Pay Musicians*, DESERET MORNING NEWS, Oct. 15, 2009.
275. *See id.*
276. *See* Tim Farrar, *The Competitive Landscape for Satellite Radio 1–2*, TMF ASSOCIATES, Apr. 6, 2007, available at <http://www.tmfassociates.com/SatRadio.pdf> (discussing that “satellite radio is almost entirely a vehicle-based service and without a very substantial investment in terrestrial repeater networks” and therefore limited so far).
277. *See* Ken Tucker, *Paragon: Satellite Biggest Threat to Radio Listening*, RADIO MONITOR, Aug. 2, 2005, available at <http://www.allbusiness.com/services/motion-pictures/4469709-1.html> (last visited July 8, 2010) (asserting that satellite radio draws radio listeners away from terrestrial radio).
278. *See* Rome Convention, *supra* note 81, at art. 12; *see also* Berne Convention, *supra* note 73, at art. 11bis; *see also* Kettle, *supra* note 31, at 1075 (“The foreign countries that collect public performance royalties under their local laws only make such royalties available to nationals of member countries that provide an equivalent right.”).
279. *See* Kettle, *supra* note 31, at 1076 (stating that public performance rights were not granted in the Berne Convention or the Universal Copyright Convention until after the U.S. was a signatory and therefore does not bind the U.S. to grant that right).
280. *See* Evitt, *supra* note 5, at 11; *see also* DelNero, *supra* note 9, at 495–96.
281. *See* DelNero, *supra* note 9, at 496 (reporting that “over 60% of foreign record sales are of albums made by Americans”).
282. Evitt, *supra* note 5, at 11.
283. *Id.*
284. *Id.*
285. *See* Rome Convention, *supra* note 81, at art. 16(1)(a)(1) (“Any State, upon becoming party to this Convention, shall be bound by all the obligations and shall enjoy all the benefits thereof. However, a State may at any time, in a notification deposited with the Secretary-General of the United Nations, declare that as regards Article 12, it will not apply the provisions of that Article.”).
286. *See id.*
287. *See* DelNero, *supra* note 9, at 498.
288. *Id.* (discussing Canada’s small music industry and its battle to grant a performance right, and noting that the right might not have been awarded if the United States had been a signatory).
289. *See id.* at 497–98 (giving the U.K. and France as examples of countries not likely to opt out of the performance right).



290. See *id.* (noting the size of the American recording industry and potential influx of additional revenue).
291. *Id.* at 475.
292. Both the House Bill and Senate Bill have been reported by committee and are on the calendar of business. See GovTrack.us: A Civic Project to Track Congress, *H.R. 848: Performance Rights Act*, <http://www.govtrack.us/congress/bill.xpd?bill=h111-848> (last visited July 8, 2010); see also GovTrack.us: A Civic Project to Track Congress, *S. 379: Performance Rights Act*, <http://www.govtrack.us/congress/bill.xpd?bill=s111-379> (last visited July 8, 2010).
293. Supporters include the Recording Industry Association of America, AFL-CIO, and The Recording Academy. The opposition includes the National Association of Broadcasters and Free Radio Alliance. See GovTrack.us: A Civic Project to Track Congress, *H.R. 848: Performance Rights Act*, <http://www.govtrack.us/congress/bill.xpd?bill=h111-848> (last visited July 8, 2010).
294. See ANTHONY BIANCO, *GHOSTS OF 42ND STREET: A HISTORY OF AMERICA'S MOST INFAMOUS BLOCK*, 93 (Harper Perennial 2005) (2004) (tolling the replacement of vaudeville and musicals with television and radio); see also *Fireside Chats of Franklin D. Roosevelt*, <http://www.mhrc.org/fdr/fdr.html> (last visited July 8, 2010) (cataloging President Roosevelt's weekly radio broadcasts to the country about issues and politics of the day).
295. See Evitt, *supra* note 5, at 12 (decrying the radio industry as being "in crisis").
296. Kim Hart, *Judiciary Leaders Call for Performance Rights Act Negotiations*, HILLICON VALLEY, THE HILL'S TECHNOLOGY BLOG, Nov. 2, 2009, available at <http://thehill.com/blogs/hillicon-valley/605-technology/65909-judiciary-leaders-call-for-performance-rights-act-negotiations> (last visited July 8, 2010) (reporting that Congress called for both the NAB and Music First Coalition to meet with each other and other interested parties to negotiate acceptable rates and treatment).
297. The invention of the printing press, player pianos, phonographs, industrial revolution, computers—all were followed by adjustments to copyright law. See MERGES, *supra* note 13, at 381–384.
298. See Library of Congress, National Recording Registry 2002, No. 46 available at <http://www.loc.gov/rr/record/nrpb/registry/nrpb-2002reg.html> (last visited July 8, 2010).
299. Wikipedia.com, *Respect (song)*, available at [http://en.wikipedia.org/wiki/Respect\\_\(song\)](http://en.wikipedia.org/wiki/Respect_(song)) (last visited July 8, 2010) (describing the recording process Aretha Franklin and her producers and fellow musicians followed in recording the song).
300. See Kawashima, *supra* note 1, at 2 (discussing the path of the musical composition from composer to music publisher to the performer and how many performers passed on the song).
301. See Knight, *supra* note 274 ("I see so many talented singers and musicians who are no longer making recordings and so must continue to tour in order to make a living, while radio continues to make millions playing their hits without compensating them.").
302. *Id.*

**Bettina Hollis is entering her 4th year as a part-time student at St. John's University School of Law. Working full-time while attending law school has taught her that time management and a sense of humor are essential skills. Every day begins with a cup of coffee and a knock-knock joke. Approaching her final year, Bettina is interested in international environmental law, international intellectual property and entertainment law.**

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# A Takedown Slowdown? The Landscape of Protecting Digital Works Post-*Lenz v. Universal*

By Lisa Marie Cattan

## Introduction

A cursory search of YouTube for the word “Charmed” will yield tens of thousands of results.<sup>1</sup> Most of the results are copies of portions of episodes of a popular television series about three witch sisters, which is owned by Spelling Television Inc. (Spelling).<sup>2</sup> The vast majority of these YouTube.com (YouTube) clips are nothing more than unauthorized copies of Spelling’s copyrighted property.<sup>3</sup> Consequently, YouTube users can view the “Charmed” series—a product of Spelling’s investment—without any benefit inuring to Spelling, as viewing traffic is directed away from authorized commercial distribution channels of the series (both online and broadcast). Countless other copyrighted works are subjected to similar infringement on myriad websites each day.<sup>4</sup>

To combat this growing trend of infringement that has been spurred by the explosive expansion of user-generated-content (UGC) websites, copyright owners must diligently police such sites and issue “takedown notices” to Internet Service Providers (ISPs) pursuant to the Digital Millennium Copyright Act (the DMCA).<sup>5</sup> To constitute a valid takedown notice, the copyright owner must assert that he/she/it has “a good faith belief” that the use of the copyrighted work in question is “not authorized by the copyright owner, its agents, or the law.”<sup>6</sup> Until recently, it had been held that the standard for asserting a “good faith belief” was both subjective and easily satisfied—the mere statement by the owner that he/she/it believed the copyrighted work was being used without permission was sufficient. Further, the owner’s good faith belief could only be overcome by proof that the owner acted in bad faith when issuing the takedown notice. Bad faith could be asserted as an affirmative claim of misrepresentation against the copyright owner.<sup>7</sup>

In 2008, the above-stated standard was called into question when the United States District Court for the Northern District of California in *Lenz v. Universal Music Company*<sup>8</sup> refused to grant a copyright owner’s motion to dismiss after the owner had asserted that it issued a takedown notice based upon a good faith belief that its copyrighted work was used without permission. Instead, the *Lenz* court focused on whether the use at issue was authorized not by permission, but rather “by law,” and concluded that the allegedly infringing user had indeed made out a cause of action for bad faith and misrepresentation.<sup>9</sup>

The “law” under examination in the District Court’s decision in *Lenz* was the fair use doctrine of the Copyright

Act. Specifically, the Court concluded that the DMCA’s good faith standard required copyright owners to consider the fair use doctrine in formulating a good faith belief that use of its material was not authorized.<sup>10</sup> In denying the defendant music company’s motion to dismiss, the court concluded that the plain meaning of the “unauthorized by the law” language was “unambiguous[,]”<sup>11</sup> and held that in order for copyright owners to issue takedown notices under the DMCA in good faith, they must evaluate whether the content in question made fair use of their works.<sup>12</sup> According to the *Lenz* court, the plaintiff’s claim that the defendant acted in bad faith by issuing a takedown notice without proper consideration of fair use was sufficient to state a misrepresentation claim under § 512(f) of the DMCA.<sup>13</sup>

Although the issue of whether the defendant in *Lenz* acted in bad faith that rose to the level of misrepresentation has yet to be decided, the District Court’s holding has ignited a debate over what is necessary under the DMCA to validly assert a good faith belief that a particular use of copyrighted content is unauthorized.<sup>14</sup> Copyright owners argue that since fair use is not a privilege or a right, but rather, a defense to infringement, owners should not be required to conduct preemptive fair use analyses before issuing takedown notices.<sup>15</sup> Championing the opposing position are those who favor the narrowing of the DMCA’s scope. They claim that the statute affords unbridled power to copyright owners to restrict the use of their works. Fair use advocates contend that copyright owners’ systemic claiming of rights in content posted to UGC sites by third parties without reviewing the manner in which the content uses pre-existing copyrighted works constitutes bad faith and violates § 512(f) of the DMCA.<sup>16</sup>

## Part I: Background of the Controversy

### A. The DMCA: Intent and Structure

The DMCA is a complex statute that is essentially designed to prevent the infringement of copyrighted works in digital media formats.<sup>17</sup> The dual motives behind the DMCA were to facilitate enforcement of copyrights and to protect ISPs from indirect liability resulting from their customers’ infringing acts.<sup>18</sup> To achieve the first aim, the DMCA permits a copyright owner to obtain a subpoena requiring an ISP to reveal the identity of an Internet user suspected of infringing the owner’s copyright.<sup>19</sup> To accomplish the second aim, the DMCA provides immunity to certain ISPs from liability in the form of safe harbor provisions.<sup>20</sup>

Commonly referred to as the notification provision, § 512(c)(3)(A) creates safe harbors for storage ISPs, and provides the requirements for adequate notification of alleged infringement to ISPs.<sup>21</sup> Adequate notification includes several elements, but two are critical: the notification must provide the ISP with enough information to locate and remove the allegedly infringing material;<sup>22</sup> and the owner seeking takedown must make a statement of good faith belief of unauthorized use.<sup>23</sup> In order to benefit from the safe harbors and avoid liability, an ISP must remove or disable access to infringing content once such notification is received.

## B. The DMCA in Practice: Interpretation of the DMCA's "Good Faith Belief" Standard

The leading case addressing the DMCA's good faith standard is a 2004 case of first impression. In *Rossi v. Motion Picture Association of America, Inc.*, the Ninth Circuit affirmed the District Court's decision granting summary judgment to the Motion Picture Association of America (MPAA) and adopted a subjective standard for the good faith belief requirement.<sup>24</sup>

In *Rossi*, the plaintiff Michael Rossi was the owner of a website<sup>25</sup> which he described as an "online magazine" that provided a directory of other websites containing information about films.<sup>26</sup> The defendant MPAA was a trade association whose objective was to prevent unauthorized copying of its member studios' films.<sup>27</sup> After discovering that Rossi's site included promotional language directing users to download copyrighted films, the MPAA sent a takedown notice to Rossi's ISP.<sup>28</sup> Upon receiving notice from his ISP that his site would be shut down, Rossi sued the MPAA asserting a number of tort claims.<sup>29</sup> In response, the MPAA moved for summary judgment. The District Court granted the MPAA's request and noted that the MPAA "had more than a sufficient basis to form the required good faith belief that [Rossi's] site contained infringing content prior to asking [the ISP] to shut down the site."<sup>30</sup> On appeal, Rossi contended that the MPAA lacked a "good faith belief" that he was infringing upon the MPAA's rights,<sup>31</sup> and argued that the good faith requirement should be measured by an objective standard.<sup>32</sup>

The Ninth Circuit disagreed and affirmed the lower court's ruling. It noted that Congress could have opted to incorporate a reasonableness (i.e., objective) standard into the DMCA, but chose not to and thereby demonstrated its intent to have a subjective good faith standard applied.<sup>33</sup> Further, the appellate court contrasted the good faith standard with the DMCA's "knowing misrepresentation" provision, which imposes liability upon copyright owners only for knowing and willful misrepresentations pertaining to alleged infringement.<sup>34</sup> The Ninth Circuit observed that "[m]easuring compliance with a lesser 'objective reasonableness' standard would be inconsistent with Congress's apparent intent that the statute protect potential violators from subjectively improper actions by copy-

right owners."<sup>35</sup> Thus, the appellate court examined the content on Rossi's site and found that the content led the MPAA to conclude in good faith that digital media which infringed the MPAA's rights were available for download on Rossi's site. The Court concluded that the MPAA proceeded lawfully in issuing the takedown notices.<sup>36</sup> Rossi appealed to the Supreme Court, which denied certiorari. Accordingly, the Ninth Circuit's opinion in *Rossi* has been established as the leading authority on the issue of the DMCA's good faith belief standard.<sup>37</sup> Indeed, other federal courts have adopted the *Rossi* subjective standard.<sup>38</sup>

## Part II: *Lenz v. Universal*: The Great Debate

### A. *Lenz* Under the Microscope: What Did It Decide?

In *Lenz*, the plaintiff commenced an action against Universal Music Corporation (Universal) to challenge Universal's takedown notice issued to YouTube.com. The takedown notice resulted in the removal of the plaintiff's video from the YouTube site.<sup>39</sup> The plaintiff, Stephanie Lenz (Lenz), was a YouTube user.<sup>40</sup> The defendant, Universal, was the copyright owner of numerous works.<sup>41</sup> Lenz uploaded a video to YouTube, which she titled "Let's Go Crazy."<sup>42</sup> The video was a recording of her son dancing to the song "Let's Go Crazy" as performed by the recording artist Prince.<sup>43</sup> The video was 29 seconds long and the accompanying audio track contained 20 seconds of the copyrighted musical performance.<sup>44</sup> As the copyright owner of the copyrighted musical performance, Universal issued a takedown notice to YouTube, pursuant to § 512(c) of the DMCA.<sup>45</sup> YouTube complied, notified Lenz of Universal's claim, and removed her video from the site.<sup>46</sup> Lenz delivered a counter-notice to YouTube pursuant to § 512(g), in which she alleged that the use of the musical composition/performance in her video constituted fair use, and demanded that her video be re-posted.<sup>47</sup> Although YouTube complied and re-posted the video, Lenz sued Universal, alleging it had violated § 512(f) of the DMCA.<sup>48</sup> According to Lenz, the video was "a self-evident non-infringing fair use[.]" and thus Universal should have known the video did not violate its rights.<sup>49</sup>

Universal responded by moving to dismiss the misrepresentation claim.<sup>50</sup> In considering the facts in a light most favorable to the plaintiff, the U.S. District Court for the Northern District of California granted Universal's motion, but gave Lenz leave to amend her complaint.<sup>51</sup> With respect to Lenz's misrepresentation claim, the District Court found that she had failed to allege facts from which a knowing misrepresentation on the part of Universal could be inferred, as well as why her use of the Prince song was a "self-evident" fair use.<sup>52</sup> Lenz filed an amended claim and alleged that § 512(c)(3)(A)(v) of the DMCA compels copyright owners to consider fair use<sup>53</sup> in formulating a good faith belief that the use of the identified material was unauthorized. Essentially, Lenz asserted



that the fair use doctrine conferred to her a right to use Universal's copyrighted work. Universal countered by arguing that fair use was merely an excused violation of copyright, a defense that permitted an unauthorized user to avoid liability in limited circumstances. As such, the use of a copyright owner's work premised upon the fair use doctrine could not be deemed "authorized by law." Therefore, according to Universal, copyright owners are not and should not be required to conduct preemptive fair use analyses prior to issuing takedown notices.

In considering this issue of first impression, Judge Jeremy Fogel assessed the congressional intent of the DMCA and concluded that the meaning of not authorized "by law" was unambiguous. Although the DMCA does not expressly refer to fair use, the Copyright Act provides adequate language supporting the contention that fair use is lawful use.<sup>54</sup> The District Court thus found that for a copyright owner to proceed under the DMCA with "a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agents, or the law," that owner is required to evaluate whether the UGC at issue makes fair use of the owner's work.<sup>55</sup> Lenz's claim that Universal acted in bad faith by issuing a takedown notice without "proper consideration" of fair use was therefore sufficient to survive a motion to dismiss.<sup>56</sup> The court insisted that its decision was consistent with *Rossi*, pointing out that Lenz would still have to overcome the burden of demonstrating subjective bad faith in order to succeed on a § 512(f) misrepresentation claim,<sup>57</sup> and noting its "considerable doubt" that Lenz would ultimately prevail.<sup>58</sup>

## B. The Debate: Should Copyright Owners Consider Fair Use?

### 1. Fighting "The Man": Champions of Mandating Anticipatory Fair Use Analyses

In the wake of *Lenz*, there has been much discussion over fair use and its application to the DMCA's notification provision.<sup>59</sup> Since the DMCA's enactment, many of its critics have fought to narrow its scope,<sup>60</sup> arguing that the statute afforded too much control over the use of copyrighted material to owners at the expense of consumers.<sup>61</sup> Spearheading this campaign is the Electronic Frontier Foundation (EFF), a nonprofit organization whose mission is to defend "free speech, privacy, innovation, and consumer rights...[and] champion the public interest in every critical battle affecting digital rights."<sup>62</sup>

The EFF minimizes the complexity of fair use as well as the burdens of mandating that copyright owners seeking to protect their works from infringement on UGC sites conduct anticipatory fair use analyses. The EFF describes Lenz's use of the Prince song as "obviously a fair use[.]"<sup>63</sup> It argues that in such cases, subjective bad faith on the part of the copyright owner can be implied because the owner's proper analysis of the use at issue

would have led the owner to conclude that the fair use doctrine would prevent liability from being imposed.<sup>64</sup> Further, according to *Lenz* and the EFF, "in the majority of cases, a consideration of fair use prior to issuing a takedown notice will not be so complicated as to jeopardize a copyright owner's ability to respond rapidly to potential infringements."<sup>65</sup>

Critics of the DMCA takedown provisions also support the decision in *Lenz* because of the advent of automated takedown devices that UGC sites like YouTube have designed and now make available to copyright owners.<sup>66</sup> These automated tools remove allegedly infringing UGC from sites without any human review or intervention—a copyright owner can use them to register his/her/its works and have automated takedown notices generated whenever a match is found between his/her/its work and any UGC. It is argued that such tools created a prevailing environment of subjective bad faith. If a computer algorithm or subroutine removes content flagged by takedown notices, how can it be said that the copyright owners conducted a fair use analysis?<sup>67</sup>

## 2. *Lenz* Creates a Slippery Slope, Defies Congressional Intent, and Imposes Undue Burdens

### A. A Slippery Slope

*Lenz* shifts the burden of proof associated with fair use from an alleged infringer to the copyright owner. However, fair use is an affirmative defense that must be asserted by those accused of infringement. It is not a right or privilege to which owners must cater in their efforts to protect their works. Indeed, the Supreme Court has expressly referred to the doctrine as "the fair use defense"<sup>68</sup> and has "never held that fair use is constitutionally required."<sup>69</sup>

Moreover, the fair use defense is extremely fact-based and does not lend itself to bright-line rules.<sup>70</sup> In application, fair use has been variable and uncertain, often generating ample room for conflicting interpretations and the redefinition of boundaries. The U.S. Copyright Office concedes that "the distinction between 'fair use' and infringement may be unclear and not easily defined. There is no specific number of words, lines, or notes that may safely be taken without permission."<sup>71</sup> Even critics of the DMCA's takedown provisions recognize that "for a complainant to 'know' with legal certainty that its complaint targets a non-infringing or fair use is often unrealistic, given the complexity of copyright infringement analysis and the famed unpredictability of the fair use defense."<sup>72</sup> Therefore, the contention that assessment of fair use is a simple, black and white process is without merit. Contrary to the EFF's and Lenz's arguments, there simply are no "obvious" or "self-evident" fair use instances. Lenz's video is no exception. One could argue that the video does nothing to promote any of the pur-

poses the fair use doctrine was designed to protect, such as criticism, comment, news reporting, or education.<sup>73</sup> Moreover, the copyrighted music comprised almost the entire audio portion of Lenz's video, which would weigh against a finding of fair use. In sum, the very notion of fair use seems to be wholly inconsistent with the phrase "self-evident" and with knowing material misrepresentations under the terms and provisions of the DMCA.

Judge Fogel's opinion in *Lenz* blurs the subjective standard of "willful" and "knowing" with objective reasonableness language. Indeed, the court relied in part upon its own prior decision in *Online Policy Group v. Diebold*,<sup>74</sup> which has been repeatedly criticized for its inaccurate articulation of copyright law. Moreover, many question whether *Diebold* is still good law after *Rossi*.<sup>75</sup> *Diebold* included an objective standard in its analysis, holding that "'knowingly' means that a party actually knew, *should have known if it acted with reasonable care or diligence*, or would have had no substantial doubts had it been acting in good faith, that it was making misrepresentations."<sup>76</sup> Essentially, the court found *Diebold*'s infringement argument was unreasonable and believed that *Diebold* should have known it to be so. This directly conflicts with *Rossi*, which holds that "[a] copyright owner cannot be liable simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake."

The potential future application of *Lenz* should be a cause for real concern. Litigants who find it difficult to produce direct evidence of bad faith will likely attempt to push the limits of *Lenz* by arguing that copyright owners should have known certain uses of their works will always constitute fair use as a result of the *Lenz* "self-evident" fair use approach. As Universal contended, "inquiry into the propriety of a party's consideration of fair use inevitably will lead to calls [as Lenz made] for a post hoc assessment of the reasonableness of the copyright owner's evaluation of whether the material makes fair use of the copyright."<sup>77</sup>

#### a. Defying Congressional Intent

Congress passed the DMCA to provide copyright owners with a mechanism to facilitate the removal of infringing digital content.<sup>78</sup> The DMCA's provisions are written "so as to reduce the burden of holders of multiple copyrights who face extensive infringement of their works."<sup>79</sup>

In 2008, Congress passed the Prioritizing Resources and Organization for Intellectual Property Act, (the Pro-IP Act), which shifts some of the burden for copyright enforcement from copyright owners to the government.<sup>80</sup> The post-DMCA passage of statutes like the Pro-IP Act reflect an increasingly stronger congressional commitment toward providing greater protections to the owners of copyrighted works.<sup>81</sup> The statutes clearly demonstrate Congressional intent to make copyright law more "owner

protection-oriented" in the digital age. In enacting the DMCA, Congress "intended to assist copyright owners in protecting their copyrights[,] balancing the "liability protections for service providers with the need for *broad protection* of copyrights on the Internet."<sup>82</sup> Neither the DMCA nor the Pro IP Act is focused on preserving or broadening the "rights" of creators of UGC to make unauthorized use of copyrighted works.

#### b. Undue Burdens

The *Lenz* court asserted that its decision was necessary "to prevent the abuse of takedown notices," and that the resulting burden on copyright owners was minimal. The ruling, however, may pose serious problems for owners. It forces them to spend substantial resources on analyses of massive amounts of UGC. Assessing fair use requires a significant level of legal sophistication. As Paul Goldstein, a Stanford University copyright law professor, surmised, "[w]hat the court is asking doesn't sound like much, but...determining whether something is a fair use can take a substantial amount of time. When you pick a doctrine as Protean and indeterminate as fair use, asking people to make snap judgments often isn't feasible."<sup>83</sup>

The incidence of online infringement is so great and is increasing geometrically every day. Copyright owners are finding it difficult to police the ever expanding network of UGC sites in order to adequately enforce their rights.<sup>84</sup> Content owners have "tried mightily to work within the existing law...sen[ding] out hundreds of thousands of section 512 notices[.]"<sup>85</sup> and yet "the volume of posts is overwhelming. Ten hours of video content are put online every minute of every day—more than 250,000 clips per day—and that is just YouTube."<sup>86</sup> Even after a copyright owner has used legitimate means to have infringing content removed, the very same content will often reappear on the same website "within minutes."<sup>87</sup> Therefore, the takedown process for copyright owners "is often akin to playing a frustrating game of Whac-a-Mole[.]"<sup>88</sup> resulting in underwhelming successes towards combating piracy. Indeed, Mark Morril, deputy general counsel for Viacom stated that the company "has no alternative except to repeatedly search the entire YouTube library and send takedown notices... This is a massive effort. We have reviewed over 1.7 million clips on YouTube and have identified more than 187,000 pirated clips of our copyrighted content."<sup>89</sup>

Given the difficulty associated with the takedown process, copyright owners understandably seek to improve efficiency. Mandating that an owner perform pre-emptive fair use analyses before issuing takedown notices will only further burden an already Sisyphean task.

### Part III: The Future of the Debate: The Likely Outcome and Implications of *Lenz*

If *Lenz* is decided on its merits it will ultimately be up to the plaintiff to establish that Universal acted with bad

faith in issuing the takedown notice to YouTube. Lenz will likely try to show that Universal acted at the recording artist's behest, "based not on the particular characteristics of [the video] or any good faith belief that it actually infringed a copyright but on its belief that 'as a matter of principle, Prince has the right to have his music removed.'"<sup>90</sup> The court likely will not be swayed, however, by such circumstantial evidence, as it expressed "considerable doubt" that Lenz will be able to sufficiently show subjective bad faith.<sup>91</sup>

Universal is correct, however, in that if it prevails on the merits of the case it will not be able to seek appellate review of the order denying its motion to dismiss. That order will stand as precedent and "will undoubtedly continue to be cited in § 512(f) cases as controlling precedent on the interpretation of the DMCA." Courts may find it problematic trying to apply both the *Rossi* subjective bad faith standard and the holding in *Lenz*. Discovery on claims of misrepresentation pursuant to § 512(f) will become similar to discovery in actual malice libel cases, which require the development of extensive evidence needed to adduce the defendant's state of mind and to controvert and impeach witnesses' proclamations of good faith. If the *Lenz* standard is adopted by other jurisdictions, copyright owners will not only have to devote an unduly burdensome amount of resources to performing fair use analyses prior to issuing takedown notices,<sup>92</sup> they will also face potential liability each time users of their works believe their uses to be non-infringing under the fair use doctrine. Further, users themselves would face the same potential liability under § 512(f) every time they send counter-notices based upon fair use, because the section applies to both owners and users of copyrighted works.<sup>93</sup> Given the complex nature of fair use and the shift in American copyright law toward greater protections against infringement, it is highly dubious that Congress intended to place this extreme burden on both copyright owners and Internet users.

## Endnotes

1. YouTube, "Charmed" search results, *available at* [http://www.youtube.com/results?search\\_type=&search\\_query=%27charmed%27&q=f](http://www.youtube.com/results?search_type=&search_query=%27charmed%27&q=f) (last visited July 20, 2010).
2. The Internet Movie Database, "Charmed" TV series 1998-2006, *available at* <http://www.imdb.com/title/tt0158552/> (last visited July 20, 2010).
3. As a clerk for the Trademarks Division of CBS, this author has knowledge of the authorized content on YouTube.
4. See Mark Hendrickson, *Happy Anniversary YouTube and Google; Now Move Over a Bit*, TechCrunch, Oct. 10, 2007, *available at* <http://www.techcrunch.com/2007/10/10/happy-1st-anniversary-youtube-and-google-now-move-over-a-bit/> (last visited July 20, 2010).
5. See discussion *infra* pp. 3-4.
6. 17 U.S.C.S. § 512(c)(3)(A)(v) (1998) ("DMCA Takedown Provision").
7. See *Rossi v. MPAA*, 391 F.3d 1000 (9th Cir. 2004), discussed *infra* pp. 4-6.
8. 572 F. Supp. 2d 1150 (N.D. Cal. 2008).
9. *Id.* at 1154.
10. *Id.*
11. *Id.*
12. *Id.*
13. *Id.* at 1156.
14. See, e.g., Timothy B. Lee, *Fair Use Gets a Fair Shake: YouTube Tot to Get Day in Court*, Aug. 21, 2008, *available at* <http://www.freepress.net/node/43630> (last visited July 20, 2010).
15. *Id.*
16. *Id.*
17. 17 U.S.C. § 512 (1998) (DMCA).
18. *ALS Scan, Inc. v. RemarQ Cmty., Inc.*, 239 F.3d 619, 625 (4th Cir. 2001) (citing H.R. REP. NO. 105-796, at 72 (1998) (Conf. Rep.); H.R. REP. NO. 105-551, pt. 1, at 11 (1998)).
19. DMCA, *supra* note 17 at § 512(h)(1).
20. *Id.* at § 512(a)-(d). To qualify for immunity, an ISP must perform one of the functions described in subsections (a)-(d).
21. *In re Charter*, 393 F.3d 771, 775 (8th Cir. 2005).
22. *Id.* at 776.
23. DMCA Takedown Provision, *supra* note 6.
24. *Rossi v. MPAA*, 391 F.3d 1000 (9th Cir. 2004).
25. Plaintiff's website is [www.internetmovies.com](http://www.internetmovies.com).
26. *Rossi*, 391 F.3d at 1001-02.
27. *Id.* at 1002.
28. *Id.*
29. *Id.*
30. *Id.*
31. *Id.* at 1003.
32. *Rossi v. MPAA*, 391 F.3d 1000, 1003 (9th Cir. 2004).
33. *Id.* at 1004.
34. *Id.*
35. *Id.* at 1004-05.
36. *Id.* at 1006.
37. *Rossi v. MPAA*, 391 F.3d 1000, 1018 (9th Cir. 2004).
38. See *Dudnikov v. MGA Entertainment, Inc.*, 410 F.Supp.2d 1010 (D. Colo. 2005); *UMG Recordings, Inc. v. Augusto*, 558 F. Supp. 2d 1055 (C.D. Cal. 2008).
39. *Lenz v. Universal*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008).
40. *Id.* at 1151.
41. *Id.* at 1152.
42. *Id.* at 1151.
43. *Id.*
44. *Id.* at 1152.
45. *Lenz v. Universal*, 572 F. Supp. 2d 1150, 1152 (N.D. Cal. 2008).
46. *Id.*
47. *Id.*
48. This section provides in relevant part:  
Any person who *knowingly* materially misrepresents under this section that material...is infringing... shall be liable for any damages... incurred by the alleged infringer...as the result of the service provider



relying upon such misrepresentations in removing or disabling access to the [allegedly infringing] material.

DMCA, *supra* note 17 at § 512 (f).

49. *Lenz*, 572 F. Supp. 2d at 1154.
50. *Id.* at 1152.
51. *Id.*
52. *Id.*
53. 17 U.S.C. § 107 (1976).
54. *Id.*
55. DMCA Takedown Provision, *supra* note 6.
56. *Lenz v. Universal*, 572 F. Supp. 2d 1150, 1155 (N.D. Cal. 2008).
57. *Id.*
58. *Id.* The court also addressed Universal's claim that Lenz failed to allege compensable loss and found that the nominal damages she alleged to have incurred in responding to the notice sufficiently constituted cognizable injury. *Id.* at 1155-56. Accordingly, the court denied Universal's motion to dismiss. *Id.* While the court has yet to address the merits of Lenz's misrepresentation claim, Universal moved for certification for interlocutory appeal of the question of whether the DMCA's notification provision requires copyright owners to consider fair use in formulating a good faith belief that the use of identified material is unauthorized. *Lenz v. Universal*, 2008 U.S. Dist. LEXIS 44549, (N.D. Cal. 2008). The District Court denied Universal's motion. *Id.*
59. See, e.g., Sam Bayard, *California Court Warns Copyright Bullies Not to Ignore Fair Use*, CITIZEN MEDIA LAW PROJECT, Aug. 22, 2008, available at <http://www.citimedialaw.org/blog/2008/california-court-warns-copyright-bullies-not-ignore-fair-use> (last visited July 20, 2010).
60. See, e.g., *321 Studios v. Metro Goldwyn Mayer Studios, Inc.*, 307 F. Supp. 2d 1085 (N.D. Cal. 2004).
61. Dan Gillmor, *Digital Copyright Act Comes Back to Haunt Us*, KNIGHT RIDDER/TRIBUNE NEWS, August 23 2000, available at [http://www.accessmylibrary.com/coms2/summary\\_0286-5811278\\_ITM](http://www.accessmylibrary.com/coms2/summary_0286-5811278_ITM) (last visited July 20, 2010)/.
62. Electronic Frontier Foundation: About EFF, available at <http://www.eff.org/about> (last visited July 20, 2010).
63. Electronic Frontier Foundation, *Judge Rules That Content Owners Must Consider Fair Use Before Sending Takedowns*, Aug. 20, 2008, available at <http://www.eff.org/deeplinks/2008/08/judge-rules-content-owners-must-consider-fair-use-> (last visited July 20, 2010) ("EFF") (quoting *Lenz*, 572 F. Supp. 2d at 1153).
64. *Id.*
65. *Id.*
66. Dean Jansen, *Ruling Protects Fair Use & Remix Culture*, Aug. 22, 2008, available at <http://www.getmiro.com/blog/2008/08/ruling-protects-fair-use-remix-culture> (last visited July 20, 2010).
67. EFF, *supra* note 63.
68. See e.g., *Eldred v. Ashcroft*, 537 U.S. 186, 205 (2003) (emphasis added).
69. *Universal City Studios Inc. v. Reimerdes*, 273 F.3d 429, 433 (2d Cir. 2001).
70. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994).
71. U.S. Copyright Office: Fair Use, available at <http://www.copyright.gov/fls/fl102.html> (last visited July 20, 2010).
72. Jennifer M. Urban & Laura Quilter, *Efficient Process or "Chilling Effects"? Take-down Notices Under Section 512 of the Digital Millennium Copyright Act*, 22 SANTA CLARA COMP. & HIGH TECH. L.J. 621, 630 (2006).
73. Mike Madison, *Notes From the Fair Use Front*, Aug. 20, 2008, available at <http://madisonian.net/2008/08/20/notes-from-the-fair-use-front/> (last visited July 20, 2010).
74. 337 F. Supp. 2d 1195 (N.D. Cal. 2004). See *Lenz v. Universal*, 2008 U.S. Dist. LEXIS 44549, (N.D. Cal. 2008), stating "[t]he Court did not hold that every takedown notice must be preceded by a full fair use investigation... Rather, it recognized, as it has previously, that in a given case fair use may be so obvious that a copyright owner could not reasonably believe that actionable infringement was taking place."
75. See e.g., Malla Pollack, *Rebalancing Section 512 To Protect Fair Users From Herds of Mice-Trampling Elephants, or a Little Due Process is Not Such a Dangerous Thing*, 22 SANTA CLARA COMP. & HIGH TECH. L.J. 547, 564 (2006).
76. *Diebold*, 337 F. Supp. 2d at 1198-99.
77. *Lenz*, 2008 U.S. Dist. LEXIS 44549.
78. See S. Rep. No. 105-190, at 2 (1998).
79. *ALS Scan, Inc. v. RemarQ Cmty., Inc.*, 239 F.3d 619, 625 (4th Cir. 2001).
80. Steven Seidenberg, *Copyright in the Age of YouTube: As User-Generated Sites Flourish, Copyright Law Struggles to Keep Up*, 95 A.B.A.J. 46, 52 (2009).
81. See Jane C. Ginsburg, *Copyright and Control Over New Technologies of Dissemination*, 101 COLUM. L. REV. 1613, 1618 (2001).
82. *Id.* (emphasis added).
83. Seidenberg, *supra* note 80 at 51.
84. *Id.*
85. *Id.* at 49.
86. *Id.* at 50.
87. *Id.* at 49.
88. *Id.*
89. *Id.* at 51.
90. *Lenz v. Universal*, 572 F. Supp. 2d 1150, 1156 (N.D. Cal. 2008).
91. *Id.*
92. See Tom Lowry, *The YouTube Police: Big Media is Spending Millions on Monitors*, BUS. WK., 42, May 21, 2007.
93. DMCA, *supra* note 17, at § 512(f).

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# A Seemingly Small, but Major Victory for Visual Artists

By Alanna Butera

Other than relying on an artist's word, there are essentially no parameters defining when a work of art is complete, yet there are important legal reasons why both the art and the legal worlds should press for a definition of when a creation by an artist may be considered a "work of art." While the 2008 case of *Massachusetts Museum of Contemporary Art Foundation, Inc. v. Christoph Büchel*<sup>1</sup> showed the pitfalls of the art world's reliance on oral contracts and centered on the moral rights given to artists by the Visual Artists Rights Act of 1990 (VARA),<sup>2</sup> it was the first holding that decided whether unfinished works of art were protected by VARA. The Massachusetts Museum of Contemporary Art Foundation, Inc. (Mass MoCA) argued for the right to show Büchel's unfinished installation, *Training Ground for Democracy*, after Büchel had abandoned the work as a result of artistic and financial issues that had arisen. In his defense, Büchel fought for protection under VARA, which provides visual artists with the right of attribution and integrity. The crux of the issue was that VARA is not explicit in defining whether it includes "unfinished" works. However, according to the VARA, moral rights "spring from a belief that an artist in the process of creation injects his spirit into the work and that the artist's personality, as well as the integrity of the work, should therefore be protected and preserved."<sup>3</sup>

The United States District Court for the District of Massachusetts avoided deciding this issue by stating that even if unfinished works of art were covered, Büchel's moral rights were not violated in any way.<sup>4</sup> Büchel appealed and the United States Court of Appeals for the First Circuit<sup>5</sup> on January 27, 2010, after a de novo review of the District Court's interpretation of VARA stated that VARA does cover unfinished works of art and it also offers the right of the artist to dictate when a work is shown.<sup>6</sup> This is a crucial victory for all visual artists because defining the exact moment that a work is created is nearly impossible and the artist requires legal protection against infringement throughout the creation period and afterwards. This article will fully evaluate and further analyze the Court of Appeals' decision and will provide a better understanding through examining the legal issues brought up in the Mass MoCA case; exploring the differences between VARA and its European counterpart, the Berne Convention; dissecting the legal definition of a work of art; exploring the current view of the artistic community on unfinished works; and understanding the public reaction to the display of Büchel's work.

Intended to be a village in which visitors could move through the installation and transport themselves into the world of U.S. Military training, *Training Ground for Democracy*<sup>7</sup> was supposed to give visitors "the opportu-

nity to virtually change their own various identities in relation to the collective project called 'democracy.'"<sup>8</sup> In early 2006, the piece was commissioned (without a formal written contract)<sup>9</sup> by Mass MoCA as a collaboration with the Swiss artist Büchel. The museum's football field sized building housed this elaborate undertaking. Funded by the museum and created by its workers, the artistic direction came from Büchel, mostly through email. The project was slated to open in December 2006. The opening was later re-scheduled to March 2007, but ultimately the piece was never completed. Financial conflicts, because the costs quickly exceeded \$300,000,<sup>10</sup> and logistical problems, because the artist was rarely on site and because his directions were very general and vague,<sup>11</sup> caused the relationship between the museum and the artist to quickly deteriorate. After Büchel abandoned the project in December 2006, director Joseph Thompson ended the project.<sup>12</sup> In May 2007, Mass MoCA sought a declaratory judgment for the right to display the partially constructed work. Büchel's counterclaims to this motion centered on the violation of his rights under VARA.<sup>13</sup> In the end, the District Court ruled in favor of Mass MoCA under the condition that as long as it displayed signage stating that the work was unfinished and did not carry out the artist's intent, it was allowed to display the work and nothing in VARA prevented this.<sup>14</sup> The Court of Appeals, however, correctly reversed the decision, declaring that if VARA applied, then based on the issues of material fact, Mass MoCA had violated Büchel's right of integrity by modifying the installation.<sup>15</sup>

In examining why an unfinished work of art should be covered under VARA, it is important to analyze VARA in relation to its European legal counterpart, the Berne Convention. As an amendment to the United States Copyright Act of 1976, VARA passed in 1990. It serves to protect certain moral rights for artists, extending beyond the economic protection that the works receive under the Copyright Act. Until the United States adherence in 1988 to the Berne Convention and prior to VARA, no federal law protected the moral rights of visual artists. VARA was created in order to implement the requirements of Article 6bis of the Berne Convention for the Protection of Literary and Artistic Works (1886),<sup>16</sup> which is an international agreement governing copyright and protecting creators of both literary and artistic works. Similar to VARA, it is separate from economic protection and allows creators "to claim authorship, to object to certain modifications and other derogatory actions" to their works.<sup>17</sup> Although these rights extend protection beyond the creator's life until the expiration of economic rights, VARA ends at the death of the creator. France, where the concept of moral

rights originated, affords its artists four rights: the right of disclosure, the right to withdraw from publication or to make modifications, the right of authorship, and the right of integrity. The last two rights are the only ones that are offered in the United States.

Uniform criticism regarding VARA focuses on the vast differences in the rights given to artists in the United States compared to those in Europe and also on how VARA needs to be expanded in the types of works to which it offers protection.<sup>18</sup> The Berne Convention extends protection to literary works and artistic works including: “works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.”<sup>19</sup> VARA, on the other hand, defines a work of visual art<sup>20</sup> as a painting, drawing, print, or sculpture or a photograph for exhibition<sup>21</sup> and it specifically excludes works that the Berne Convention includes such as works of applied art, technical drawings, diagrams, models and three-dimensional works relative to geography, topography, architecture or science. Nowhere in VARA or in the definition of a work of visual art does it mention unfinished works or works in progress, neither including or excluding them. Again VARA falls short of the standards set by the Berne Convention. Yet in VARA’s legislative history, the House report states that the rights provided are “analogous to those protected by Article 6bis of the Berne Convention.”<sup>22</sup> Latvia’s Copyright Law, which includes the rights stipulated in the Berne Convention, extends the rights to unfinished works.<sup>23</sup> Further in the spirit of the Berne Convention, France provides protection to visual artists to stop the display of an unfinished work and to finish unfinished works.<sup>24</sup> The moral rights of attribution and integrity are founded from the term of “moral rights” with its origins in the French civil law of *le droit moral*.

As mentioned earlier, the concept of moral rights comes from a belief that the artist injects his or her spirit and personality into a work through the process of creation. This “injection” of the artist’s spirit happens during the process of creation, and not just at the completion of the work; unfinished works of art embody the artist’s spirit and personality. With the decision on appeal, the court brought to light another shortcoming of the protection that VARA provides to artists, specifically how moral rights lack real protection and support in United States court proceedings. History shows that “courts avoid constructing the extent of VARA protection by finding works do not meet the threshold requirements for ‘visual art’ protected by VARA.”<sup>25</sup> Thus the courts have had little reason to examine and interpret the exact rights guaranteed by VARA. The United States has not fully embraced the spirit and, as a result, the underlying purpose and meaning of moral rights.

VARA offers artists and their works of visual art two key rights: the right of attribution and the right of integrity.<sup>26</sup> For the purposes of VARA, a work of visual art is stated “in terms both positive (what it is) and negative (what it is not).”<sup>27</sup> VARA is short and simple in its wording, leaving much to interpretation. Since the *Mass MoCA* case is the first to bring up the issue of unfinished works,<sup>28</sup> there is no case precedent to provide any clarification. VARA covers works of visual art with the exception of any item described in paragraph A or B in the definition of a work of visual art from 17 USCS § 101. It is important to note that nowhere in the definition of a work of art (or in VARA) does it stipulate the conditions under which an object becomes a work of art (in terms of its status of completion). Legislative history alludes to the fact that Congress did not mean for VARA to cover unfinished works by referring to works that artists “have created” and not mentioning works “in progress.”<sup>29</sup> 17 USCS § 101 also states that a work, in broader terms beyond just a work of visual art, is created when “it is fixed in a copy of phonorecord for the first time, where a work is prepared over a period of time, the portion of it has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work.”<sup>30</sup> The logical progression in determining if a work should be covered under VARA would be first to conclude whether or not the “thing” in question should be considered a work. From the definition, anything that an artist creates in a tangible medium, such as on canvas or in stone, at any stage in its creation, as it would be fixed at a particular time, would be considered a work. From this conclusion, an unfinished work would be, by definition, a work.

The next step is to see if this “work” is considered a work of visual art. If this work is on canvas, it is a painting, or if the work is in stone, it is a sculpture, both of which are part of the category of visual art as stipulated in the Code. Putting together the definition of a work and the definition of a specific type of work (a work of visual art), an unfinished work of the visual art category would in fact be a work of visual art, thus covered by VARA.<sup>31</sup> As previously discussed, it is acknowledged that VARA is more limited in its coverage in comparison to the Berne Convention. This distinction, however, should not be in terms of the spirit of the concept of moral rights. Conclusions concerning VARA should not impose judgments of aesthetic taste or value of the work in question, meaning judgments about its quality, such as its unfinished quality.

VARA’s wording defines an outdated and obsolete concept of what art is. The definition is static, while contemporary art continues to push the boundaries. Artists have been rebelling against “art” as defined in VARA since the 1960s. What is art and what is not art is a very blurry line and VARA tries, and in many ways fails, to make this distinction. VARA takes an old-fashioned definition of what constitutes visual art. As contemporary art



traverses the spectrum of mediums and styles, the listing of specific types of works that are included and excluded constricts the ability to adjust to the work in question. For example, a current movement in art embraces a casual, uncertain, and unfinished style turning “away from ‘strong’ painting for something that seems to constantly risk inconsequence or collapse.”<sup>32</sup> This style, described by Raphael Rubinstein as “provisional painting,”<sup>33</sup> struggles with and rejects the qualities of painting that make it a “fine art.”<sup>34</sup> Sculptor Peter Soriano’s works embrace the status of works in progress by their spray-painted signs giving the illusion that the metal structures could be recreated in another way.<sup>35</sup> Towards the end of his career, American painter Kimber Smith produced works that seemed unfinished because spaces of the canvas were left unpainted for the primed canvas to show through, paint was loosely applied, and shapes were only partially filled.<sup>36</sup> These artists and their artwork encapsulate the ideas embodied in the quotes from Leonardo da Vinci and modern painter Paul Gardner respectively: “Art is never finished, only abandoned,”<sup>37</sup> and “A painting is never finished—it simply stops in interesting places.”<sup>38</sup> When considering these aesthetic ideas and placing them within the context of VARA, how can the latter be applied to works of art that are viewed by their audiences as though they are in their preliminary stages and are incomplete?

When certain movements in the artistic community present themselves as a style that is uncertain and unfinished, an act that protects an artist’s moral rights of these works should not be excluded based on the mere appearance of these works. VARA was not created to judge art based on aesthetic tastes. If VARA covered only finished works, how would coverage of these “provisional” paintings be decided? If the artist said the work was finished, but the court did not agree, would the work then not be protected? There has been too much ambiguity in coverage and as a result, there has been too much uncertainty for artists. Furthermore, there would be no clear way to phrase the language to cover finished works of unfinished quality and not unfinished works. The possible addition of a clause that said the artist must state and prove the work was finished would create an incentive to lie. By examining the evolution of contemporary art, its move away from the appearance of traditional fine art, and toward the creation of works of unfinished quality, it raises important questions as to the static feature of VARA, which attempts to provide coverage within a rapidly changing and evolving community. While the exact issues that arose in the Büchel case were not the same as presented directly above, the examination of the artistic community and its relationship to “unfinished” works of art provides the court with an accurate idea of the current feelings and opinions of the artistic community. Just as when the courts often look to the artistic community to be judges of recognized stature and assigning works of art to the narrow definition of VARA, the opinions and ideas

of the artistic community are crucial to understand and utilize.<sup>39</sup>

The decision of the *Mass MoCA* District Court stated that nothing in VARA prohibited the museum’s exhibition of the installation and, as a result, would not violate Büchel’s rights under VARA. The District Court was incorrect in ruling that Büchel’s reputation was not damaged by the display of the work. The “Made at Mass MoCA” show could only be accessed by walking through Büchel’s partially covered work. It included installation photos and various articles recounting the dispute between Büchel and the museum. The show drew directly from the presence of the installation next to these articles to help prove the museum’s point. The newspaper articles shed an extremely unfavorable light on Büchel in how he handled the situation.<sup>40</sup> Even though there was no signage labeling the work as Büchel’s, it can be easily discerned that the work “hidden” behind the yellow tarps and construction fencing was by Büchel. The problems and the court case were prominently disclosed to those who were previously unaware of the incident before seeing the show and Büchel’s reputation was hurt as a result. The artistic community was outraged by the treatment of the work. Art critic Ken Johnson stated that not only did the museum misrepresent Büchel’s work but also, as a result of the display, people judged Büchel based on their experience with the new show and the half covered installation.<sup>41</sup> According to Ruba Katrib, his reputation was hurt because of the one-sided story of the event that was told to the visitors of the museum.<sup>42</sup> Had Mass MoCA not put up the new show, it would have been a different story. The “Made at Mass MoCA” show blatantly and publicly criticized Büchel, damaging the image of his unfinished work; this was exactly what the court said would not happen.

In the creation of VARA, Congress acknowledged the problems that could arise if it made VARA too broad in scope. As a result, it limited and constricted eligibility for coverage. One of the gate-keeping mechanisms, a controversial inclusion, was the “recognized stature” for protection against complete destruction of a work.<sup>43</sup> The aim of this was to keep out frivolous suits by only acknowledging work of recognized quality as determined by the artistic community.<sup>44</sup> This mechanism, however, does not address the question at hand. As VARA only extends until the death of the artist, the majority of cases that could be coming up in the future will revolve around artists who are still alive and who are still in the process of creating new art. To date, *Mass MoCA* is the only case that directly brings up the issue of unfinished works. The decision on appeal was a step in the right direction. It was a victory for the visual artists. The court will now not judge works based on their status of completion to receive protection and determine what is art. It is before the court to only decide if an artist’s rights were violated.

From the lack of case law that actually rules in favor of visual artists and their moral rights, the courts still have many steps to take before an artist will receive full protection under the law. VARA should even be expanded to provide protection for artists by stopping the display of unfinished works or by stopping the unauthorized completion of unfinished works.<sup>45</sup> The notion of moral rights protects artists and VARA needs to be adjusted to actually protect the artists. VARA should include unfinished works. The *Mass MoCA* case has not been an expansion of protection, but rather an extremely necessary clarification.

## Endnotes

1. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.).
2. 17 USCS § 106A.
3. *John Carter, John Swing, and John Veronis v. Helmsley-Spear, Inc.*, 71 F. 3d 77 (1995 U.S. App.) p. 81.
4. According to Judge Ponsor of the District Court, if VARA had covered Büchel's work, there would have still been no violation of the right of attribution or integrity. The museum was not going to display the work as a creation of Mass MoCA or of Büchel (no violation of attribution) and that because the work was unfinished, there was no way for the museum to distort, mutilate, or modify it (the right of integrity). *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.).
5. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010).
6. Huberdeau, Jennifer. "Mass MoCA suit advances." *The Berkshire Eagle*. January 30, 2010. [http://www.berkshireeagle.com/ci\\_14298964](http://www.berkshireeagle.com/ci_14298964) (Last visited July 20, 2010).
7. Elements included: "A movie theater, a mobile home, cargo containers, a carousel rigged with explosives, a guarded towers, a two-story house divided by a cinderblock wall, a tanker truck, cars, and thousands of found objects." (Cash, Stephanie. "Big Mess at Mass MoCA." *Art in America*. p. 35. September, 2007. [http://findarticles.com/p/articles/mi\\_m1248/is\\_8\\_95/ai\\_n20511368/](http://findarticles.com/p/articles/mi_m1248/is_8_95/ai_n20511368/) (Last visited July 20, 2010)).
8. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.) p. 249.
9. A project of this size was not an unusual undertaking for Mass MoCA. Mass MoCA Visual Arts Mission statement: "MASS MoCA exhibits work by many of the most important artists of today—both well known, and emerging—focusing on large-scale and complex installations that are impossible to realize in conventional museums." ("Mass MoCA—Mission." Mass MoCA. <http://www.massmoca.org/mission.php> (Last visited July 20, 2010)).
10. The initial budget was \$160,000. Mass MoCA has an annual visual arts budget of \$800,000, including salaries. (Cash, Stephanie. "Big Mess at Mass MoCA." *Art in America*. p. 35. September, 2007. [http://findarticles.com/p/articles/mi\\_m1248/is\\_8\\_95/ai\\_n20511368/](http://findarticles.com/p/articles/mi_m1248/is_8_95/ai_n20511368/) (Last visited July 20, 2010)). At the time the project was terminated, the costs had risen to \$300,000 and if the project had continued, the potential cost of the installation could have exceeded 50% of the total annual budget for the visual arts.
11. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.).
12. Cash. 35.
13. Büchel's five original counterclaims included preventing the display of the unfinished work as it would violate his rights under VARA; monetary damages, also under the violation of VARA, as a result of the museum allowing visitors to walk through the work and also as a result of museum staff working on the installation while not under the supervision of Büchel; violation of Copyright Act, 17 U.S.C. § 106(5) when the museum displayed the covered materials by "appropriating his exclusive right to exhibit his artwork publicly"; entitlement to damages under 17 U.S.C. § 106(2) "which gives an artist the exclusive right to create "derivative" works based either upon the copyrighted original work, or upon that work's model and plans." The District Court ultimately ruled against Büchel in each of his counterclaims. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.) p. 247.
14. On May 22, 2007, the museum officially canceled the Büchel project and put up a show entitled "Made at Mass MoCA." The show discussed the problems that can arise when artists and institutions work together on works and included installation photos and various articles recounting the dispute between Büchel and Mass MoCA. To access the exhibition, visitors had to walk through the unfinished Büchel installation. (Cash, Stephanie. "Mass MoCA Axes Büchel Show." *Art in America*. p. 41 November, 2007. [http://findarticles.com/p/articles/mi\\_m1248/is\\_10\\_95/ai\\_n25439319/](http://findarticles.com/p/articles/mi_m1248/is_10_95/ai_n25439319/) (Last visited July 20, 2010)). After careful consideration of the ruling on September 21, 2007, Mass MoCA decided to dismantle the work without publicly displaying the unfinished installation. ("The Mass MoCA BLOG: We'll Remove *Training Ground*." *Mass MoCA*. <http://blog.massmoca.org/2007/09/28/well-remove-training-ground/> (Last visited July 20, 2010)).
15. Büchel's violation of integrity claim had three parts: by continuing work on the installation without his authorization, Mass MoCA distorted the art work to the visitors; even though the installation was covered with yellow tarps, it still allowed visitors to see the distorted work; and by displaying the work in an unfinished state, it was detrimental to Büchel's reputation. The Court of Appeals concluded that there was sufficient evidence to allow a jury to decide if there had been damage to Büchel's honor or reputation. The other two integrity claims are unavailing. By dismantling "Training Ground" a few days after the summary judgment decision by the District Court, the Court of Appeals decided that it did not need to address Büchel's violation of his right of attribution claim. (*Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010) p. 45-48). From the District Court's decision, the Court of Appeals affirmed in part, vacated in part, and remanded for further proceedings consistent with this decision regarding Büchel's remaining right of integrity claim under VARA and his public display claim under section 106 of the Copyright Act. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010) p. 73-74.
16. Cunnard, Jeffrey P. "Moral Rights for Artists: The Visual Artists Rights Act." *CAA News*, Volume 27, Number 3, May/June 2002. <http://darkwing.uoregon.edu/~csundt/copyweb/CunardCAA2002.htm> (Accessed November 9, 2009).
17. "Berne Convention for the Protection of Literary and Artistic Works." *World Intellectual Property Organization*. [http://www.wipo.int/treaties/en/ip/berne/trtdocs\\_wo001.html#P123\\_20726](http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html#P123_20726) (Last visited July 20, 2010).
18. Adler, Amy M. *Against Moral Rights*. 97 Calif. L. Rev. 263.
19. "Summary of the Berne Convention for the Protection of Literary and Artistic Works (1886)." *World Intellectual Property Organization*. [http://www.wipo.int/treaties/en/ip/berne/summary\\_berne.html#f2](http://www.wipo.int/treaties/en/ip/berne/summary_berne.html#f2) (Last visited July 20, 2010).

20. Referring to the definition in 17 USCS § 101.
21. More specifically a “(1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or (2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.” (17 USCS § 101).
22. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010) p. 38.
23. “Copyright and Neighboring Rights: The History of Copyright Legislation in Latvia.” *Ministry of Culture*. [http://www.km.gov.lv/en/eu/member/copyright\\_history.html](http://www.km.gov.lv/en/eu/member/copyright_history.html) (Last visited July 20, 2010).
24. “Plaintiff Mass MoCA’s Memorandum of Law in Support of its Motion for Summary Judgment.” Civil Action No. 3:07-cv-30089-MAP. <http://www.scribd.com/doc/270683/MASS-MoCA-Summary-Judgment-Brief> (Last visited July 20, 2010).
25. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010) p. 36.
26. VARA also offers protection against outright destruction of the work, however, only to artists who have produced works of art of recognized stature. (17 USCS § 106A).
27. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010) p. 28.
28. In an earlier case, *Carter*, 71 F. 3d, the court assumed that VARA applied to unfinished works of art, but the work was found exempt from protected because it was a work for hire. (*Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff, Appellee, v. Christoph Büchel, Defendant, Appellant*. No. 08-2199. United States Court of Appeals for the First Circuit. 2010 U.S. App. LEXIS 1842 (January 27, 2010) p. 31).
29. *Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.).
30. 17 USCS § 101. In 17 USCS § 101, it also states that “a work is “fixed” in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”
31. This was one of the points argued by Büchel’s attorneys in the District Court. “Büchel’s attorneys point to the definitional sections of the Copyright Act as suggesting that VARA may extend to unfinished work, so long as it has been “created.” By being fixed in a tangible medium of expressions for more than a transitory duration... However, as noted, where a plain reading of VARA extends the statute beyond the intent of its drafters and impinges adjoining practical considerations, the First Circuit has not hesitated to draw a line. See *Phillips v. Pembroke Real Estate, Inc.*, 459 F. 3d 128, 142 (1st Cir. 2006)” (*Massachusetts Museum of Contemporary Art Foundation, Inc., Plaintiff v. Christoph Büchel, Defendant*, 565 F. Supp. 2d 245 (2008 U.S. Dist.) p. 258). As argued in the paragraph, an unfinished work is a work “created” and if Congress did not want to include unfinished works it should have specifically excluded them.
32. Rubinstein, Raphael. “Provisional Painting.” *Art in America*. v. 97 no. 5 (May 2009). <http://www.artinamericamagazine.com/features/provisional-painting-raphael-rubinstein/> (Last visited July 20, 2010).
33. Rubinstein.
34. Rubinstein.
35. Rubinstein. “This comes about not only because the metal structures and spray-painted marks must be constructed afresh for each showing, but also because the viewer is always being invited to second-guess the artist’s decisions, to imagine other configurations.”
36. Rubinstein.
37. “Leonardo da Vinci quotes.” *Thinkexist.com*. [http://thinkexist.com/quotation/art\\_is\\_never\\_finished-only\\_abandoned/11376.html](http://thinkexist.com/quotation/art_is_never_finished-only_abandoned/11376.html) (Last visited July 20, 2010).
38. “Art Articles—Artist Quotes.” *Art Articles*. <http://www.artarticles.net/artist-quotes.htm>. (Last visited July 20, 2010).
39. “The courts should use common sense and generally accepted standards of the artistic community in determining whether a particular work falls within the scope of the definition. Artists may work in a variety of media, and use any number of materials in creating their works. Therefore, whether a particular work falls within the definition should not depend on the medium or materials used.” See H.R. Rep. No. 101-514, at 9 (1990). Wu, Laura Flahive. *Massachusetts Museum of Contemporary Art v. Büchel: Constructing Artists’ Rights in the Context of Institutional Commissions*. 32 Colum. J.L. & Arts 151.
40. Johnson, Ken. “No Admittance: Mass MoCA has mishandled disputed art installation.” *The Boston Globe*, July 1, 2007. [http://www.boston.com/news/globe/living/articles/2007/07/01/no\\_admittance/](http://www.boston.com/news/globe/living/articles/2007/07/01/no_admittance/) (Last visited July 20, 2010).
41. Johnson, Ken. “No Admittance: Mass MoCA has mishandled disputed art installation.” *The Boston Globe*, July 1, 2007. [http://www.boston.com/news/globe/living/articles/2007/07/01/no\\_admittance/](http://www.boston.com/news/globe/living/articles/2007/07/01/no_admittance/) (Last visited July 20, 2010).
42. Katrib, Ruba. “Institutional Anxieties.” *ArtUS*, no. 22, Spring 2008. <http://vnweb.hwwilsonweb.com/hww/jumpstart.jhtml?recid=0bc05f7a67b1790e83f94c3dbfa64fbb4ade3c5d0b57d2913baa2fb60f911cd8a09933f1785fa32&fmt=H> (Last visited July 20, 2010).
43. *David Phillips v. Pembroke Real Estate, Inc.*, 443 Mass. 110; 819 N.E.2d 579 (2004 Mass.) p. 115.
44. The United States is the only country that has this provision.
45. As previously mentioned, these are both moral rights that France provides to its visual artists.

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\* MCLE credit not available for "newly admitted" attorneys.



## VOLUNTEER LAWYERS FOR THE ARTS

**\*\* Celebrating Over 40 Years of Legal Service to the Entertainment and Arts Communities! \*\***

Since 1969, Volunteer Lawyers for the Arts has been the leading provider of pro bono legal services, mediation, educational programs and publications, and advocacy to the arts community in New York and beyond. Through public advocacy, VLA frequently acts on issues vitally important to the arts community—freedom of expression and the First Amendment being an area of special expertise and concern. The first arts-related legal aid organization, VLA is the model for similar organizations around the world.

### Featured Classes

(Please see <http://www.vlany.org/education/workshops.php#classes> for dates and times.)

#### **Nonprofit Incorporation and Tax Exemption Workshop (2 Prof. Practice + 1 Skills Credits)**

This workshop provides valuable information about starting a nonprofit organization. State issues to be covered include articles of incorporation, bylaws, and the first organization meeting. Federal issues include the Internal Revenue Code Section 501(c)(3) and corresponding regulations, application for employer identification number, IRS disclosure rules, unrelated business taxable income, charitable contributions, and restrictions on lobbying.

#### **Forming Your For-Profit Arts Business**

This workshop provides valuable information about starting an arts-related business. Covered issues also include: For vs. Non-Profit incorporation, fiscal sponsorship, selecting and protecting business names; the legal and tax characteristics of LLCs and publication requirements, partnerships, and type C and S corporations; choice of jurisdiction; financing your business; employees and independent contracts; and insurance.

#### **Legal Issues in Film (1 Prof. Practice, 1 Skills + .5 Ethics Credits)**

This class will provide an overview of the legal issues and common business arrangements used in film and television projects. In addition, option agreements for the acquisition of literary properties, distribution agreements and a comprehensive release for reality-based television program will be discussed.

#### **Legal Issues in Contemporary Art: Copyright (1 Prof. Practice + 1 Ethics Credits)**

This class will focus on copyright law, with a primer on some of the more pressing legal concerns for artists today, such as digital media, the use of appropriated logos and images, fair use, as well as moral rights.

#### **Social & Legal Issues in Fashion Series: Ethical & Sustainable Practices (2 Ethics Credits)**

This first workshop in a four-part series covers sociological and legal issues in ethical and sustainable practices in the fashion industry. Anna Akbari, Ph.D., will examine the sociology of fashion, discussing topics that affect both designers and consumers, including designer knockoffs, human labor issues, sustainable manufacturing, repurposed textiles and materials, the creation of a consumer consciousness and a movement toward “local fashion.” Elena M. Paul, Esq., will look at the topic from a legal perspective touching on trademark infringement and counterfeiting, conduct which compromises the existence of a trademark, arguably the most valuable commodity in the fashion industry.

#### **Starting Your Culinary Business**

This workshop provides valuable information about starting a culinary business, including restaurants, bakeries, bars, and catering companies. This class will cover important issues that every start-up business person needs to know including: the selection of a business entity, incorporation; financing, branding, licensing (including liquor licenses, cabaret permits, outdoor seating permits), taxes and regulatory compliance. Proceeds will benefit the **Friends of the French Culinary Institute (FCI)**.



## Starting Your Fashion Business

This workshop provides valuable information about starting a business in fashion, apparel, and design, including jewelry. This class will cover important issues that every fashion and design entrepreneur needs to know including: selecting and forming a business entity; using a business plan; financing; common issues in product development, production, marketing, and sales; regulatory issues and business licenses; branding, licensing, and intellectual property (copyrights, trademarks, and design patents); and contracts.

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## *mediate***Art**

**MediateArt** provides low-cost alternative dispute resolution, contract negotiation, and negotiation counseling services to artists with conflicts that can be addressed outside of the traditional legal framework. On October 5th and 6th (dates subject to change), VLA is offering our intensive two-day **Mediation Training Program** for attorneys, artists, arts administrators, and other professionals with an interest or background in the arts or intellectual property, the completion of which is a prerequisite to volunteering through **MediateArt**. For more information please contact Benjamin J. Brandow, Esq. at (212) 319-2787 x14 or [bbrandow@vlany.org](mailto:bbrandow@vlany.org).

## VLA Legal and Business Bootcamp for Arts Professionals™

**VLA Legal and Business Bootcamp for Arts Professionals™** taking place on Friday, October 22nd is a comprehensive program about the legal and business issues that affect individual artists and individuals within organizations and cultural institutions. This program is for professionals within organizations, individual artists, and art students at all stages of professional development. Lawyers, other professionals who represent artists and arts organizations, and law students will also benefit from the course. For registration or additional information, please see <http://www.vlany.org/bootcamp>.

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## Private Legal Clinics & Private CLE Classes

**VLA's Legal Clinic**, a forum for VLA members to meet privately with a volunteer attorney to discuss their arts-related legal issues, is now primarily offered privately through our law firm and corporate sponsors (with occasional clinics open to the public), generally on Wednesday afternoons. The clinic is a rewarding opportunity for attorneys to volunteer without a large time commitment. If you are interested in volunteering at our clinic, or in arranging a private clinic or private CLE event for your law firm or organization, please contact Benjamin J. Brandow, Esq. at (212) 319-2787 x14 or [bbrandow@vlany.org](mailto:bbrandow@vlany.org).

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## VLA Fall Benefit 2010

Support VLA's mission of service to the arts community while enjoying a fun summer evening with our members and supporters. Food, beverages, and cocktails will be served. For date, time, location, and other event details, please see the Fall Benefit Quick Link at [www.vlany.org](http://www.vlany.org). For ticket reservations and inquiries, please contact Kathleen Mallaney at (212) 319-2787 x12 or [kmallaney@vlany.org](mailto:kmallaney@vlany.org).



**Volunteer Lawyers for the Arts**  
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## Of Law and Labatut: The Story of the Vietnam Veterans Memorial

By David Krell

Washington, D.C. is a city of monuments and memorials.

In *The Lost Symbol*, novelist Dan Brown describes certain landmarks linked with the nation's capital.

[T]he gracefully rounded silhouette of the Jefferson Memorial—America's Pantheon, as many called it. Directly in front of the car, the Lincoln Memorial rose with rigid austerity, its orthogonal lines reminiscent of Athens's ancient Parthenon. But it was farther away that Langdon saw the city's centerpiece—the same spire he had seen from the air. Its architectural inspiration was far, far older than the Romans or the Greeks.

America's Egyptian obelisk.

The monolithic spire of the Washington Monument loomed dead ahead, illuminated against the sky like the majestic mast of a ship.<sup>1</sup>

In Constitution Gardens, a part of Washington, D.C.'s West Potomac Park “near the intersection of Constitution Avenue and 17th Street, NW, along the northern edge of the National Mall,”<sup>2</sup> stands another contribution to the city of monuments and memorials—the Vietnam Veterans Memorial.

A V-shaped structure made of black granite, the Memorial Wall at the Vietnam Veterans Memorial is America's tangible reminder of those who died defending honor, protecting liberty, and ensuring freedom in the Vietnam War.

The arms of the wall's “V” point respectively to the Washington Monument and Lincoln Memorial, with each arm extending 246 feet, nine inches.<sup>3</sup> The true reach of the Vietnam Veterans Memorial, however, extends beyond the wall's length.

Indeed, the story of the Vietnam Veterans Memorial is a story about the war that took the lives of 58,267 American soldiers, sailors, marines, and airmen.<sup>4</sup> It is a

story about the law that authorized the establishment of a memorial to acknowledge their sacrifice.<sup>5</sup>

It is a story about a work of art.

### Come Senators, Congressmen, Please Heed the Call

The genesis of the Vietnam Veterans Memorial began with a wounded and decorated Vietnam War veteran—Jan C. Scruggs.

Scruggs led a group of Vietnam War veterans in forming Vietnam Veterans Memorial Fund, Inc. (the Memorial Fund or VVMF), a non-profit corporation. It incorporated on April 27, 1979.<sup>6</sup> The Memorial Fund wanted Vietnam [War] veterans to have “a tangible symbol of recognition from the American people.”<sup>7</sup>

Scruggs was a working-class kid from Bowie, Maryland. His father was a milkman. His mother was a teacher. In the Vietnam War, Scruggs served as a junior noncommissioned officer with the rank of corporal in the 199th Infantry Division.<sup>8</sup>

His lowly military status and humble origins proved to be virtues, because they seemed to offer implicit guarantees of the project's neutrality. As the public face of the VVMF, Scruggs presented himself as an ordinary American and a representative of the ‘grunts’—the foot soldiers that America had sent to fight in Vietnam.<sup>9</sup>

In addition, Scruggs' lack of evident ties to politics, ideology, or military philosophy gave him a strong position from which to advocate.

Scruggs was not a politician attempting to exploit the ‘lessons’ of Vietnam for policy purposes; he was not, in any obvious way, an ideologue with an axe to grind. As such, Scruggs was the ideal figurehead for a memorial project that always claimed that it was independent of the government and that campaigned under the banner of political neutrality.<sup>10</sup>

Scruggs' qualifications as a viable proponent for a memorial went beyond the scope of his service in the Vietnam War. His formal education included a master's degree from American University in counseling psychology. "Scruggs's [sic] research addressed Vietnam veterans' emotional distress, low self-esteem, high divorce rates, and political alienation."<sup>11</sup>

*The Washington Post* published Scruggs' op-ed piece *Forgotten Veterans of 'That Peculiar War'* on May 25, 1977. In the piece, Scruggs describes the void of gratitude experienced by Vietnam War veterans and the consequent need for a tangible reminder of their service: "No efforts can provide compensation, of course, to the Americans who made the ultimate sacrifice in Vietnam. For them, perhaps, a national monument is in order to remind an ungrateful nation of what it has done to its sons."<sup>12</sup>

In May 1979, Scruggs met Robert Doubek at a planning meeting for Vietnam Veterans Week, an event declared by Congress. Doubek, an attorney and former air force intelligence officer, suggested forming VVMF as a nonprofit corporation.<sup>13</sup>

Jack Wheeler joined Doubek and Scruggs in their new venture. Wheeler was Assistant General Counsel at the Securities and Exchange Commission with an education pedigree including West Point, Yale Law School, and Harvard Business School. Respectively, Scruggs, Wheeler, and Doubek took the roles of president, chairman, and project director and secretary.<sup>14</sup>

Scruggs saw opportunity, potential, and benefit where others saw challenge, waste, and cost. He explained further in an interview for this article. "First, I thought this was something that could be achieved. Second, I saw the implications of the memorial's prominent location in the proverbial shadows of the Lincoln Memorial and Washington Monument. It would provide huge recognition of the veterans who served in the Vietnam War. Third, the young men who died deserved a place where they could be remembered. The public would recognize their sacrifices as honorable. Despite the controversy surrounding the Vietnam War, these men were willing to sacrifice their lives. And they did."<sup>15</sup>

VVMF avoided getting entangled in red tape because of invaluable counsel from a Washington, D.C. insider.

Senator [Charles McCurdy 'Mac'] Mathias [from Maryland] advised the VVMF that the best way to handle the bureaucracy that often delayed efforts to create memorials in Washington was to have Congress pass legislation authorizing a memorial and designating its site. Mathias himself suggested the location: Constitution Gardens, on the Washington Mall, the commemorative core and the symbolic heart of the nation, between

the nearby Lincoln Memorial and the Washington Monument. One could not imagine a more prominent or desirable location for a memorial.<sup>16</sup>

On November 8, 1979, Senator Mathias introduced Senate Joint Resolution 119—Joint Resolution to Authorize the Vietnam Veterans Memorial Fund, Inc. to Erect a Memorial.<sup>17</sup>

Mathias died on January 25, 2010 at the age of 87. Scruggs eulogized him in a VVMF statement.

Not everyone remembers, but in 1979, the nation was still angry and divided about the experience in Vietnam. Most Americans seemed to want to forget the war and ignore those who served. Instead of going with popular sentiment, Mathias fought for a site in the shadow of the Lincoln Memorial—which stands as a symbol of unity after the Civil War—as the perfect place to honor Vietnam Veterans. He joined forces with Virginia Senator John Warner to champion the legislation. Eventually, 99 senators joined him as co-sponsors.<sup>18</sup>

In the interview for this article, Scruggs further explained the weight carried by Senators Warner and Mathias:

Our biggest challenge was creating public awareness of the need for a memorial. The argument against us posed by some journalists was the lack of necessity. They argued that veterans needed a jobs program created by the government. A memorial would be a distraction. They thought it was an interesting idea, but they wanted something else for the veterans.

We needed to persuade Congress that a memorial was a good idea that would benefit the Vietnam War veterans. Essentially, legislation in the United States Senate depends on the sponsor's credibility. Thankfully, Senator Mathias and Senator Warner had great credibility. In the House of Representatives, the momentum of the Senate passage combined with our arguments were key factors in passing the bill.<sup>19</sup>

Almost a year after forming VVMF, Scruggs testified on March 12, 1980 at a United States Senate hearing about the joint resolution. He explained the purposes for VVMF, a memorial, and the desired site. In addition, Scruggs offered a prepared written statement mirroring his testimony:

Its purpose is to raise funds for and create, at no expense to the United States or the District of Columbia, a national memorial in Washington, D.C. to the American men and women who served and died in the Vietnam War. The VVMF seeks to create the memorial upon a site in the area known as Constitution Gardens in West Potomac Park in the District of Columbia. The design for the memorial will offer a landscaped garden, of a reflective and contemplative nature, in harmony with its surroundings.<sup>20</sup>

Honor the fallen.

Remember their sacrifices.

Value their contributions.

Noble pursuits, indeed.

However, the proposed memorial would exclude mention of controversy, divisiveness, and protests concerning America's military presence, participation, and policy in the Vietnam War.

The Vietnam Veterans Memorial will not only provide a special tribute from the people of the country to those who served, but will promote the healing and reconciliation of our country after the divisions caused by the war. The memorial will make no political statement about the war, as is proper, because in coming to grips with its history in Vietnam, our nation must separate the issue of the war itself from the issue of how its veterans served their country.<sup>21</sup>

Consequently, the anti-war sentiment reflected in protests, rallies, and speeches would be relegated to memory, news accounts, and lore.<sup>22</sup>

### Stop, Children! What's That Sound?

Exclusion of "the issue of the war itself" does not diminish the importance of the war or the anti-war movement in studying the history behind the Vietnam Veterans Memorial.

France invaded Vietnam in 1858. The Treaty of Huê, or Protectorate Treaty, signed on June 6, 1884, gave official control to France. The Vietnamese eventually rebelled against French colonization and in August 1945, they spearheaded the Great National Uprising. On September 2, 1945, they established the Democratic Republic of Vietnam.<sup>23</sup>

The battle between France and the Democratic Republic of Vietnam occurred from 1945 to 1954. The Vietnamese's victory in Dien Bien Phu led to the 1954

Geneva Agreement that temporarily split Vietnam into two countries separated by the 17th parallel—Democratic Republic of Vietnam, a.k.a. North Vietnam, had its capital in Hanoi; Republic of Vietnam, a.k.a. South Vietnam, had its capital in Sai Gon.<sup>24</sup>

In 1964, a series of events proved pivotal for America's involvement in Southeast Asia. Early in the year, President Lyndon Johnson and Secretary of Defense Robert McNamara strategized concerning South Vietnam's potentially succumbing to North Vietnam's Communist government. The Navy Historical Center summarizes the actions.

The U.S. Navy armed the Republic of Vietnam Navy with Norwegian-built fast patrol boats (PTF), trained their Vietnamese crews, and maintained the vessels at Danang in northern South Vietnam. In covert operation 34A, which was designed and directed by American officials in Washington and Saigon, the PTFs bombarded radar stations on the coast of North Vietnam and landed South Vietnamese commandoes to destroy bridges and other military targets. Many of the missions, however, failed for lack of good intelligence about the enemy's key military installations, defensive forces, and operating methods.

Consequently, Washington ordered the Navy to focus more attention on the coast of North Vietnam in its long-standing Desoto Patrol operation. The Desoto Patrol employed destroyers in intelligence-gathering missions outside the internationally recognized territorial waters and along the coasts of the Soviet Union, China, North Korea, and North Vietnam. In early August of 1964, destroyer USS *Maddox* (DD 731), under the operational control of Captain John J. Herrick, USN, steamed along the coast of North Vietnam in the Gulf of Tonkin gathering various types of intelligence. Shortly before, the South Vietnamese PTF force had bombarded targets further to the south of *Maddox's* patrol area.<sup>25</sup>

Through its intelligence sources, North Vietnam, knew about Operation 34A. On August 2nd it focused attention on the *Maddox*, a slower-moving target than the faster PTFs. North Vietnam sent three Soviet-built P-4 motor torpedo boats to attack the *Maddox*, but the act proved futile. The torpedoes missed the target. One round from deck guns hit the *Maddox*. The USS *Ticonderoga* (CVA 14) attacked the P-4 boats and destroyed one of them. The *Maddox* set course for the Gulf of Tonkin where it would



be complemented, supported, and reinforced by the USS *Turner Joy* (DD 951).<sup>26</sup>

On the night of 4 August, the warships reported making contact and then being attacked by several fast craft far out to sea. Officers in the naval chain of command and U.S. leaders in Washington were persuaded by interpretation of special intelligence and reports from the ships that North Vietnamese naval forces had attacked the two destroyers. More recent analysis of that data and additional information gathered on the 4 August episode now make it clear that North Vietnamese naval forces did not attack *Maddox* and *Turner Joy* that night in summer of 1964.

In response to the actual attack of 2 August and the suspected attack of 4 August, the President ordered Seventh Fleet carrier forces to launch retaliatory strikes against North Vietnam. On 5 August, aircraft from carriers *Ticonderoga* and USS *Constellation* (CVA 64) destroyed an oil storage facility at Vinh and damaged or sank about 30 enemy naval vessels in port or along the coast.<sup>27</sup>

The response was called Operation Pierce Arrow.

On August 7, 1964, Congress passed House Joint Resolution 1145, a joint resolution called Southeast Asia Resolution. Informally, it may be known as the Tonkin Gulf Resolution or Gulf of Tonkin Resolution. When signed by the president on August 10, 1964, it became Public Law 88-408. Although the resolution did not formally declare war, it gave President Johnson the authority to take military action.

Congress approves and supports the determination of the President, as Commander in Chief, to take all necessary measures to repeal any armed attack against the forces of the United States and to prevent any further aggression.

The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in southeast Asia.<sup>28</sup>

National Security Agency historian Robert J. Hanyok deconstructed the Gulf of Tonkin events for *Cryptologic Quarterly*—the NSA Center for Cryptologic History's classified publication distributed in-house four times a year. Hanyok's article *Skunks, Bogies, Silent Hounds, and the Flying Fish: The Gulf of Tonkin Mystery, 2-4 August 1964* appeared in the Winter 2000 and Spring 2001 issues. The

NSA declassified Hanyok's article and approved it for release on November 3, 2005.<sup>29</sup>

Hanyok's intensive, comprehensive, and intuitive analysis reveals new information concerning the actions in the Gulf of Tonkin in early August 1964.

Two startling findings emerged from the new research. First, it is not simply that there is a different story as to what happened; it is that *no attack* happened that night. Through a compound of analytic errors and an unwillingness to consider contrary evidence, American SIGINT [Signals Intelligence—intelligence gathered by intercepting personal and electronic signals] elements in the region and at NSA HQs reported Hanoi's plans to attack the two ships of the Desoto patrol. Further analytic errors and an obscuring of other information led to publication of more 'evidence.' In truth, Hanoi's navy was engaged in nothing that night but the salvage of two of the boats damaged on 2 August.

The second finding pertains to the handling of the SIGINT material related to the Gulf of Tonkin by individuals at NSA. Beginning with the period of the crisis in early August, into the days of the immediate aftermath, and continuing into October 1964, SIGINT information was presented in such a manner as to preclude responsible decisionmakers [sic] in the Johnson administration from having the complete and objective narrative of events of 4 August 1964. Instead, only SIGINT that supported the claim that the communists had attacked the two destroyers was given to administration officials.<sup>30</sup>

At the heart of America's purpose for military involvement in Southeast Asia lay a geopolitical theorem commonly known as the "Domino Theory." If South Vietnam fell to Communism, then other countries would fall like dominoes.

Under the Johnson, Nixon, and Ford administrations, the United States sent sailors, airmen, soldiers, and marines in harm's way. On April 30, 1975, Sai Gon and South Vietnam fell. The United States brought the last of its government and military personnel out of the country.

In addition, Vietnamese refugees also left their villages torn by the war. Capitol Hill took action to give the refugees a safe harbor in the United States.

On May 6, 1975, Senator John Jackson Sparkman from Alabama introduced Senate Resolution 1661 in the United

States Senate. The Senate indefinitely postponed the measure with the text as amended inserted in the counter-part resolution in the United States House of Representatives—H.R. 6755.<sup>31</sup>

On May 7, 1975, Representative Peter Wallace Rodino, Jr. from the 10th District in New Jersey, introduced House Resolution 6755. It authorized \$455 million to be spent until June 30, 1976 for aliens who left Cambodia or Vietnam. On May 14, 1975, the United States House of Representatives passed H.R. 6755 by a vote of 381-31.<sup>32</sup>

On May 23, 1975, President Ford signed the bill into law—Indochina Migration and Refugee Assistance Act.<sup>33</sup>

Section 3 defines “refugees” for the purposes of the Act: “In carrying out functions utilizing the funds made available under this Act, the term “refugee” as defined in section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, as amended, shall be deemed to include aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.”<sup>34</sup>

## A Time For Peace, I Swear It's Not Too Late

College and university campuses became focal points for the anti-war movement during the Vietnam War against a backdrop of protest songs, popular culture turned counterculture, and rising doubt about America's role in Southeast Asia.

In the late 1960s and early 1970s, *Give Peace a Chance*, *Blowin' in the Wind*, and scores of other protest songs became anthems of the anti-war movement on campus greenbelts across the United States. Meanwhile, *Easy Rider*, *Medium Cool*, and *M\*A\*S\*H* (based on the novel by Richard Hooker) contrasted with the familiar movie formulas of “boy meets girl” and “hero saves the day.” On television, CBS provided an alternative to its rural-based, safe, sanitized situation comedies—*The Andy Griffith Show*, *Petticoat Junction*, *Green Acres*, *The Beverly Hillbillies*, *Mayberry R.F.D.*—when it aired *The Smothers Brothers Comedy Hour*, a comedy-variety show that spoke for the anti-war crowd with comedy and music.

On the 1967-68 season premiere, the show featured Pete Seeger as a musical guest. His song choice—*Waist Deep in the Big Muddy*—did not make the final edit. David Bianculli explains the behind-the-scenes controversy in *Dangerously Funny: The Uncensored Story of “The Smothers Brothers Comedy Hour.”*

Between the September 1 taping and the September 10 season premiere telecast, however, CBS put its corporate foot down and brought its corporate scissors out. ‘Big Muddy’ was sliced from the

broadcast, ruled unacceptable by network standards. This ruling was despite the fact that Seeger's *Waist Deep in the Big Muddy* LP had been released the previous month without incident—by Columbia Records, a division of the CBS empire. Record albums, though, could be bought by the faithful and ignored by the rest. Television was out there for everyone to see, and angering people, especially people in power when individual station licenses could be challenged and revoked by the Federal Communications Commission, was not in a network's interest.<sup>35</sup>

College and university students found an outlet beyond popular culture to express their rage about America's involvement in the Vietnam War as the anti-war zeitgeist gained momentum on America's campuses. During their formative years between adolescence and adulthood, college and university students fought for their anti-war ideals with words, signs, and slogans as their peers fought for military objectives with bullets, bombs, and grenades in Southeast Asia.

On October 18, 1967, students at University of Wisconsin–Madison protested Dow Chemical Company's presence on campus to recruit students for jobs. Dow was the only manufacturer of napalm for the United States military.<sup>36</sup>

Hundreds of students overtook the university's Commerce Building where Dow's recruiter, William L. “Curly” Hendershot, set up his interview home base in Room 104. After blocking access to the building, “Madison's police removed them by force. Dozens of students were beaten bloody, tear gas was used for the first time in an anti-war demonstration, and 19 police officers were treated at local hospitals. The violence of the event is credited with politicizing thousands of previously apathetic students and helping to transform the Madison campus into one of the nation's leading anti-war communities.”<sup>37</sup>

In May 1970, two campus protests escalated to a level of unprecedented violence. On Monday, May 4, 1970, Kent State University became an anti-war Ground Zero when National Guardsmen fired their rifles for 13 seconds after trying to disperse a rally of approximately 2,000 students with tear gas.

The gas, blowing in the wind, had little effect. The guard moved forward with fixed bayonets, forcing demonstrators to retreat. Reaching the crest of the hill by Taylor Hall, the guard moved the demonstrators even further to a nearby athletic practice field. Once on the practice field, the guard recognized that the crowd had not dispersed and, further, that the field was fenced on three sides. Tear gas

was traded for [students throwing] more rocks and verbal abuse.<sup>38</sup>

The National Guardsmen of Ohio assigned to patrol, protect, and police the situation fired between 61 and 67 shots. At the end of the confrontation, four students lay dead or dying. Nine students lay wounded, including one student paralyzed. Most students were between 60 and 75 yards away from the National Guardsmen. The closest student was 20 yards away. The farthest was 250 yards away.<sup>39</sup>

The Kent State shootings climaxed several days of student protest activity that was volatile at best and criminal at worst.

The protests sparked on April 30, 1970, when President Nixon announced an expansion of the Vietnam War into Cambodia.<sup>40</sup> On May 1, 1970, about 500 students responded by demonstrating. In *The Fourth of May: Killings and Coverups at Kent State*, William A. Gordon details the students' action.

The students charged that Nixon had not consulted Congress before ordering the invasion of Cambodia, and as a symbolic gesture some of the graduate students buried a copy of the U.S. Constitution.

Late that evening, there was a disturbance in the business section of downtown Kent. Windows along several blocks were smashed, bonfires were set in the street, and at least two stores were looted. This was not an organized riot or a planned protest.<sup>41</sup>

On May 2, 1970, anti-war protesters burned down Kent State's ROTC building. "The Kent firemen who rushed to the scene met resistance from several demonstrators who tried to prevent them from extinguishing the blaze. These demonstrators yanked and cut the fire hoses as the firemen battled the fire."<sup>42</sup>

On May 3, 1970, the National Guard tried to break up an evening rally on the campus Commons. "When the students refused to leave, the Guard cleared the Commons with tear gas. Part of the crowd then moved to the home of Kent State President Robert I. White where they were dispersed by tear gas by state police. Other members of the crowd, having nowhere to go, decided to stage a sit-in at the intersection of Lincoln and Main Streets, by the main gate of the campus."<sup>43</sup> On May 4, 1970, the heated conflict between students and law enforcement rose to a bloodshed level.<sup>44</sup>

On May 14 through 15, 1970, two students died and 12 students were injured in Jackson, Mississippi, after police and law enforcement personnel responded to student protest activity at Jackson State College (now Jackson State University). They fired their weapons in response to

approximately 100 student protesters joining together on Lynch Street, a street bisecting the campus. The students started fires and overturned vehicles, including a large truck.<sup>45</sup>

The events at Kent State and Jackson State triggered a wave of campus protests across the United States. Four million people caused a "nationwide shutdown of the higher education system and almost a hundred thousand demonstrators protested at the White House on May 8."<sup>46</sup>

On June 13, 1970, President Nixon responded to the events by signing an executive order establishing the President's Commission on Campus Unrest.<sup>47</sup> He issued a statement on June 13 explaining the Commission's purpose.

The United States has the greatest system of higher education ever developed by man. But in the past academic year, the integrity of this system—involving more than 2,500 colleges and universities and nearly 8,000,000 students—has been threatened. While the overwhelming majority of those who live and work in the academic community are dedicated to nonviolence, there have nevertheless been over 100 campuses on which violent acts have recently occurred. The tragic results have included loss of life, vast property damage, and serious disruption of the educational process. This situation is a matter of vital concern to all Americans.

Today I am appointing a Commission on Campus Unrest to study this serious situation, to report its findings and make recommendations to me. William Scranton, the former Governor of Pennsylvania, will be the Chairman.

The following are among the purposes of the Commission:

To identify the principal causes of campus violence, particularly in the specific occurrences this spring.

To assess the reasons for breakdown in the processes for orderly expression of dissent.

To suggest specific methods and procedures through which legitimate grievances can be resolved.

To suggest ways to protect and enhance the right of academic freedom, the right to pursue an education free from improper interferences, and the right of peaceful dissent and protest.



It is my hope that the Commission will help us discover what practical steps can be taken by all levels of government—including law enforcement agencies—to alleviate the dangers involved in this situation. I hope, too, that the Commission will explore ways in which university administrations and student leaders can contribute more effectively to the control and elimination of campus violence. There is nothing that any of us can do now to restore the lives that have been lost or to undo the other effects of past campus violence. But the Commission can help us to avoid future incidents of the sort which occurred this past spring, the most appalling of which were the tragedies at Kent State University in Ohio and Jackson State College in Mississippi.

The Commission will receive assistance and support from its own staff and from the investigative facilities of the various Federal departments. I will ask the Congress to provide the Commission with the power of subpoena [sic].

I have asked the Commission to begin its work immediately and to report to me before the beginning of the coming academic year.<sup>48</sup>

On September 26, 1970, President Nixon received *The Report of the President's Commission on Campus Unrest*. The report fulfilled its mission by presenting the facts of the Kent State and Jackson State incidents, recommending practical guidelines for handling violent and non-violent protests, and encouraging the creation, development, and implementation of new law enforcement methods to stem violence.

The beginning of the report heralds a warning for the country:

A nation driven to use the weapons of war upon its youth is a nation on the edge of chaos. A nation that has lost the allegiance of part of its youth is a nation that has lost part of its future. A nation whose young have become intolerant of diversity, intolerant of the rest of its citizenry, and intolerant of all traditional values simply because they are traditional has no generation worthy or capable of assuming leadership in the years to come.

We urgently call for reconciliation. Tolerance and understanding on all sides must reemerge from the fundamental decency of Americans, from our shared aspira-

tions as Americans, from our traditional tolerance of diversity, and from our common humanity. We must regain our compassion for one another and our mutual respect.<sup>49</sup>

Division of opinion concerning the Vietnam War manifested on protest sites beyond college and university campuses. Protesters used an area of the nation's capital not far from the proposed site of a Vietnam Veterans memorial. "On October 21, 1967, one of the most prominent anti-war demonstrations took place, as some 100,000 protesters gathered at the Lincoln Memorial; 30,000 of them continued in a march on the Pentagon later that night. After a brutal confrontation with the soldiers and U.S. Marshals protecting the building, hundreds of demonstrators were arrested."<sup>50</sup>

On November 15, 1969, the "largest antiwar demonstration to date in the nation's capital" took place with 250,000 protesters.<sup>51</sup> "Although the majority of respondents to a Harris poll said that they disagreed with the antiwar movement's methods, the vast majority, 81 percent, believed that the protesters were raising important questions. By a margin of 50 to 37 percent, they also agreed that the war was morally indefensible and that the United States was wrong to have become involved in it."<sup>52</sup>

## When Johnny Comes Marching Home Again

In his testimony regarding Senate Joint Resolution 119, Scruggs acknowledged the volatile divisiveness represented in anti-war protests by arguing the reparative value of a Vietnam Veterans memorial—a tangible symbol of honor with an intangible effect of "promot[ing] the healing and reconciliation of our country after the divisions caused by the war."<sup>53</sup>

The treatment received by Vietnam War veterans after their tours of duty ended reflected these divisions. When Vietnam War veterans returned home to the suburbs, farms, and cities of the United States, they often received disdain, scorn, and contempt instead of gratitude, respect, and appreciation.

Set during the Vietnam War era, *The Wonder Years* illustrates this challenge for veterans in the episode *Homecoming*. *The Wonder Years* aired on ABC from 1988 to 1993, but its time setting was 20 years prior—1968 to 1973. "It was kind of a golden age for kids."<sup>54</sup>

*The Wonder Years* revolves around the growing pains experienced in suburbia by Kevin Arnold between the ages of 12 and 17—years of anguish, years of growth, years of wonder. Fred Savage plays Kevin, a student at Robert F. Kennedy Junior High School and later, a student at William McKinley High School. Daniel Stern provides the voiceover of an adult Kevin in the form of color commentary on his "wonder years."

In *Homecoming*, he explains the era's aura: "In 1972, the country was at war. With its armies. With its ideals. With itself."<sup>55</sup>

The episode's title has a double meaning. *Homecoming* indicates a veteran's return home and McKinley High School's Homecoming Week climaxed by the Homecoming football game against Central High School. Dave "Wart" Wirschafter is the veteran. He is a close friend of Kevin's older brother, Wayne. Wayne tried to enlist with Wart, but the United States Army rejected Wayne because of psoriasis.<sup>56</sup>

The Arnold family welcomes Wart home with pride, concern, and respect. Kevin summarizes, "Wayne's pal Dave Wirschafter had left for Vietnam a goofy kid and come home from his tour, a hero."<sup>57</sup>

At first, Wart appears shy when he's noncommittal about the details of his tour. Wayne's father, a Marine Corps veteran of the Korean War, asks Wart, "So, was it bad?" Wart shrugs and responds, "Well, ya know."<sup>58</sup>

When Wayne and Wart meet friends at a diner, Wart talks about the places he has been. One friend asks, "So did you kill anybody?" Wart appears embarrassed. "What? No. No. No. Nothing like that."<sup>59</sup>

At the football game, Wart expresses discomfort at being in such a large crowd. When an unseen woman shouts "murderer," Wart appears confused, scared, and wary. "What was that?!" he asks. Despite Wayne's attempt to calm him, Wart says that he just wants to go for a walk. Kevin finds him at the baseball field without any clothes save for his underwear. A few moments later, Wayne discovers Wart along with a harsh reality—despite outwardly enjoying his return home, Wart inwardly suffers. He tearfully reveals, "Nothing seems to fit anymore." Wayne literally gives him the shirt off his back.<sup>60</sup>

Although Wart is a fictional character, his homecoming experience parallels the experiences of Vietnam War veterans. At the Senate hearing concerning Senate Joint Resolution 119, Larry Pressler, a United States Senator from South Dakota, shared a personal story concerning his service in the Vietnam War:

I was doing an interview on an entirely different subject during a press conference and a reporter asked me my background. I mentioned that I was a military veteran of the Vietnam conflict and he immediately interrupted—did you kill any people or participate in any assassination groups? I replied, 'no, I hadn't,' but the distressing thing was I found myself going on the defensive immediately. I think that experience illustrates the problems that Vietnam veterans have with respect to the way the country has regarded them on their return.

It seems a veteran who served in the military in Vietnam is constantly on the defensive. Many of them have told me that they simply say they weren't involved in combat, no, they didn't kill anyone. It is a constant source of embarrassment for Vietnam veterans to discuss their experiences, experiences they underwent in responding to their country's call to duty.

Many of them feel as if they were duped. Contemporary literature and art gives more attention, honor, and respect to those who resisted the draft and fled to Canada or Europe to escape military service, so Mr. Chairman, I am happy to appear and to add my voice of support to S.J. Res. 119.

In addition to commemorating the Vietnam veterans that gave their lives for the United States in war, I hope it will help allow all veterans to finally come home.<sup>61</sup>

In his testimony at the Senate hearing, Senator John Warner emphasized his war experiences in the field and as Secretary of the Navy. Warner's testimony recalled the massive contempt suffered by Vietnam War veterans:

Mr. Chairman, with a great sense of humility I merely mention that I am a veteran of the uniformed service in two wars. I enlisted as a high school dropout in 1944 in the Navy, and then once again volunteered in the Marine Corps in 1950, but in a deeper sense I feel I am also a veteran of a third conflict, the Vietnam war.

It was during that troubled period of our national history that I served for over 5 years as Under Secretary and Secretary of the Navy. During frequent inspection trips to Vietnam I observed this war from the ships, from the land on fire support bases, from the air, and I observed it in the faces of many, many hundreds of brave men.

It was my action, my signature on official orders that sent thousands of sailors and marines into combat, many of them never to return, and many more to return with crippling wounds, both physical and emotional, many to be forgotten and neglected by a bitterly divided nation.<sup>62</sup>

Honoring Vietnam War veterans with a memorial echoed a new paradigm of separating service from cause, warrior from war. Additionally, a memorial would offer consolation for survivors. In the interview for this article,

Scruggs detailed the impact. "There are psychological and sociological aspects to the memorial. I first discovered them in my graduate school days studying the Holocaust. Survivor conflicts. If you were in a bank robbery yesterday and survived, you're going to be affected, perhaps damaged. So the memorial gives solace to the survivors. Carl Jung believed in collective psychological states. We are part of a collective. The entire nation needed a memorial. The more I began to think about that, the more important the memorial became to me."<sup>63</sup>

However, a group of Vietnam War veterans opposed the memorial's proponents who emphasized a healing purpose.

The 'triumph of the therapeutic' in commemorations of the Vietnam War met some resistance. Right-wing veterans, spearheaded by a Reagan-founded organization [called] the Vietnam Veterans Leadership Program, were proud of their service in Vietnam and resented being told that they needed to 'heal.' They asserted that neither they nor the nation had anything to heal from. In their view, their cause had been a worthy one, they had won all their battles, and the United States lost the war only because of a loss of will on the home front. They agreed with Reagan when he said that the war was a noble cause and they feared that, unless their compatriots shrugged off the guilt and self-doubts that the war had provoked, the nation would be weaker as it faced its enemies in the future. The discourse of 'healing' was almost as bad, in the right-wingers' opinion, as antiwar veterans' moral condemnation of the war, because it reinforced the view that veterans were guilt-ridden basket cases or self-pitying victims.<sup>64</sup>

Notwithstanding the difference of opinion concerning the healing issue, the overall mission to create a memorial to honor Vietnam War veterans was clear, valuable, and respectable. Fulfilling the mission, however, required an act that went beyond funding, site selection, and honorable purpose.

The memorial had to be designed.

## If I Had a Hammer

A memorial design needed to meet artistic standards unique to the nation's capital, offer an emotionally reparative value, and function effectively within the restrictions of the ultimate site. Scruggs addressed the requirements in his written statement for the Senate hearing:

The VVMF has not yet developed a definite design which it proposes for approval because of its firm belief that the memorial should be of the highest aesthetic quality, harmonizing with and enhancing the existing beauty of the park environment of Washington, D.C., a national treasure. The war rended the land of Vietnam and the American social fabric, so that such harmony and enhancement are key elements in symbolizing the healing purpose of the memorial. Accordingly, a final design is dependent upon determination of the specific site. The VVMF has developed a concept for the memorial, however, with an overall landscaped solution to the question of design, to guide the architects and artists in their creative efforts when the specific site is determined. The elements of our design concept are:

1. An overall landscaped solution, emphasizing horizontal rather than vertical elements, to create a living memorial in harmony with its surroundings.
2. A spacious garden setting, inviting visitors and passersby to enter, rest, and contemplate.
3. Inscription of the names of all of the 57,661 Americans who died in Vietnam.
4. A sculptural statement, in one or more pieces, symbolizing the experience of Americans who served in Vietnam.
5. Artistic integrity of design, components and materials.<sup>65</sup>

Additionally, Scruggs explained the benefits of a memorial meeting these standards while emphasizing the apolitical nature of a memorial acknowledging the service of America's Vietnam War veterans:

The VVMF believes that a memorial designed in accordance with the foregoing elements will serve both the purposes of national recognition of the service of Vietnam veterans and reconciliation of society while enhancing the natural beauty of the national capital. The Vietnam Veterans Memorial will not be to a war, battle, unit, or individual, but to the honorable service of all the men and women who carried out their country's policy during a major and difficult period in its history. For these purposes it is especially appropriate that it stand in Constitution Gardens in the shadow of the Lincoln



Memorial. First of all, a prominent site is essential. Our nation, in its haste to forget the war, has heretofore forgotten to honor the 2.7 million American men and women who served honorably in Vietnam and their 57,661 comrades who gave their lives. A site outside of the monumental core would lack the significance for a memorial to these Americans who experienced a major event in this country's history. Furthermore, an indication of less than total recognition of their service would present serious difficulties to the VVMF in gaining the financial support of the American people.

The area of Constitution Gardens is of special symbolic significance because of its proximity to the Lincoln Memorial, which stands as a symbol of reconciliation after the Civil War. Not since that bitter war over a century ago has our society been so divided as over our involvement in Vietnam. Furthermore, that area became a battleground as opposing elements of our society rallied for and against the war. It is most appropriate that the Vietnam Veterans Memorial, a symbol of national reconciliation, be placed in that location, which befits its purposes and the importance of the event it commemorates.<sup>66</sup>

Scruggs concluded his statement by reinforcing the benefit of respect for America's Vietnam War veterans:

In conclusion, let me state that this memorial will not bring back the dead, nor will it heal the wounded. It will stand, however, not only as an acknowledgment by our society of the sacrifices rendered by Vietnam veterans, but as a symbol of our unity as a nation and as a focal point for all Americans regardless of their views on Vietnam, for remembering the tragedies wrought by that conflict—and of the lessons taught us.

If this memorial can remind present and future generations of these things then it will indeed be [sic] worthy of the support of all Americans.<sup>67</sup>

On April 30, 1980, the United States Senate debated Senate Joint Resolution 119. Senator Mathias pointed out the significance of the date: "Mr. President, it is eminently appropriate that we are considering Senate Joint Resolution 119 today, because it was just 5 years ago today that Graham Martin, the American Ambassador in Vietnam,

boarded a helicopter and headed for the United States, thus ending the U.S. presence in Vietnam."<sup>68</sup>

Mathias also offered Amendment 1053 allowing, *inter alia*, the location for the memorial "on a suitable site of approximately two acres in size located in West Potomac Park known as Constitution Gardens in the District of Columbia: *Provided*, That if subsurface soil conditions prevent the engineering of a feasible foundation system for the memorial in a location in that area, then the Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc. is authorized and directed to select a suitable site of approximately 2 acres in size located in an area of West Potomac Park north of Independence Avenue other than Constitution Gardens."<sup>69</sup>

On April 30, 1980, the United States Senate passed Senate Joint Resolution 119. On May 20, 1980, the United States House of Representatives passed House Joint Resolution 431, the House version of the bill introduced by Representative John Hammerschmidt of Arkansas on October 25, 1979.<sup>70</sup>

On July 1, 1980, President Carter signed the Senate Joint Resolution 119 into law—Public Law 96-297. In his remarks, the president recognized the steep price of freedom.

In honoring those who answered the call of duty, we do not honor war. But we honor the peace they sought, the freedoms that they fought to preserve, and the hope that they held out to a world that's still struggling to learn how to settle differences among people and among nations without resorting to violence.

All of us must be willing to sacrifice to protect freedom and to protect justice, but we are not called upon to sacrifice equally. In every war there are some who are called on to make the ultimate sacrifice of their own lives. Some come home with bodies that must bear daily pain for the rest of their lives. A tragically large number were still missing when the war in Vietnam was over, and we'll continue to exert the fullest possible effort to account for those who are still missing.<sup>71</sup>

### Battle Lines Being Drawn

In October 1980, "VVMF announced a national design competition open to any United States citizen over 18 years of age."<sup>72</sup>

The competition had four criteria:

1. That it be reflective and contemplative in character,

2. That it harmonize with its surroundings, especially the neighboring national memorials,
3. That it contain the names of all who died or remained missing, and
4. That it make no political statement about the Vietnam War.<sup>73</sup>

The competition had a submission deadline of March 31, 1981. By the deadline, the VVMF received 1,421 entries. VVMF selected a panel of eight “internationally recognized artists and designers” to judge the designs.<sup>74</sup> An airport hangar at Andrews Air Force Base in Prince Georges County, Maryland housed the design entries in rows. To ensure the anonymity of the entrants, the competition identified each design by a corresponding number. Collectively, the designs covered more than 35,000 square feet of floor space.<sup>75</sup>

To encourage the competition entrants not to violate the character of the Mall, the VVMF attempted in the competition program to reinforce the entrants’ knowledge of, or—where appropriate—provide some remedial education in the design of the city and Constitution Gardens. The program explained that the design of Constitution Gardens conforms with the principles of the landscape architect Frederick Law Olmsted and that the site’s ‘roots are in English landscape design, which derived in part from an English appreciation of Chinese garden art.’ The program also stated, however, that the memorial would necessarily assume a place within Pierre L’Enfant’s plan of Washington, which features ceremonial avenues meeting at squares and circles, emphasizing key political landmarks and giving onto grand vistas. The memorial would need to accommodate the intimate scale of Olmsted’s system and the geometry of L’Enfant’s axial plan for the city.<sup>76</sup>

After eliminating the number of entries to 232 and then 39, the judges decided on a winner. “On May 1, 1981, the panelists unanimously selected entry number 1026 because they believed it clearly met the spirit and formal requirements of the program. The panelists felt that the design’s open nature would encourage access on all occasions, at all hours, without barriers, and yet shield visitors from city noise and traffic.”<sup>77</sup>

The winning designer was Maya Ying Lin, a 21-year-old architecture student from Yale University. Lin’s design called for two walls of polished black granite in the form of a “V,” with each arm pointing respectively to the Washington Monument and Lincoln Memorial.

Lin’s written statement as part of her submission explained her vision.

Walking through this park-like area, the memorial appears as a rift in the earth, a long, polished, black stone wall, emerging from and receding into the earth. Approaching the memorial, the ground slopes gently downward and the low walls emerging on either side, growing out of the earth, extend and converge at a point below and ahead.

Walking into this grassy site contained by the walls of the memorial we can barely make out the carved names upon the memorial’s walls. These names, seemingly infinite in number, convey the sense of overwhelming numbers, while unifying these individuals into a whole.

The memorial is composed not as an unchanging monument, but as a moving composition to be understood as we move into and out of it. The passage itself is gradual; the descent to the origin slow, but it is at the origin that the memorial is to be fully understood.

At the intersection of these walls, on the right side, is carved the date of the first death. It is followed by the names of those who died in the war, in chronological order. These names continue on this wall appearing to recede into the earth at the wall’s end. The names resume on the left wall as the wall emerges from the earth, continuing back to the origin where the date of the last death is carved at the bottom of this wall.

Thus the war’s beginning and end meet; the war is ‘complete,’ coming full-circle, yet broken by the earth that bounds the angle’s open side, and continued within the earth itself. As we turn to leave, we see these walls stretching into the distance, directing us to the Washington Monument, to the left, and the Lincoln Memorial, to the right, thus bringing the Vietnam Memorial into an historical context. We, the living, are brought to a concrete realization of these deaths.

Brought to a sharp awareness of such a loss, it is up to each individual to resolve or come to terms with this loss. For death is in the end a personal and private matter, and the area contained with this

memorial is a quiet place, meant for personal reflection and private reckoning.

The black granite walls, each two hundred feet long, and ten feet below ground at their lowest point (gradually ascending toward ground level) effectively act as a sound barrier, yet are of such a height and length so as not to appear threatening or enclosing. The actual area is wide and shallow, allowing for a sense of privacy, and the sunlight from the memorial's southern exposure along with the grassy park surrounding and within its walls, contribute to the serenity of the area. Thus this memorial is for those who have died, and for us to remember them.

The memorial's origin is located approximately at the center of the site; its legs each extending two hundred feet towards the Washington Monument and the Lincoln Memorial. The walls, contained on one side by the earth, are ten feet below ground at their point of origin, gradually lessening in height, until they finally recede totally into the earth, at their ends.

The walls are to be made of a hard, polished black granite, with the names to be carved in a simple Trojan letter. The memorial's construction involves recontouring the area within the wall's boundaries, so as to provide for an easily accessible descent, but as much of the site as possible should be left untouched. The area should remain as a park, for all to enjoy.<sup>78</sup>

### Nobody's Right if Everybody's Wrong

The members of the Fine Arts Commission “[a]greed unanimously to give conceptual approval to the memorial. Soon after, the National Capital Planning Commission did the same.”<sup>79</sup>

However, Lin's vision of a memorial offering tranquility conflicted with the reality of opposing views. “[S]he treated the memorial as a design problem and did not ask the veterans about their experiences in Vietnam. The veterans, in contrast, had strong emotional responses to the idea of commemoration. Each of them had friends whose names would be on the wall. Lin regarded the memorial as hers, but the veterans regarded it as theirs. The VVMF hired Cooper-Lecky Partnership as architect of record, charged with bringing the memorial to completion. Lin was taken on as a consultant. But she found that neither Cooper-Lecky nor the VVMF would defer to her views, even though she was the memorial's designer.”<sup>80</sup>

Critics of the memorial advocated for enhancing Lin's design by adding a statue and an American flag. Despite Lin's objection, the critics won.

On November 13, 1982, Lin's Vietnam Veterans Memorial debuted. President Reagan did not attend the ceremony.

On November 11, 1984, Frederick Hart's statue debuted. It consists of a black soldier, white soldier, and Hispanic soldier looking pensively, almost questioningly, at Lin's V-shaped memorial with thousands of names etched. At the dedication of Hart's statue along with an American flag, President Reagan gave the keynote speech. Reagan's aides urged him to attend the ceremony for reasons sourced in politics, image, and audience.

“In response to public and congressional anxieties about Reagan's foreign policy, the administration sought opportunities for the president to appear statesmanlike, not strident, and to project the image of a leader who carefully weighed the costs of war. The VVMF's second National Salute to Vietnam Veterans, or Salute II, provided just such an occasion. Anticipating that some three hundred thousand veterans from all wars would be present for the dedication of Hart's statue *Three Infrantrymen*, the president's schedulers strongly recommended that he attend.”<sup>81</sup>

In his keynote speech, Reagan praised those who survived, those who fell, and those who remained missing:

The men of Vietnam answered the call of their country. Some of them died in the arms of many of you here today, asking you to look after a newly born child or care for a loved one. They died uncomplaining. The tears staining their mud-caked faces were not for self-pity but for the sorrow they knew the news of their death would cause their families and friends.

As you knelt alongside his litter and held him one last time, you heard his silent message—he asked you not to forget.

Today we pay homage not only to those who gave their lives but to their comrades present today and all across the country. You didn't forget. You kept the faith. You walked from the litter, wiped away your tears, and returned to the battle. You fought on, sustained by one another and deaf to the voices of those who didn't comprehend. You performed with a steadfastness and valor that veterans of other wars salute, and you are forever in the ranks of that special number of Americans in every generation that the Nation records as true patriots.



Also among the service men and women honored here today is a unique group of Americans whose fate is still unknown to our nation and to their families. Nearly 2,500 of the names on this memorial are still missing in Southeast Asia, and some may still be serving. Their names are distinguished by a cross rather than the diamond; thus, this memorial is a symbol of both past and current sacrifice.<sup>82</sup>

The Vietnam Women's Memorial Foundation (VMMF) also incorporated in 1984. Formerly Vietnam Women's Memorial Project, VWMF sought similar recognition for America's women who served in Southeast Asia during the Vietnam War.

Overall, 265,000 American women volunteered to serve their country during the Vietnam War. Approximately 11,000 military women served in Vietnam. Ninety percent of the women were nurses.<sup>83</sup>

Airing on ABC from 1988 to 1991, *China Beach* depicts life at the 510th Evacuation Hospital in South Vietnam through the eyes of Colleen McMurphy, a young, Kansas-bred nurse. Dana Delany plays McMurphy.

Also known as the "Five and Dime," the 510th boasts a nearby Rest & Relaxation facility for soldiers with a beach nicknamed "China Beach." Some episodes used a flash-forward story device to show the challenges facing the 510th staff after their return to the United States.

In the pilot episode, McMurphy anticipates a return home after serving a year at the 510th. Laurette Barber, a singer, convinces McMurphy to be her backup singer in wig and costume at the Jet Set. When McMurphy's friend and *China Beach* lifeguard Boonie Lanier recognizes McMurphy and shouts her name, the men in the audience join in a standing ovation.

Laurette reluctantly relinquishes the spotlight as McMurphy shyly moves to the center stage position. The ovation overcomes McMurphy but her speechless joy is short-lived. During McMurphy's magical moment, the enemy shells the 510th.

Laurette makes herself useful in the chaos by simply holding a soldier's hand and comforting the soldier as he lay dying, blinded by his injuries. He tells Laurette about a singer whom he recently saw perform at a show for soldiers. After some banter about the singer's physical attributes, he encourages Laurette to take the photograph of the singer from one of his pockets. Laurette is stunned when she discovers that she is the singer in the photograph. She tenderly sings *Dedicated to the One I Love* during the soldier's final moments.

On the following day, Laurette and McMurphy have a revealing conversation about the power of women.

"Do you ever get over it? Does it ever get better?" Laurette asks.

"I thought it would. I thought it had to," McMurphy responds.

"It can't get any worse."

"It can."

"I could never do what you do."

"I saw you last night. You know in your heart that you made a difference. That's a good feeling. There's the loss. And the guilt that comes with feeling good. Still there's the fact. You were there. He had a mother. And a sister. A girlfriend. And you were there. You gave him a home before he died so far away from it."<sup>84</sup>

During the final season of *China Beach*, a story arc involves Karen Lanier, the daughter of K.C. Koloski—resident prostitute, entrepreneur, and fixer at the 510th. K.C. has been long estranged from her daughter conceived during the late 1960s, fathered by Lieutenant Colonel "Mac" Miller, and raised by Boonie.

On a quest to find her roots, Karen interviews the people from the 510th who knew her mother. She videotapes the interviewees for a school project. Karen's interview with McMurphy allows the former military nurse a moment of closure during the final scene of the *China Beach* series finale, *Hello Goodbye*.

*Hello Goodbye* takes place at a reunion of the "Five and Dime" staff in Youngstown, Ohio. The reunion heads east as the staff spontaneously agrees to visit the Vietnam Veterans Memorial.

Now a rich businesswoman, K.C. did not attend the reunion notwithstanding an invitation. Her absence inspires Boonie to visit her office, coincidentally located in Washington, D.C. He persuades her to see Karen.

As Karen and McMurphy notice K.C. in her limousine, McMurphy says, "I'll meet you back here. I've got something I want to do."<sup>85</sup>

Karen has an awkward reunion with K.C. whom she has not seen since she was a child. The mother-daughter reunion offers a promise of staying in touch, but the promise is brief.

In the final scene, McMurphy tearfully recalls the last patient she treated. He was a soldier with a severed spinal cord who bled to death within seconds of the medical staff deflating the pneumatic pants that acted as a tourniquet. Earlier in the episode, we see the soldier's last moments. He tells McMurphy that she will remember him. She says that she will not.<sup>86</sup>

Presently, we see McMurphy's moving account interspersed with video of McMurphy going back to the Vietnam Veterans Memorial with her toddler daughter. Apparently, looking for the soldier's name was the "something" McMurphy wanted to do.

I remembered his name. The boy in the pants. Lawrence F. McClintock. He was from Littleton, Colorado and he loved football. They called him "Lurch."

I couldn't save them all. But I saved some. I thought I'd forgotten. But I remembered. He said that I would.<sup>87</sup>

One of McMurphy's real-life counterparts is Diane Carlson Evans, a United States Army nurse and the founder of Vietnam Women's Memorial Foundation. Led by Evans, VWMF lobbied for a statue honoring the women who served in Vietnam.

Again, Lin disapproved of an addition. So did the Fine Arts Commission. In October 1987, it voted four to one against a new statue.

The VWMF took its case to the American people with a media campaign including a segment on *60 Minutes* focusing on its efforts. On November 10, 1987, Senator Dave Durenberger of Minnesota introduced Senate Joint Resolution 215 in the United States Senate with 36 co-sponsors—"A joint resolution to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial to women of the Armed Forces of the United States who served in the Vietnam war."<sup>88</sup>

On the same day, Congressman Sam Gedjenson of the Second District of Connecticut introduced H.R. 3628 in the United States House of Representatives with 222 co-sponsors—"A bill to authorize the Vietnam Women's Memorial Project, Inc., to establish a commemorative statue to recognize and honor the women of the Armed Forces of the United States who served in the Vietnam war."<sup>89</sup>

H.R. 3628 was referred to the Committee on House Administration on November 10, 1987 and later referred to the Subcommittee on Libraries and Memorials on November 20, 1987. The subcommittee held hearings on June 21, 1988.<sup>90</sup> Ultimately, the House of Representatives did not vote on the H.R. 3628<sup>91</sup> and the United States Senate did not vote on S.J. Res. 215.<sup>92</sup>

The idea of a memorial to honor women continued. On November 15, 1988, President Reagan signed S. 2042 into law—Public Law 100-660. It "authorize[s] the Vietnam Women's Memorial Project, Inc. to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era."<sup>93</sup>

The law nodded to the "sense of the Congress" regarding location of the memorial, but did not mandate

the location: "It is the sense of the Congress, with respect to location of the memorial...that it would be most fitting and appropriate to place the memorial within the 2.2 acre site of the Vietnam Veterans Memorial in the District of Columbia."<sup>94</sup>

Evans and company continued lobbying to secure a memorial site.

On September 26, 1989, Senator J. Bennett Johnston of Louisiana introduced Senate Joint Resolution 207, "a joint resolution approving the location of the Memorial to the Women who served in Vietnam."<sup>95</sup>

On October 31, 1989 the United States Senate passed Senate Joint Resolution 207 without amendment and with a preamble by voice vote.<sup>96</sup> On November 17, 1989, the House passed its version of the bill, House Joint Resolution 421, on motion to suspend the rules and pass the resolution by voice vote.<sup>97</sup>

On November 28, 1989, President Bush signed the bill into law—Public Law 101-187. The law authorized the placement of a Vietnam women's memorial in the "central monumental core" of Washington, D.C. defined as Area I in the National Capital Memorials and Commemorative Works Act.<sup>98</sup>

It was a first step toward securing a site within the 2.2 acres designated for the Vietnam Veterans Memorial. Evans and company continued their quest.

Supported by drawings, sketches, mockups, and reports from engineers, planners, and landscape architects, in a 5-month process of informal and formal hearings, we finally gained the approval of regulatory agencies for our preferred site within Area 1. Site review ensured that the site selected was relevant to the subject and did not interfere or encroach on existing memorials or features. In April 1990 the Commission of Fine Arts voted to accept a recommendation to locate the Vietnam Women's Memorial on the Mall near the Vietnam Veterans Memorial. We held fast to the vision, and our determination was vindicated. We now had a site worthy of the women who had served.<sup>99</sup>

On November 11, 1993, the VWMF realized its dream when it dedicated Glenda Goodacre's sculpture of three uniformed women with a wounded soldier within the 2.2 acres designated for the Vietnam Veterans Memorial. Like Lin, Goodacre entered a competition.

In 2000, the House of Representatives and Senate considered H.R. 3293, a bill to amend Public Law 96-297, the initial law authorizing the creation of a Vietnam Veterans Memorial. The bill sought to honor America's Vietnam

War veterans who died after serving in the Vietnam War, their deaths occurring as a direct result of their service.

On May 9, 2000, the House passed the bill in a unanimous vote of 421-0.<sup>100</sup> On May 25, 2000, the Senate passed it as well, also by unanimous consent.<sup>101</sup> On June 15, 2000, President Clinton signed the bill into law—Public Law 106-214.<sup>102</sup>

Dedicated on November 10, 2004, the In Memory Plaque is 24 inches tall by 36 inches wide. It is “a simple granite stone placed within the northeast corner of the Three Servicemen Statue Plaza.”<sup>103</sup>

The plaque’s inscription states, “In memory of the men and women who served in the Vietnam War and later died as a result of their service. We honor and remember their sacrifice.”<sup>104</sup>

Public Law 96-297 became the subject of further amendment when President Bush authorized a Vietnam Veterans Memorial Center by signing H.R. 1442 into law on November 17, 2003—Public Law 108-126.<sup>105</sup>

On October 15, 2003, the House passed the bill by a voice vote.<sup>106</sup> On November 5, 2003, the Senate passed an amended version of the bill with unanimous consent.<sup>107</sup> On November 6, 2003, the House agreed to the Senate’s amendment by unanimous consent.<sup>108</sup>

On October 1, 2009, Representative Nick J. Rahall II of the Third District of West Virginia introduced H.R. 3689 to “[p]rovide for an extension of the legislative authority of the Vietnam Veterans Memorial visitor center, and for other purposes [until November 17, 2014].”<sup>109</sup>

## He Ain’t Heavy, He’s My Brother

Now in the planning phase, the center is officially named The Education Center at the Wall.

The Vietnam Veterans Memorial Fund explains the purpose of this new project: “To complement The Wall and for all it stands, the Vietnam Veterans Memorial Fund is spearheading a national campaign to create a state-of-the-art Education Center that will be able to accommodate more than 2.5 million annual onsite visitors—families, students, service members and leaders around the world.”<sup>110</sup>

The Education Center at the Wall will have four objectives:

Educate younger and future generations about the service of Americans in the Vietnam War and other wars to convey the nobility of service to country;

Provide historical context for the Vietnam War and encourage visitors to explore this critical time in our nation’s history with an eye toward the future;

Preserve the legacies of the fallen to provide a framework for a deeper understanding of the experiences and values of those who served in Vietnam and elsewhere; and

Translate military education and experience to a civilian population who will then become an engaged and inspired citizenry.<sup>111</sup>

On January 28, 2009, the Vietnam Veterans Memorial Fund took a step forward in publicizing its efforts for The Education Center at the Wall when it announced the center’s spokesman—Tom Selleck.

Selleck’s starring role as the title character in *Magnum, p.i.* forms a logical link to education about the Vietnam War. Selleck portrayed Vietnam War veteran, Navy SEAL, and naval intelligence officer turned Hawaii-based private investigator Thomas Sullivan Magnum IV.<sup>112</sup> *Magnum, p.i.* aired from 1980 to 1988 on CBS. Donald P. Bellisario and Glen A. Larson co-created the show.

“When *Magnum, p.i.* came out, it constituted the first positive portrayal of Vietnam veterans in the media, which meant a great deal to those of us who served. When we were looking for someone to help us raise awareness of this important project, Tom’s name came up right away,” said Scruggs in the press release announcing Selleck’s new position.<sup>113</sup>

On *Magnum, p.i.*, the title character runs security checks for the Hawaii estate owned by novelist Robin Masters. In exchange for providing security expertise, Magnum gets perks—living in the guesthouse and driving Robin Masters’ red Ferrari from the 308 GTS series.

Jonathan Quayle Higgins III is the major domo of the Masters estate and Magnum’s opponent concerning estate perks, confidante concerning estate matters, and verbal sparring partner. Additionally, Magnum works as a private investigator handling cases with the assistance of fellow former servicemen Theodore Calvin (“T.C.”) and Orville Wilbur “Rick” Wright III from VMO-2, his unit during the Vietnam War.<sup>114</sup>

Magnum, T.C. and Rick were members of the Vietnam Team—“a covert, highly classified, multi-service MACV-SOG [Military Assistance Command, Vietnam—Studies and Observations Group] unit.”<sup>115</sup> Magnum was a Navy SEAL, Rick was a United States Marine Corps Door Gunner, and T.C. was a United States Marine Corps Huey Pilot.<sup>116</sup>

Now settled in Hawaii along with Magnum, T.C. runs the Island Hoppers helicopter tour business and Rick manages the bar and restaurant at the King Kamehameha Club.<sup>117</sup> T.C. provides Magnum, sometimes reluctantly, with air travel, surveillance, and muscle. Rick offers deep



connections that yield information, though the sources may be somewhat shady.

John Hillerman played Higgins.<sup>118</sup> Roger E. Mosley played T.C. Larry Manetti played Rick. Manetti wrote a book called *Aloha Magnum, p.i.* that recounts behind-the-scenes tales of *Magnum, p.i.*

In an interview for this article, Manetti explained the show's impact for Vietnam War veterans.

I still hear praise from veterans who served during the Vietnam War. I was at a car show today and a veteran told me that *Magnum, p.i.* is an inspiration and meeting me is a privilege. We went into tons and tons of Vietnam War flashbacks for the characters. I was proud to be a part of it.

Bellisario, a former marine, wrote a tremendous pilot. The chemistry between the cast members was one in a million. Tom Selleck is the most generous actor. Roger and I just hit it off. John Hillerman was a hoot to work with. When we worked together, we had tranquility and an unspoken sense of trust. It was just from the heart.<sup>119</sup>

Indeed, the camaraderie, trust, and unbreakable bond between Vietnam War veterans Rick, T.C., and Magnum existed because war demands it. A subtle but strong undercurrent to the characters' interaction is the strength of friendship that could only be forged in combat where trusting a fellow soldier is not a luxury, but a necessity. Their friendship, trust, and respect for one another continued in their post-Vietnam War lives in Hawaii.

Magnum's presence as a heroic Vietnam War veteran in popular culture solidifies immediately in the two-hour *Magnum, p.i.* series premiere *Don't Eat the Snow in Hawaii*. Magnum's honor, integrity, and dedication lead him to stand up for one of his own.

Magnum refuses to believe that former Navy comrade Dan Cook died by swallowing 10 bags of cocaine to smuggle them. Magnum's refusal inspires action. He follows his instincts, investigates, and uncovers a conspiracy masterminded by Phillippe Trusseau, another Vietnam War comrade who served with Magnum. Robert Loggia plays Trusseau.

The episode features flashbacks showing Magnum and his fellow servicemen in combat. Under heavy enemy fire, they escaped to T.C.'s helicopter but stranded Trusseau. At the episode's climax, Magnum and Trusseau exchange gunfire in an airport bathroom. Magnum is hit below the left shoulder. Trusseau suffers a fatal shot. While dying, Trusseau asks, "Why didn't you come back

for me?" Magnum answers, "We came back, Phillippe. But you were gone."

The episode *J. "Digger" Doyle* highlights the skills of Magnum and his friends through the eyes of a third party. Joy "Digger" Doyle is a beautiful, skilled, and focused security expert working for Star Guard to protect Robin Masters. Erin Gray plays Digger.

Without revealing her reason for being in Hawaii, Digger flirts with Magnum while expressing curiosity about the Masters estate, including the bedroom of Robin Masters. Her flirtation leads Magnum to bring her into the main house where she pulls a gun on Magnum and Higgins. She calls Robin Masters, apprises him of the situation, and hands the phone to Higgins. After listening to Mr. Masters' explanation, unheard by the audience, Higgins explains Digger's presence.

"It seems Miss Doyle is with Star Guard, a security firm that specializes in protecting corporate VIP's, the wealthy, the famous. Mr. Masters engaged them when he received a threat on his life if he published a novel he's working on. Evidently, the threat was quite legitimate. An attempt was made to kidnap or kill him forty-eight hours ago in the south of France."

"He's okay?" Magnum asks.

"Yes. Quite. He's flying out to pick up all the tapes for this new novel which are stored on one of his estates. For security reasons, Star Guard recommends that he not reveal which estate until the last possible moment. Once the tapes are in the hands of Robin's publishers, Star Guard feels that he'll be quite safe."<sup>120</sup>

At first, Magnum shows conflict, perhaps disgust, with Digger's apparent undermining of Higgins' authority combined with the charade to enter the estate at Magnum's expense. Magnum cooperates after hearing Digger's conclusions based on research concerning Magnum and his VMO-2 team.

"Look, I'm only here until Robin gets his tapes, if he comes here at all. And well, when I leave, I can recommend that Higgins gets put back in charge."

"In exchange for?" Magnum asks.

"You, T.C., and Rick. I don't have time to interview security people on the island and I'm certainly not going to fly them in from the mainland."

"I thought Star Guard was some big operation."

"It is. But reliable helicopter pilots aren't a dime a dozen or weapons specialists like Rick or a counterinsurgency specialist like yourself. You happen to be the best and I need you, or rather, Robin does."<sup>121</sup>

Magnum's Vietnam War roots also involve family. The episode *Going Home* reveals that Magnum has a half-brother who died in the Vietnam War, Joey Peterson. After 15 years away from his hometown of Tidewater, Virginia, Magnum returns for the funeral of his maternal grandfather. Joey is mentioned throughout *Going Home*. At the end of the episode, Magnum seeks closure by going to the Vietnam Veterans Memorial Wall. Joe Cocker's version of Bob Dylan's song *I Shall Be Released* plays in the background with lyrics matching the scene's shots.<sup>122</sup>

The scene begins with an establishing shot of Magnum walking by the Reflecting Pool and the Washington Monument in the background.

*They say every man needs protection.*

The next shot shows Hart's statue.

*They say every man must fall.*

Then we see Magnum's first-person perspective walking along the path next to the Memorial Wall.

*I swear I see my reflection.*

The perspective changes to a long shot of Magnum walking.

*Some place high above the wall.*

Then the shots switch between close-ups of Magnum as he searches for Joey's name and long shots of him walking until he gets to his destination. With tears in his eyes, he touches Joey's name on the wall and says, "Goodbye, Joey."

*I see my light come shining from the west unto the east. Any day now. Any day now. I shall be released. Any day now. Any day now. I shall be released.*<sup>123</sup>

Selleck's connection to the Vietnam War runs deeper than *Magnum, p.i.* While Magnum has a half-brother who died serving his country, Selleck has a friend.

"Ron Montapert was my friend. Like many people our age, he went to Vietnam, but he didn't come home. His name is on the Memorial [Wall], and I think of him every time I go there. For him, and for all the others whose names are on The Wall, for all those people who are missed every day by their friends and loved ones, I want to do all I can to get the word out about what is being planned for the Education Center."<sup>124</sup>

## Remember Charlie. Remember Baker

### They left their childhood on every acre

Looking at the Vietnam Veterans Memorial through an artistic lens mandates study of *Monuments and Memorials*, a chapter written by Jean Labatut in *Forms and Functions in 20th Century Architecture*, a comprehensive four-volume set edited by Talbot Hamlin that debuted in 1952.

Labatut was an architecture fixture at Princeton University for nearly 40 years, from 1928 to 1967.<sup>125</sup> He is credited with having developed the School of Architecture into one of the foremost in the country. "Professor Labatut served as director of graduate studies in architecture and was the first recipient of the award for distinction in education sponsored jointly by the American Institute of Architects and the Association of Collegiate Schools of Architecture."<sup>126</sup>

In an address before the annual meeting of the Association of Collegiate Schools of Architecture in Chicago on May 10, 1941, Labatut shared his insights on the architecture profession: "An architect or an architectural designer employed by architects or structural and business designers is a technician who uses his technique to produce art, an art made of elementary and transcendent matter, out of truth and poetry; the art of harmonizing the useful and the agreeable, the necessary and the beautiful."<sup>127</sup>

Labatut designed Princeton's World War II memorial. Princeton debuted the memorial during its Washington's Birthday exercises on February 22, 1946. The memorial is a book with a heavy bronze cover and each page detailing the name, branch of service, and place of death of every Princeton man who died serving his country in World War II. In its initial display, the number of names was 329. Ultimately, the number became 355.<sup>128</sup>

Labatut "conceived and designed the memorial as a 'sacred archive' to express the deep sympathy and high regard of Princeton for her sons."<sup>129</sup>

Brian Kelly, an architecture scholar and practitioner, provided insight concerning Labatut's paradigm for monuments and memorials in an interview for this article. Kelly is an Associate Professor in the School of Architecture, Planning, and Preservation on the College Park campus of the University of Maryland.

From the beginning to the middle of the 20th century, a futurist outlook preoccupied, perhaps even dominated, the architecture world. The idea of a monument or memorial was antithetical because it represents a look back at something.

Labatut did not use illustrations or examples in *Monuments and Memorials*. This deliberate choice avoids prejudicing the reader with the challenges of constructing monuments and memorials.

Consequently, the lack of illustrations or examples can seem like an abstraction of the convention realities.<sup>130</sup>

Hamlin inserted an editor's note in *Monuments and Memorials* also clarifying Labatut's decision to not use pictorial, graphic, or artistic complements. "The absence of illustrations in this chapter is deliberate. Photographs, its author writes, cannot express the radiation of a true work of art, nor can they express the value of movement within the space in which a monument is composed. Furthermore, he feels that illustrations of either the 'good' or the 'bad' monument would distract the reader from the chief purposes of the chapter—to stimulate the freest possible imagination, to develop a basic philosophy of monument composition, and to project the mind of the reader into the future."<sup>131</sup>

Labatut begins *Monuments and Memorials* by linking monuments and memorials to the human condition, explaining their purpose, and reinforcing their value as reflectors of societal values.

Memorials and monuments, landmarks and signposts for remembrance and for warning, are an integral part of the physical, intellectual, emotional, and spiritual human trail. There always will be memorials to express not only what has happened but also our aspirations, to show the journey already accomplished and to point forward in some definite direction. There always will be monuments giving precise information as to place and time. Both are inevitable footprints of an era.

As landmarks and signposts, memorials and monuments answer a specific human need and demand. They have a definite function to perform. They can be great merely because of a single word or a single name engraved in the solid matter and in the human mind.<sup>132</sup>

The Vietnam Veterans Memorial fulfills the "specific human need" to recognize, appreciate, and value those who made the ultimate sacrifice in guarding against a Communist takeover of Southeast Asia. Their collective sacrifice is a debt we can never truly honor.

In addition, Labatut emphasizes the universality of art: "Considering the fact that the visual arts form a tangible and visual expression of the frame in which we live—a frame that is slowly and constantly molding us—memorials and monuments of the past illustrate the fact that art is a universal language. Words, customs, methods of reasoning, and techniques may vary, but art is the easiest channel for common understanding; through the arts we can become easily acquainted with other times and other peoples and with other people in our own time."<sup>133</sup>

Kelly's analysis of the Vietnam Veterans Memorial embraces Labatut's universality of art paradigm. "It creates a place where you can come from any culture and the fact that you move down in the ground creates a different and profound psychological experience from other monuments and memorials. We usually go down at the end of our lives. We're embraced by the earth. As you move down into the earth to the center of the memorial, the sounds and daily rhythms of the outside world are muffled and suspended in time."<sup>134</sup>

In *Monuments and Memorials*, Labatut provides a technical blueprint for understanding the artistic integrity involved in the Vietnam Veterans Memorial. He emphasizes the importance of scale in conveying the message of the monument or memorial while making the observer feel as though he or she is in the center of it.

"The small visible world at the scale of man's range of visibility must be complemented by psychological qualities in order to reach the size of a universe of which every observer will be the center. This is true of any architectural air space, but it is especially true of architectural air spaces destined to form memorials and monuments."<sup>135</sup>

Kelly's analysis of scale in the Vietnam Veterans Memorial reveals a tangible shift depending on the observer's vantage point: "It uses variable scale. From a distance, it is scaleless [sic] because it is so abstract. But as people come into your view, the memorial's scale changes. As you begin your descent to the center, the wall seems small and presupposing. But as you move to the center, the wall embraces you while it becomes bigger. At the respective ends of the wall, you get a sense of scale in relation to Washington, D.C., the Washington Monument, and the Lincoln Memorial."<sup>136</sup>

Labatut's explanation also encompasses the influence of optical illusions. "In art in general, and particularly in the composition of memorials and monuments, the exactitude of the visual message depends on the correction or creation of optical illusions."<sup>137</sup>

Indeed, the Vietnam Veterans Memorial Wall is "a small visible world" with the requisite "optical illusion" described by Labatut.

No matter where the observer stands, the wall's design creates an optical illusion of infinity—the inscribed names continue far and distantly, if not infinitely. The "small visible world" of the memorial site and the wall provides each observer with solitude, quietude, and opportunity to reflect.

According to Labatut, the greatness of a memorial need not depend on its size. He theorizes, "Memorials and monuments of quality are more than isolated and solid masses which the world streams past. Their greatness is measurable not in inches, feet, or miles but by their radiating effect and their aesthetic quality, which give to the architectural air space involved the highest possible



psychological value. Man's needs and demands do not include dimensions, but they do include the effect produced by dimensions."<sup>138</sup>

Labatut's Greatness vs. Size analysis applied to the Vietnam Veterans Memorial provides an artistic barometer to measure the memorial's greatness despite its size as contrasted with its "companions" in its foregrounds—the Lincoln Memorial and the Washington Monument. The Vietnam Veterans Memorial is not larger-than-life like the former, nor is it soaring into the sky like the latter.

What a monument or memorial doesn't say is just as important as what it does say. I tend to place minimal value on the added sculpture groups located on the Vietnam Veterans Memorial site. The wall designed by Lin holds the biggest interest for me because of its restraint and what is implicit. To me, the wall encompasses a crawl of names across black granite. The reflective nature of the granite gives a mirrored, dark world on the other side of the names. It's a parallel universe tempered by the existence of the names in the foreground.

One cannot help but imagine that the message of the Vietnam Veterans Memorial criticizes the American foreign policy that sent the people represented on the wall to Southeast Asia. Lin's choice of black, a reflective surface, and the layout of the names combine for a powerful statement. The memorial is deep and visceral. It tells us that something was amiss. Something went wrong. It doesn't need someone or something telling us what to think.

If I had words to truly describe the impact of the Vietnam Veterans Memorial, we would not need it.<sup>139</sup>

A parallel greatness paradigm emerges in Labatut's analysis—Greatness vs. Heaviness. "The greatness of memorials and monuments does not depend on the expression of heaviness, as has been and still is too often the case."<sup>140</sup>

Labatut extends this analysis to the future conception, design, and construction of monuments and memorials. "Like other architectural compositions, the memorials and monuments of today and tomorrow should give the observer an impression of strength without heaviness, of lightness without weakness, to correspond with the building materials and techniques known at the time of their conception. For memorials and monuments today do not need the exaggerated size and heaviness of those of the past, which were built for the purpose of causing fear or

dedicated to the vanity and folly of the men who erected them."<sup>141</sup>

Further, Labatut's paradigm suggests that the illumination factor will play a highly significant role in studying a monument or memorial. "Combined day and night illumination calls for the abandonment of traditional forms if we understand their *raison d'être* and appreciate their beauty under the light for which they were intended."<sup>142</sup>

Indeed, an observer of the Vietnam Veterans Memorial may have a different experience witnessing the memorial during the day in natural light than during the evening when it is artificially illuminated.

In Labatut's paradigm, monuments and memorials answer an eternal requirement of the human condition.

The need and demand for memorials and monuments will always exist. A reasonable answer will arise from people who, always asking for memorials and monuments, demand neither modern Baalbecks nor golden calves—who want something greater, more spiritual, and more human, something nearer their hearts, their homes, and their communities, an expression of monumentality in the scale of their own time.<sup>143</sup>

Again, Labatut points to the future.

Whatever the reason for memorials and monuments, whatever the type or scale of their monumentality, they remain as footprints of the people who erected them and as a true expression of the kind of humanism prevailing at the time of their conception and erection. New eras—new opportunities, new means—new forms. If the footprints of our era express the triumph of audacity, honesty, and truth over timidity, ignorance, and fraud they will be a sign pointing toward a better future.<sup>144</sup>

Kelly places Labatut's analysis in the context of era.

The perspective of time allows us to see Labatut and his peers fascinated with the zeitgeist of their respective times. Expressing the spirit of the age was important to them. Consequently, the litmus test became, 'Does it express the spirit of our age?'

We have moved away from the mid-20th century view popularized from the late 1800s to the 1950s. In the world of architecture, we have realized that anything you do is an expression of the spirit of

your time. Technically, we can go back and date this if we want to be archaeological about our analysis.

Labatut is saying that a monument or memorial needs to resonate with the prevailing cultural notions of a time period. I suspect that most successful monuments achieve that goal. They have a timeliness and a timelessness to them. I can point to the Lincoln Memorial and say that it represents the timeliness of the early part of the 20th century and the 'city beautiful' movement. It is the best example of heroic, imperialist, classical architecture.

The Lincoln Memorial is also timeless. It seems to sustain its relevance throughout the comings and goings of artistic fads. It enters into popular culture and persists because of a sense of gravitas. Gravitas is a timeless characteristic.

Perhaps the Vietnam Veterans Memorial will achieve the same status because it is archetypal in how it manipulates the visitor. It is a minimalist piece of architecture, but not in a self-conscious way.

So much of modern architecture was concerned with channeling what the future would look like. Many architectural pieces become self-conscious of their attempts to be timely. Consequently, they oftentimes become older rather than timeless and enduring.

The meaning of monuments and memorials is something that is not fixed in time. Maya Lin wanted a minimalist incision into the earth. Only time will tell whether this will be an enduring monument in the nation's mind.<sup>145</sup>

Labatut views meaning as primary in a monument or memorial. "Whatever the materials and techniques available, whatever the expected durability of memorials and monuments, the most important factor is the intent toward far-reaching meaning as expressed by richness of content—'richness' here meaning the maximum of content in the simplest possible form."<sup>146</sup>

Kelly interpreted Labatut's emphasis on the meaning of a monument or memorial in discussing the Vietnam Veterans Memorial.

One of the things that is implicit in Labatut's analysis is the notion that a monument or memorial can be both a mirror and a lamp. The Vietnam Veterans Memorial literally mirrors you in the black

granite. You have a sense of seeing yourself within the enormity of the names that become a massive abstract and interfere with a crisp view of the Washington Monument and Lincoln Memorial.

Monuments and memorials can also act as a kind of lamp. They have a way of guiding and leading. There's a little of that in the Maya Lin controversy. In a literal sense, it mirrors the social and cultural feelings of the day towards the war. The level of abstraction of the monument leaves us with a level of ambiguity as to what Maya Lin wanted. Is it disrespectful? Is it anti-war. Each visitor makes an individual decision on the artist's message.

When you experience all of those names on the wall, it's that opportunity and the enormity of the human sacrifice that was made. When you see that all in one place it raises the ambiguity.<sup>147</sup>

Ultimately, whether the Vietnam Veterans Memorial meets the requirements, standards, and challenges defined by Labatut in *Monuments and Memorials* and interpreted by Brian Kelly is a question for each observer. After all, the far-reaching meaning, value, and depth of a work of art belong to the beholder, not the artist, critic, or expert. The meaning expands for those who served the United States of America with valor, honor, and integrity during the Vietnam War.

For those who came back and did not get the heroes' welcome they deserved.

For those who came back in coffins draped with America's flag.

For those who did not come back at all.<sup>148</sup>

## Endnotes

1. Dan Brown, *THE LOST SYMBOL* 13 (Doubleday 2009).
2. National Park Service, U.S. Department of the Interior, *Constitution Gardens*, <http://www.nps.gov/coga/planyourvisit/directions.htm> (last visited May 2, 2010).
3. American Architecture, *Vietnam Veterans Memorial*, <http://www.american-architecture.info/USA/USA-Washington/DC-006.htm> (last visited May 2, 2010).
4. The National Archives, *Statistical information about casualties of the Vietnam War, Introduction*, <http://www.archives.gov/research/vietnam-war/casualty-statistics.html> (last visited May 2, 2010). "The Electronic and Special Media Records Services Division of the National Archives and Records Administration (NARA) has custody of several computerized data files with Vietnam War casualty records. Of these, the [Southeast Asia] Combat Area Casualties Current File (CACCF), which is part of Records on Military Personnel Who Died, Were Missing in Action or Prisoners of War as a Result of the Vietnam War, in the Records of the Office of the Secretary of Defense (Record Group 330), is considered the

most comprehensive compilation of Vietnam War casualty records. A description (ARC ID: 306742) is available through NARA's Archival Research Catalog (ARC).

Because these records are in electronic form, statistical software may be used to analyze the contents of the records. As part of the archival processing of CACCF, NARA staff generated the selected statistics presented below and use them to answer frequently asked questions about the characteristics of Vietnam War casualties. These statistics were generated from the December 1998 version of CACCF transferred to NARA from the Office of the Secretary of Defense (OSD), Washington Headquarters Services, Directorate for Information Operations and Reports (DIOR). This file has 58,193 records of U.S. military personnel who died between 1956 to 1998 as a result of the conflict in Southeast Asia, including those declared dead from a missing or captured status. The selected statistics are for informational purposes only. The Information Technology Management Directorate (ITMD), Washington Headquarters Services of the Office of the Secretary of Defense continues to maintain the CACCF and transfers updated versions periodically. ITMD produces official summary reports on military personnel casualties and makes some of them available online at the Department of Defense's Military Casualty Information website.

In addition, the statistics presented are not comprehensive and do not answer every possible question about the characteristics of Vietnam War casualties. By their nature, electronic records such as the CACCF can be used for a variety of analytical purposes. The statistics presented here are 'frequency counts' or simple counts of the number of records in the file containing specific values. Some categories (age at death, for example) have been grouped for more meaningful presentation. Please note: the column headings for each statistic come from the documentation for the CACCF that DIOR/OSD transferred to NARA. Anyone who seeks more complex statistics like the number of casualties, by race, with a given state home of record, can run queries of the records online through the Access to Archival Databases (AAD) resource. Or you can order a copy of the CACCF on removable [sic] media and use your own software for whatever analysis you choose. For information about ordering a copy, please review Ordering Information for Electronic Records. *Id.*

5. Act of July 1, 1980, Pub. L. No. 96-297, 94 Stat. 827, 16 U.S.C. § 431 note (authorizing Vietnam Veterans Memorial Fund, Inc. to establish a memorial in Washington, D.C.).
6. Vietnam Veterans Memorial Fund, Inc., *The Memorial: The Wall—History*, <http://www.vvmf.org/131.cfm> (last visited May 2, 2010).
7. *Id.*
8. PATRICK HAGOPIAN, *THE VIETNAM WAR IN AMERICAN MEMORY: VETERANS, MEMORIALS, AND THE POLITICS OF HEALING* 79 (University of Massachusetts Press 2009).
9. *Id.*
10. *Id.* at 80.
11. *Id.* at 81.
12. *Id.* quoting Jan Craig Scruggs, *Forgotten Veterans of "That Peculiar War,"* *The Washington Post*, May 25, 1977 at A17.
13. *Id.* at 83.
14. *Id.* at 84.
15. Telephone Interview with Jan C. Scruggs, Founder and President, Vietnam Veterans Memorial Fund, Inc. (April 12, 2010).
16. Hagopian at 88.
17. The Library of Congress, <http://hdl.loc.gov/loc.uscongress/legislation.96sjres119> or <http://thomas.loc.gov/cgi-bin/bdquery/z?d096:S.J.RES.119> (last visited May 4, 2010). The United States Senate Web site defines "joint resolution"—"A legislative measure, designated 'S. J. Res.' and numbered consecutively upon introduction, which requires the approval of both chambers and, with one exception, is submitted (just as a bill) to the President for possible signature into law. The one exception is that joint resolutions (and not bills) are used to propose constitutional amendments. These resolutions require a two-thirds affirmative vote in each house but are not submitted to the President; they become effective when ratified by three-quarters of the States." [http://www.senate.gov/reference/glossary\\_term/joint\\_resolution.htm](http://www.senate.gov/reference/glossary_term/joint_resolution.htm) (last visited May 2, 2010).
18. Statement From VVMF Founder And President Jan C. Scruggs On The Passing Of Maryland Senator Charles Mathias, Vietnam Veterans Memorial Fund, Inc. (January 26, 2010), <http://www.vvmf.org/Mathias> (last visited May 2, 2010).
19. Scruggs Interview, see note 15.
20. *Joint Resolution to Authorize the Vietnam Veterans Memorial Fund, Inc. to Erect a Memorial: Hearing Before the Subcomm. on Parks, Recreation, and Renewable Resources of the S. Comm. on Energy and Natural Resources*, 96th Cong. (March 12, 1980) (written statement of Jan C. Scruggs, Founder and President, Vietnam Veterans Memorial Fund, Inc. on behalf of Vietnam Veterans Memorial Fund, Inc. regarding Senate Joint Resolution 119).
21. *Id.*
22. "By early February 1968, a Gallup poll showed only 35 percent of the population approved of [President] Johnson's handling of the war and 50 percent disapproved (the rest had no opinion)." History.com, *1968: Vietnam War—Vietnam War Protests*, [http://www.history.com/states.do?action=detail&state=Vietnam%20War&contentType=State\\_Generic&contentId=56741&parentId=1968](http://www.history.com/states.do?action=detail&state=Vietnam%20War&contentType=State_Generic&contentId=56741&parentId=1968) (last visited Jan. 13, 2010). In early 1970, Gallup's polls showed a decreasing pro-war sentiment. On February 14, 1970, Gallup said that 55 percent of people polled "opposed an immediate withdrawal of U.S. troops from Vietnam. Those that favored American withdrawal had risen from 21 percent to 35 percent." History.com, *Vietnam War: Feb 14, 1970—Gallup Poll released*, <http://www.history.com/this-day-in-history/gallup-poll-released> (last visited May 2, 2010). On April 10, 1970, a Gallup Poll "show[ed] that 48 percent of the public approves of President Nixon's policy in Vietnam, while 41 percent disapprove. In January, Nixon had a 65 percent approval rating. The drop reflected the growing dissatisfaction with Nixon's failure to end the war in Vietnam. He had been elected in 1968 largely because he claimed to have a plan to end the war, but after three months in office, there was still no announcement about when the plan would be enacted. His approval rating further plummeted later in April, when he announced that U.S. and South Vietnamese forces had crossed the border into Cambodia." History.com, *Vietnam War: Apr 10, 1970—Poll reveals that public approval of Vietnam policy is down*, <http://www.history.com/this-day-in-history/poll-reveals-that-public-approval-of-vietnam-policy-is-down> (last visited May 2, 2010).
23. Embassy of the Socialist Republic of Vietnam in the United States of America, *History of Vietnam: Struggle for national liberation*, [http://www.vietnamembassy-usa.org/learn\\_about\\_vietnam/history/](http://www.vietnamembassy-usa.org/learn_about_vietnam/history/) (last visited May 2, 2010).
24. *Id.* Vietnamese forces captured Dien Bien Phu on May 7, 1954.
25. Edward J. Marolda, Senior Historian, Naval Historical Center, *Tonkin Gulf Crisis, August 1964: Summary of the Tonkin Gulf Crisis of August 1964*, Naval Historical Center (July 13, 2005), <http://www.history.navy.mil/faqs/faq120-1.htm> (last visited May 2, 2010).
26. *Id.*
27. *Id.*



28. Pub. L. No. 88-408, 78 Stat. 384 (August 7, 1964) (*repealed by Public Law 91-652*, 84 Stat. 1942 (January 5, 1971)). Public Law 91-652 is also known as the Special Foreign Assistance Act of 1971. In 1970, Senator John Sherman Cooper (R-Kentucky) and Senator Frank Church (D-Idaho) responded to President Nixon's actions expanding the Vietnam War into Cambodia. They sponsored an amendment to House Resolution 15628—the Foreign Military Sales Act. The Cooper-Church Amendment proposed “[t]o prohibit the use of funds for U.S. troops or advisers in Cambodia. The amendment was reported by the Foreign Relations Committee and eventually adopted by the Senate. During debate on the bill, Sen. Bob Dole (R-Kan.) offered an amendment to repeal the Gulf of Tonkin resolution to demonstrate that Republicans were also upset with the president's incursion into Cambodia. The [Nixon] administration did not object to the amendment, arguing that the president retained the inherent authority as commander in chief to continue the war, so long as Congress supplied the funds.” Don Wolfensberger, *Congress Is Always Reluctant to End Wars Unilaterally*, Woodrow Wilson International Center for Scholars, Congress Project, Bimonthly Column on Procedural Politics from *Roll Call* (March 12, 2007).

Senator J. William Fulbright (D-Arkansas) chaired the Foreign Relations Committee of the United States Senate. “[H]is committee, on May 15, had reported a separate concurrent resolution repealing the Tonkin Gulf resolution. Nevertheless, the Dole amendment was handily adopted on June 24 and was finally signed into law in late December. The Foreign Relations Committee's concurrent resolution repealing the Gulf of Tonkin resolution was adopted in July but never taken up in the House. “Senate debate on the military sales bill dragged on for seven weeks and then got hung up in the House-Senate conference committee for six months over the Cooper-Church language (which the House had rejected). A modified version of Cooper-Church was eventually transferred to a foreign assistance bill and signed into law at the end of the session—six months after U.S. troops had left Cambodia.” *Id.*

On November 7, 1973, Congress enacted House Joint Resolution 542, also known as War Powers Resolution of 1973, into law by overriding a presidential veto with a 2/3 vote in the Senate and the House of Representatives. Pub. L. No. 93-148, 87 Stat. 555, 50 U.S.C. § 1541-1548 (1973). The resolution restricts the President's power as Commander in Chief granted by Article II, Section 2 of the United States Constitution. It also enhances Congressional power to 1) declare war and 2) raise and support armed forces granted by Article I, Section 8 of the constitution. The War Powers Resolution requires the president, in the absence of a declaration of war, to submit a written report to Congress if he commits the United States Armed Forces into situations that are hostile or imminently hostile. 50 U.S.C. § 1543 (a)(1)-(3) inclusive. “[T]he President shall submit within 48 hours to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—(A) the circumstances necessitating the introduction of United States Armed Forces; (B) the constitutional and legislative authority under which such introduction took place; and (C) the estimated scope and duration of the hostilities of involvement. 50 U.S.C. § 1543 (a) (A)-(C) inclusive.” Additionally, the resolution requires a 60-day limit for the actions of the United States Armed Forces beginning with the earlier date of the president's submission of the report or the date the report is required to be submitted unless Congress has declared war or enacted “a specific authorization for such use of United States Armed Forces, extended by law such sixty-day period, or is physically unable to meet as a result of an armed attack upon the United States. Such sixty-day period shall be extended for not more than an additional thirty days if the President determines and certifies to the Congress in writing that unavoidable military necessity respecting the safety of United States Armed Forces requires the continued use of such armed forces in the course of bringing about a prompt removal of such forces.” 50 U.S.C. § 1544(b)(1)-(3) inclusive.

Even though Congress did not formally declare war, the conflict is commonly known as the Vietnam War.

29. Freedom of Information Act Case #43933.
30. Robert J. Hanyok, *Skunks, Bogies, Silent Hounds, and the Flying Fish: The Gulf of Tonkin Mystery, 2-4 August 1964*, CRYPTOLOGIC QUARTERLY 3 (Center for Cryptologic History, National Security Agency Winter 2000, Spring 2001) (Approved for Release by NSA, November 3, 2005).
31. The Library of Congress, <http://www.thomas.gov/cgi-bin/bdquery/z?d094:SN01661:@@L&summ2=m&> (last visited May 2, 2010).
32. The Library of Congress, <http://thomas.loc.gov/cgi-bin/bdquery/z?d094:HR06755:@@L&summ2=m&> (last visited May 2, 2010).
33. Indochina Migration and Refugee Assistance Act, Pub. L. No. 94-23, 89 Stat. 87 (May 23, 1975) *repealed by* Refugee Act of 1979 (a.k.a. Refugee Act of 1980 or Refugee Act), Pub. L. No. 96-212, 94 Stat. 102 (March 17, 1980).
34. Indochina Migration and Refugee Assistance Act, Pub. L. No. 94-23 § 3 (A)–(C) inclusive).
35. DAVID BIANCULLI, DANGEROUSLY FUNNY: THE UNCENSORED STORY OF “THE SMOTHERS BROTHERS COMEDY HOUR” 137 (Touchstone, A Division of Simon & Schuster, Inc. 2009). “The more the show spoke the language, played the music, and expressed the opinions of the counterculture, the more it was embraced and utilized as a potent, and an important, platform.” *Id.* at 159. *The Smothers Brothers Comedy Hour* aired on CBS from February 1967 to July 1969. TIM BROOKS AND EARLE MARSH, *THE COMPLETE DIRECTORY TO PRIME TIME NETWORK AND CABLE TV SHOW: 1946- PRESENT 1262* (Ballantine Books, 9th Ed. 2007).
36. The word “napalm” is a contraction of the words naphthenic and palmitic, two types of acids. A team of Harvard University chemists led by chemistry professor Louis F. Fieser developed napalm in 1942-43. “Naphthenic acids are corrosives found in crude oil; palmitic acids are fatty acids that occur naturally in coconut oil. On their own, naphthalene and palmitate are relatively harmless substances.
- The aluminum soap of naphthenic [sic] and palmitic acids turns gasoline into a sticky syrup that carries further from projectors and burns more slowly but at a higher temperature. Mixing the aluminum soap powder with gasoline produced a brownish sticky syrup that burned more slowly than raw gasoline, and hence was much more effective at igniting a target. Compared to previous incendiary weapons, napalm spread further, stuck to the target, burned longer, and was safer to its dispenser because it was dropped and detonated far below the airplane. It was also cheap to manufacture. GlobalSecurity.org, *Military: Napalm*, <http://www.globalsecurity.org/military/systems/munitions/napalm.htm> (last visited May 3, 2010).
37. WISCONSIN HISTORICAL SOCIETY, *Dow riot (1967)*, [http://www.wisconsinhistory.org/dictionary/index.asp?action=view&term\\_id=9141&term\\_type\\_id=3&term\\_type\\_text=Things&letter=D](http://www.wisconsinhistory.org/dictionary/index.asp?action=view&term_id=9141&term_type_id=3&term_type_text=Things&letter=D) (last visited May 3, 2010) (citing DAVID MARANISS, *THEY MARCHED INTO SUNLIGHT: WAR AND PEACE, VIETNAM AND AMERICA, OCTOBER 1967* (Simon & Schuster 2003) and Public Broadcasting System, *American Experience: Two Days in October—People and Events: Student Protesters* [http://www.pbs.org/wgbh/amex/twoday/peopleevents/p\\_protest.html](http://www.pbs.org/wgbh/amex/twoday/peopleevents/p_protest.html) (last visited May 3, 2010). “There was more tear gas, more scrambling, more regrouping, more shouting, more chaos. The original focus of the protest, Vietnam and the Dow Chemical Company's role in the manufacture of napalm, now seemed incidental, if not forgotten. Now it was kids against cops. Curly Hendershot, the Dow recruiter, was long gone from the scene, escorted out a back exit after the corridors had been cleared.” Maraniss at 393.

38. PHILIP CAPUTO, 13 SECONDS: A LOOK BACK AT THE KENT STATE SHOOTINGS 126 (Chamberlain Bros., A Member of Penguin Group (USA) Inc. 2005).
39. *Id.* The students who died: Jeffrey Glenn Miller, Allison B. Krause, William Knox Schroeder, Sandra Lee Scheuer. The students who were wounded: Joseph Lewis, Jr., John R. Cleary, Thomas Mark Grace, Alan Michael Canfora, Dean R. Kahler (paralyzed), Douglas Alan Wrentmore, James Dennis Russell, Robert Follis Stamps, Donald Scott MacKenzie.
40. University of California, Santa Barbara, The American Presidency Project, President Richard Milhous Nixon, Address to the Nation on the Situation in Southeast Asia (Apr. 30, 1970) (transcript available at <http://www.presidency.ucsb.edu/ws/index.php?pid=2490>) (last visited May 3, 2010).
41. WILLIAM A. GORDON, THE FOURTH OF MAY: KILLINGS AND COVERUPS AT KENT STATE 21 (Prometheus Books 1990).
42. *Id.* at 22. "Information developed by an FBI investigation of the ROTC building fire indicates that, of those who participated actively, a significant proportion were not Kent State students. There is also evidence to suggest that the burning was planned beforehand: railroad flares, a machete, and ice picks are not customarily carried to peaceful rallies. The President's Commission on Campus Unrest, THE REPORT OF THE PRESIDENT'S COMMISSION ON CAMPUS UNREST 251 (Reprint ed., Arno Press, A Publishing and Library Service of *The New York Times* 1970).
43. *Id.* at 25.
44. Scholars have several resources for information about the Kent State shootings. For example, novelist James Michener wrote the 1971 book KENT STATE: WHAT HAPPENED AND WHY based on interviews, research, and accounts. Kent State professors Jerry M. Lewis and Thomas R. Hensley critique Michener and other authors, highlight common misinformation regarding the students' provocation, and explain the aftermath of the shootings in an article on Kent State's Web site—Jerry M. Lewis and Thomas R. Hensley, *The May 4 Shootings at Kent State University: The Search For Historical Accuracy*, Kent State University—Department of Sociology, <http://dept.kent.edu/sociology/lewis/lewihen.htm> (last visited May 9, 2010).
45. The students who died were Phillip Lafayette Gibbs and James Earl Green. The students who were wounded: Fonzie Coleman, Redd Wilson, Jr., Leroy Kenter, Vernon Steve Weakley, Gloria Mayhorn, Patricia Ann Sanders, Willie Woodard, Andrea Reese, Stella Spinks, Climmie Johnson, Tuwaine Davis, and Lonzie Thompson.
46. Hagopian at 29.
47. Exec. Order 11536, 35 Fed. Reg. 9911 (June 17, 1970). The Commission on Campus Unrest "submitted its final report to President Nixon on September 26, 1970. The commission terminated 30 days later." The National Archives, <http://www.archives.gov/federal-register/executive-orders/1970.html> (last visited May 3, 1970).
48. President Richard Milhous Nixon, Statement on Establishing the President's Commission on Campus Unrest, (June 13, 1970) (transcript available at University of California, Santa Barbara, The American Presidency Project, <http://www.presidency.ucsb.edu/ws/index.php?pid=2544>) (last visited May 3, 2010). In addition to Governor Scranton, The President's Commission on Campus Unrest consisted of James F. Ahern, Chief of Police, New Haven, Connecticut; Erwin D. Canham, Editor-in-Chief, *Christian Science Monitor*; James E. Cheek, President, Howard University; Lt. Gen. Benjamin O. Davis, USAF (Ret.), Director, Civil Aviation Security, United States Department of Transportation; Martha A. Derthick, Associate Professor, Boston College; Bayless Manning, Dean, School of Law, Stanford University; Revius O. Ortiqye, Jr., Attorney-at-Law, New Orleans, Louisiana; Joseph Rhodes, Jr., Junior Fellow, Harvard University.
49. The President's Commission on Campus Unrest at 5-6.
50. History.com, *Vietnam War Protests: Widespread Disillusionment*, <http://www.history.com/topics/vietnam-war-protests> (last visited May 3, 2010).
51. Hagopian at 28.
52. *Id.* citing William H. Hammond, REPORTING VIETNAM: MEDIA AND MILITARY AT WAR 175 (University Press of Kansas 1998), Jeffrey Kimball, *Nixon's Vietnam War 175* (University Press of Kansas 1998).
53. Scruggs. See Footnote 16.
54. *The Wonder Years: Pilot* (ABC television broadcast Jan. 31, 1988).
55. *The Wonder Years: Homecoming* (ABC television broadcast Sept. 23, 1992).
56. *The Wonder Years: Private Butthead* (ABC television broadcast Feb. 5, 1992).
57. *The Wonder Years: Homecoming*.
58. *Id.*
59. *Id.*
60. *Id.* The pilot episode of *The Wonder Years* used the Vietnam War in a story line. The episode shows Kevin seeing girl-next-door Winnie Cooper in a girlfriend-next-door way. By the end of the episode, we learn that Winnie's 19-year-old brother Brian, the idol of Kevin and his friends, was killed in Vietnam.
61. *Joint Resolution to Authorize the Vietnam Veterans Memorial Fund, Inc. to Erect a Memorial: Hearing Before the Subcomm. on Parks, Recreation, and Renewable Resources of the S. Comm. on Energy and Natural Resources*, 96th Cong. (March 12, 1980) (statement of Senator Larry Pressler).
62. *Joint Resolution to Authorize the Vietnam Veterans Memorial Fund, Inc. to Erect a Memorial: Hearing Before the Subcomm. on Parks, Recreation, and Renewable Resources of the S. Comm. on Energy and Natural Resources*, 96th Cong. (March 12, 1980) (testimony of Senator John Warner).
63. Telephone Interview with Jan C. Scruggs.
64. Hagopian at 19.
65. Scruggs Interview. See note 15.
66. *Id.*
67. *Id.*
68. 126 Cong. Rec. 9433 (1980).
69. *Id.*
70. The Library of Congress, <http://thomas.loc.gov/cgi-bin/bdquery/D?d096:34:/temp/~bd12wu>: (last visited May 3, 2010).
71. President James Earl Carter, Jr., Remarks on Signing Senate Joint Resolution 119 Into Law (July 1, 1980) (on file with writer).
72. VIETNAM VETERANS MEMORIAL FUND, *The Memorial: History*, <http://www.vvmf.org/131.cfm> (last visited May 3, 2010).
73. VIETNAM VETERANS MEMORIAL FUND, *The Memorial: Design*, <http://www.vvmf.org/132.cfm> (last visited May 3, 2010).
74. VIETNAM VETERANS MEMORIAL FUND, THE MEMORIAL: HISTORY. The panel consisted of Pietro Belluschi (architect), Grady Clay (author), Garrett Eckbo (landscape architect), Richard H. Hunt (sculptor), Costantino Nivola (sculptor), James Rosati (sculptor), Hideo Sasaki (landscape architect), Harry Weese (architect), Paul D. Spreiregen (competition professional adviser). The Vietnam Veterans Memorial: The Wall-USA, *Who Did the Judging of the Design Entries?*, <http://thewall-usa.com/information.asp> (last visited May 3, 2010).
75. Vietnam Veterans Memorial Fund, *Maya Lin's Award-Winning Design*, <http://www.vvmf.org/317.cfm> (last visited May 3, 2010).
76. Hagopian at 95.
77. VIETNAM VETERANS MEMORIAL FUND, MAYA LIN'S AWARD-WINNING DESIGN.

78. *Id.*

79. Hagopian at 100. Public Law No. 181 established the Commission of Fine Arts on May 17, 1910. "It shall be the duty of such commission to advise upon the location of statues, fountains, and monuments in the public squares, streets, and parks in the District of Columbia, and upon the selection of models for statues, fountains, and monuments erected under the authority of the United States and upon the selection of artists for execution of the same. It shall be the duty of the officers charged by law to determine such questions in each case to call for such advice. The foregoing provisions of this Act shall not apply to the Capitol building of the United States and the building of the Library of Congress. The commission shall also advise generally upon questions of art when required to do so by the President, or by any committee of either House of Congress."

Pub. L. No. 181, 36 Stat. 371, 40 U.S.C. 104 (May 17, 1910).

The website for the Commission of Fine Arts further explains the agency's mission. "The Commission of Fine Arts, established in 1910 by Act of Congress, is charged with giving expert advice to the President, Congress and the heads of departments and agencies of the Federal and District of Columbia governments on matters of design and aesthetics, as they affect the Federal interest and preserve the dignity of the nation's capital. The Commission consists of seven 'well qualified judges of the fine arts' who are appointed by the President and serve for a term of four years; they may also be reappointed.

"The Commission provides advice to the U.S. Mint on the design of coins and medals, and approves the site and design of national memorials, both in the United States and on foreign soil, in accordance with the Commemorative Works Act or the American Battle Monuments Act, whichever applies." United States Commission of Fine Arts, *Welcome to the U.S. Commission of Fine Arts*, <http://www.cfa.gov> (last visited May 3, 2010).

The National Capital Planning Act established the National Capital Planning Commission. 40 U.S.C. § 71, 66 Stat. 781 (July 19, 1952). "This Act...establishes the National Capital Planning Commission as the central planning agency for the federal government in the National Capital Region (NCR). The Act provides for the agency's essential functions, including development of a Comprehensive Plan for the NCR; review of federal and some District of Columbia (DC) proposed developments and projects; review of DC zoning amendments; annual review of the Federal Capital Improvements Program and the DC Capital Improvements Program; and the development of special planning projects." National Capital Planning Commission, *Legislative Authorities: National Capital Planning Act*, [http://www.ncpc.gov/ncpc/Main\(T2\)/About\\_Us\(tr2\)/About\\_Us\(tr3\)/LegislativeAuthorities.html](http://www.ncpc.gov/ncpc/Main(T2)/About_Us(tr2)/About_Us(tr3)/LegislativeAuthorities.html) (last visited May 3, 2010).

The National Capital Park Commission (1924-26) and the National Capital Park and Planning Commission (1926-52) preceded the National Capital Planning Commission. The National Archives, Records of the National Capital Planning Commission, <http://www.archives.gov/research/guide-fed-records/groups/328.html> (last visited May 3, 2010).

"The **National Capital Region** of the United State consists of Washington, D.C. and the surrounding counties and independent cities in Maryland and Virginia. The term *National Capital Region* is primarily used as an administrative designation within federal government circles, especially in the General Services Administration, Department of Defense and Department of Homeland Security, and is not colloquial; *Washington* or even *DC* (though not *the District*, which specifically refers to the District of Columbia) are more commonly used to describe the region in casual conversation.

Maryland Counties:

Montgomery County  
Prince George's County

Virginia Counties and Independent Cities:

City of Alexandria  
Arlington County  
City of Falls Church  
City of Fairfax  
Fairfax County  
Loudoun County  
City of Manassas  
City of Manassas Park  
Prince William County

"The National Park Service uses a different administrative definition for the NCR, encompassing Park Service property from Harpers Ferry, West Virginia to the Baltimore-Washington Parkway."

Nationmaster.com, *National Capital Region*, [http://www.statemaster.com/encyclopedia/National-Capital-Region-\(United-States\)](http://www.statemaster.com/encyclopedia/National-Capital-Region-(United-States)) (last visited May 10, 2010).

80. Hagopian at 101.
81. *Id.* at 188. "Hart himself never gave the sculpture a title. It is referred to variously as *Three Servicemen*, *Three Fightingmen*, and so forth; these terms are used to avoid the more obvious *Three Soldiers*, which many marines would regard as a slight. *Id.* at 483 n.141.
82. President Ronald Wilson Reagan, Remarks at Dedication Ceremonies for the Vietnam Veterans Memorial (November 11, 1984) (transcript available at University of California, Santa Barbara, The American Presidency Project, <http://www.presidency.ucsb.edu/ws/index.php?pid=39414>) (last visited May 3, 2010).
83. Vietnam Women's Memorial Foundation, *History of the Vietnam Women's Memorial*, <http://www.vietnamwomensmemorial.org/history.php>.
84. *China Beach: China Beach, Part 2* (ABC television broadcast, April 26, 1988).
85. *China Beach: Hello Goodbye* (ABC television broadcast, July 22, 1991).
86. *Id.*
87. *Id.*
88. The Library of Congress, <http://hdl.loc.gov/loc.uscongress/legislation.100sjres215> or <http://thomas.loc.gov/cgi-bin/bdquery/z?d100:S.J.RES.215>: (last visited May 4, 2010).
89. The Library of Congress, <http://hdl.loc.gov/loc.uscongress/legislation.100hr3628> or <http://thomas.loc.gov/cgi-bin/bdquery/z?d100:H.R.3628>: (last visited May 4, 2010).
90. *Id.*
91. E-mail from Benjamin Hayes, Researcher, Office of the Historian, United States House of Representatives, to writer (Apr. 13, 2010, 10:31 a.m. EDT).
92. E-mail from Zoe Davis, Senior Reference Librarian, United States Senate, to Donald K. Ritchie, Historian, United States Senate (Apr. 22, 2010, 3:33 p.m. EDT) (on file with writer).
93. Act of November 15, 1988, Pub. L. No. 100-660, 102 Stat. 3922, 40 U.S.C. § 1003 note. H.J. Res. 502 was a related joint resolution in the House of Representatives.
94. Act of November 15, 1988, Pub. L. No. 100-660 § 3, 102 Stat. 3922, 40 U.S.C. § 1003 note.
95. The Library of Congress, <http://thomas.loc.gov/cgi-bin/bdquery/z?d101:SJ00207:@@L&summ2=m&> (last visited May 4, 2010).
96. *Id.*



97. *Id.*
98. Act of November 28, 1989, Pub. L. No. 101-187, 103 Stat. 1350, 40 U.S.C. 1003.
99. Diane Carlson Evans, Vietnam Women's Memorial Foundation, *Moving a Vision: The Vietnam Women's Memorial*, <http://www.vietnamwomensmemorial.org/pdf/dcevans.pdf> (last visited May 4, 2010).
100. Hayes E-mail, see note 91.
101. Davis E-mail, see note 92.
102. Act of June 15, 2000, Pub. L. 106-214, 114 Stat. 335, 16 U.S.C. 431 note (amending Pub. L. 96-297, 94 Stat. 827, 16 U.S.C. 431 note) (footnote regarding Legislative History of H.R. 3293, *citing* 146 CONG. REC. (2000)).
103. Vietnam Veterans Memorial Fund, In Memory Plaque, <http://www.vvmf.org/InMemoryPlaque> (last visited May 4, 2010).
104. *Id.* On January 26, 2009, Representative Bob Filner of the 51st District of California introduced H.R. 671—In Memory for Forgotten Veterans Act—“Establish[ing] the ‘Jesus (Chuchi) Salgado Medal’ to be issued by the Secretary of Defense to a qualifying veteran who died after serving in the Vietnam War but whose death is determined to be a direct result of such service and whose name is not eligible for placement on the Vietnam Veterans Memorial.” The Library of Congress, <http://hdl.loc.gov/loc.uscongress/legislation.111hr671> or <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.R.671>: (last visited May 4, 2010).
105. Act of November 17, 2003, Pub. L. 108-126, 117 Stat. 1348, 16 U.S.C. 431 note (amending Pub. L. 96-297, 94 Stat. 827, 16 U.S.C. 431 note) (footnote regarding Legislative History of H.R. 1442, *citing* 149 CONG. REC. (2003)), E-mail from Benjamin Hayes.
106. Hayes E-mail, see note 91.
107. *Id.*
108. *Id.*
109. The Library of Congress, <http://hdl.loc.gov/loc.uscongress/legislation.111hr3689> or <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.R.3689> (last visited May 4, 2010).
110. VIETNAM VETERANS MEMORIAL FUND, INC., Marketing Materials (on file with writer).
111. *Id.*
112. Magnum's military background consists of being a graduate of the 1967 United States Naval Academy graduating class, United States Navy SEAL, Office of Naval Intelligence officer, Vietnam War veteran who served three tours of duty, and Prisoner of War for three months with fellow serviceman Theodore Calvin (“T.C.”). Magnum was wounded three times in battle. He received the Purple Heart and Navy Cross for extraordinary heroism. In 1979, he resigned with the rank of Lieutenant. In 1988, he reactivated with the Navy as a Lieutenant Commander. [http://magnum-mania.com/Characters/Main\\_Characters.html](http://magnum-mania.com/Characters/Main_Characters.html) (last visited May 4, 2010). While attending the Naval Academy, Magnum was a starting quarterback. His backup was Dorsey Bramlett, quarterback for the fictional New Jersey Blazers football team. *Magnum, p.i.: One More Summer* (CBS television broadcast, February 11, 1982). In the third season premiere, the sadistic Russian colonel (“Ivan”) who supervised Magnum and T.C. in their P.O.W. camp, comes to Hawaii to kill his former prisoners and mastermind an assassination of a Japanese prince. At the end of this two-hour episode, Magnum confronts Ivan with knowledge about Ivan's post-war assassination jobs. He asks the question that Ivan used in the P.O.W. camp to torment his prisoners—“Did you see the sunrise?” Ivan responds, “Yes. Why?” The last shot of the scene freezes on Magnum shooting Ivan and the echoing sound of the gunshot. It leads us to presume Magnum's shot was fatal. *Magnum, p.i.: Did You See the Sunrise* (CBS television broadcast, September 30, 1982).
113. Press Release, Vietnam Veterans Memorial Fund, *Tom Selleck Joins Memorial Fund As National Spokesman For The Education Center At The Wall* (January 28, 2009) (on file with writer). *S.W.A.T.* predated *Magnum, p.i.* and featured Vietnam War veterans in a positive light. *S.W.A.T.* aired on ABC from February 24, 1975 to June 29, 1976. Brooks and Marsh at 1185. However, *S.W.A.T.* used the characters' Vietnam War experience as evidence of experience, skill, and familiarity with high-pressure, dangerous, and special situations. In *Magnum, p.i.*, the Vietnam War experience of the characters Magnum, T.C., and Rick formed an integral part of the show. Several episodes, including the pilot episode, used a Vietnam War flashback as a plot point. *Magnum, p.i.* did not merely mention the Vietnam War. It used the war as an important device to explain the characters' history with each other.
114. VMO-2 began as Artillery Spotting Division, Marine Observation Squadron 251 (VMO-251). The United States Marine Corps activated VMO-251 at Quantico, Virginia on November 1, 1943. On February 1, 1944, it received a redesignation as Marine Observation Squadron 2—VMO-2. During the Vietnam War, “[t]he first major operation in which the squadron participated was Operation STARLIGHT in August 1965. In this engagement VMO-2 rendered support to Regimental Landing Team Seven (RLT-7). Over 600 Viet Cong were killed and 125 captured in the battle. STARLIGHT was the first direct confrontation between a major U.S. unit and a mainforce [sic] Viet Cong unit in the war. For its efforts in this battle the squadron received a Navy Unit Commendation.” UNITED STATES MARINE CORPS, MARINE OBSERVATION SQUADRON 2 (Estimated date 1969-1970) (on file with writer). On May 20, 1993, the Marine Corps deactivated VMO-2 at Marine Corps Air Station, Camp Pendleton, California.
115. *Magnum Mania, Trivia*, <http://magnum-mania.com/Trivia/Trivia.html> (last visited May 4, 2010). To symbolize their bond, T.C., Rick, and Magnum wear a ring with a gold double cross pattern (“Cross of Lorraine”) set against a black background. *Id.*
116. *Id.* Magnum's military background: “A graduate of the U.S. Naval Academy, Class of 1967, he served three tours of duty in the Vietnam War (1967-1975) with the VMO-2 squadron, was thrice wounded in battle, and was a Prisoner of War (No. 73762) for three months (with T.C.). He was awarded the Purple Heart and the Navy Cross for extraordinary heroism. He resigned from the Navy in disillusionment in 1979 with the rank of Lieutenant, but he reactivated his commission in 1988 as a Lieutenant Commander.” *Magnum Mania, Characters: Thomas Sullivan Magnum IV*, [http://magnum-mania.com/Characters/Main\\_Characters.html](http://magnum-mania.com/Characters/Main_Characters.html) (last visited May 4, 2010).
117. The King Kamehameha Club is located at 3860 Old Pali Road. *Magnum, p.i.: Summer School* (CBS television broadcast, January 9, 1986). In the series pilot or premiere episode *Don't Eat the Snow in Hawaii*, Rick owns a club called Rick's Café Americain, an homage to *Casablanca* and the club owned in the movie by Rick Blaine, played by Humphrey Bogart. The Internet Movie Database, *Magnum, p.i.: Trivia*, <http://www.imdb.com/title/tt0081103/> (last visited May 4, 2010).
118. Higgins frequently talks about his military and intelligence service. He is an ex-British Army Regimental Sergeant Major and a former MI6 intelligence officer. [http://magnum-mania.com/About/About\\_Show.html](http://magnum-mania.com/About/About_Show.html) (last visited May 4, 2010). “He's sort of the major domo around here. Robin flies in once or twice a year. The rest of the time, the estate is open to his friends. Higgins' job is to see that they're well bedded, fed, watered, and protected.” *Magnum, p.i.: Don't Eat the Snow in Hawaii* (CBS television broadcast, December 11, 1980).
119. Telephone Interview with Larry Manetti (April 25, 2010).
120. *Magnum, p.i.: J. “Digger” Doyle* (CBS television broadcast, April 9, 1981). Also known as Robin's Nest, Robin Masters' Hawaii estate is “over 200 acres...from the mountains to the sea. Of course, only the five acre main compound is wired against intruders.” *Id.* Robin Masters has several homes—“the apartment in Manhattan, the

- villa in Andros, the chalet at Innsbruck, the estate in Hawaii.” *Id.* The Hawaii estate used for the Robin’s Nest scenes is known as the Anderson Estate. Its actual size is three acres. *Magnum Mania, Robin’s Nest*, [http://magnum-mania.com/Articles/Robins\\_Nest.html](http://magnum-mania.com/Articles/Robins_Nest.html) (last visited May 4, 2010). The two-hour sixth season premiere *Déjà Vu* reveals that Robin Masters recently purchased a castle in England—Robin’s Keep. *Magnum, p.i.: Déjà Vu* (CBS television broadcast, September 26, 1985).
121. *Magnum, p.i.: J. “Digger” Doyle*.
  122. *Magnum, p.i.: Going Home* (CBS television broadcast, October 31, 1985).
  123. *Id.*
  124. VIETNAM VETERANS MEMORIAL FUND, PRESS RELEASE.
  125. OFFICE OF THE DEAN OF THE FACULTY, PRINCETON UNIVERSITY (Jean Labatut biography).
  126. *Jean Labatut Is Dead; Taught at Princeton*, N.Y. TIMES, November 29, 1986, <http://www.nytimes.com/1986/11/29/obituaries/jean-labatut-is-dead-taught-at-princeton.html> (last visited May 4, 2010).
  127. Jean Labatut, Architecture Professor at Princeton University, Address before the annual meeting of the Association of Collegiate Schools of Architecture: The Advanced Study of Architecture (May 10, 1941) *reprinted in* THE ARCHI (November 1941).
  128. PRINCETON UNIVERSITY, WORLD WAR II MEMORIAL BOOK, [http://infoshare1.princeton.edu/libraries/firestone/rbsc/mudd/online\\_ex/warbook/index.shtml](http://infoshare1.princeton.edu/libraries/firestone/rbsc/mudd/online_ex/warbook/index.shtml) (last visited May 4, 2010).
  129. *Id.*
  130. Telephone Interview with Brian Kelly, AIA, Associate Professor, School of Architecture, Planning, and Preservation, University of Maryland, College Park (February 26, 2010).
  131. TALBOT HAMLIN, EDITOR’S NOTE, JEAN LABATUT, MONUMENTS AND MEMORIALS, Ch. 15, 3 FORMS AND FUNCTIONS OF TWENTIETH-CENTURY ARCHITECTURE 521 (Talbot Hamlin ed., Columbia University Press 1952).
  132. JEAN LABATUT, MONUMENTS AND MEMORIALS, *in* 3 FORMS AND FUNCTIONS OF TWENTIETH-CENTURY ARCHITECTURE 521 (Talbot Hamlin ed., Columbia University Press 1952).
  133. *Id.* at 523.
  134. Kelly Interview, see note 130.
  135. Labatut at 525.
  136. Kelly Interview, see note 130.
  137. Labatut at 525.
  138. *Id.* at 526.
  139. Kelly Interview, see note 130.
  140. Labatut at 528.
  141. *Id.* at 529.
  142. *Id.* at 531.
  143. *Id.* at 532.
  144. *Id.* at 533.
  145. Kelly Interview, see note 130.
  146. Labatut at 533.
  147. Kelly Interview, see note 130.
  148. “No matter how many times I come here, it still gets to me. You look at a name. You have to look at a reflection of yourself. You are among the fallen.” NCIS: SILENT NIGHT (CBS television broadcast Dec. 16, 2008).  
  
58,267 names appear on the wall. “The Department of Defense sets the criteria for and makes decisions about whose names are eligible for inscription on The Wall. The Vietnam Veterans Memorial Fund pays for the name additions and status changes, and works with the National Park Service to ensure long-term preservation and maintenance of The Wall.” Press Release, Vietnam Veterans Memorial Fund, *Six Names To Be Added To the Vietnam Veterans Memorial*, <http://www.vvmf.org/541.cfm> (last visited May 9, 2010). On May 4, 2010, the Vietnam Veterans Memorial Fund added six names to The Wall. “The six names being added this year meet the Department of Defense (DOD) criteria for addition to The Wall: all of the men died as a result of wounds sustained in the combat zone during the Vietnam War.” *Id.* Since the Vietnam Veterans Memorial debuted in 1982, it has added 328 names. Michael E. Ruane, *Vietnam Veterans Memorial adds names of 6 service members*, THE WASHINGTON POST, May 5, 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2010/05/04/AR2010050405268.html> (last visited May 9, 2010). “Names are added when it has been determined that a service member has died directly from combat-related wounds. Cancer victims of Agent Orange, and post traumatic [sic] stress suicides do not fit the criteria for inclusion upon the Memorial. Some have calculated that it would take another two or more entire Walls to include all the names in those two categories alone.” The Vietnam Veterans Memorial: The Wall-USA, *Name Criteria*, <http://thewall-usa.com/information.asp> (last visited May 3, 2010). POW’s and MIA’s are also represented on the Wall. Approximately 1,200 names fall under these categories. *Id.*

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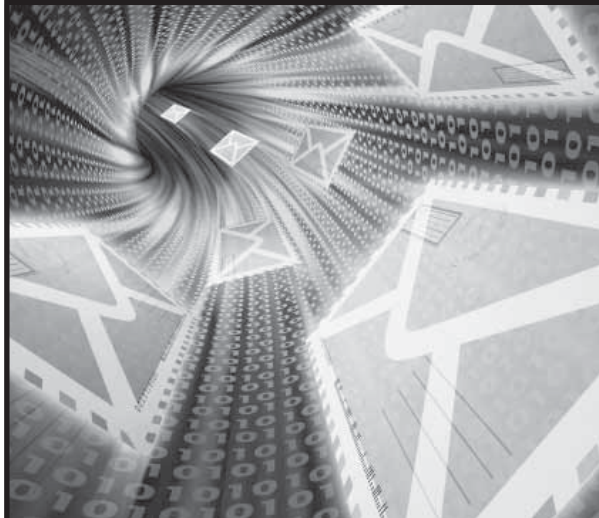
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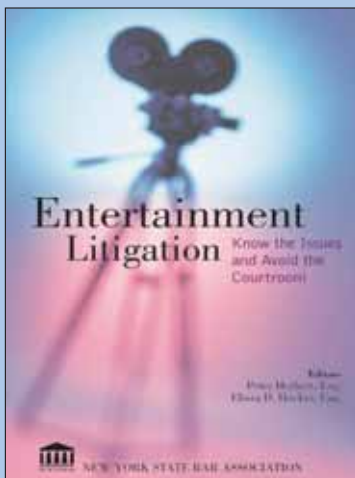
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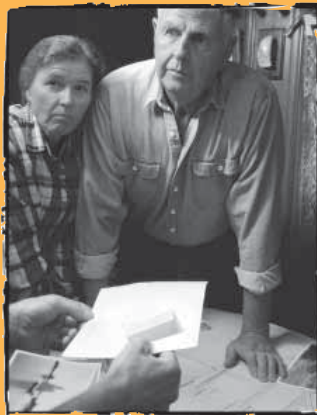
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