

Entertainment, Arts and Sports Law Journal



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



Inside

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- Copyright Law for Dance Choreography
- Glory, Heartbreak, and Nostalgia of the Brooklyn Dodgers

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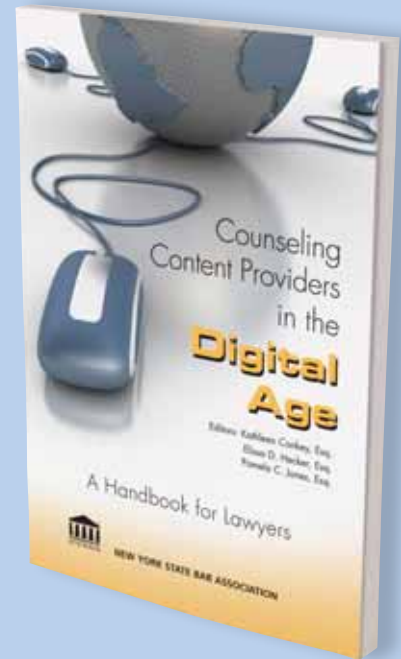
Introduction; Defamation; The Invasion of Privacy Torts; Right of Publicity; Other News-gathering Torts; Copyright Infringement; Trademark Infringement; Rights and Clearances; Errors and Omissions Insurance; Contracting with Minors; Television Standards and Practices; Reality Television Pranks and Sensitive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

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PRODUCT INFO AND PRICES

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

\$50 NYSBA Members

\$65 Nonmembers

\$5.95 shipping and handling within the continental U.S. The cost for shipping and handling outside the continental U.S. will be based on destination and added to your order. Prices do not include applicable sales tax.



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Remarks from the Chair

We begin 2011 with a record 1,694 members! There are as many reasons to join EASL as there are members. For many members, our wide variety of programs—both CLE and non-CLE—offer cutting edge information from top practitioners in the entertainment, arts and sports law fields. Our most recent program was our highly successful Annual Meeting, held at the New York Hilton. In the broadest sense, both panels focused on stories profoundly affecting the lives of individuals.



The first panel, co-chaired by Carol J. Steinberg and myself, addressed recent cases brought by heirs of Holocaust victims concerning the ownership of artworks claimed to have been looted or sold under duress during the Nazi era. The distinguished panel, comprised of lawyers representing both sides of several high-profile cases, included Donald S. Burris, Partner, Burris, Schoenberg & Walden, LLP; Raymond J. Dowd, Partner, Dunnington, Bartholow & Miller LLP; Simon J. Frankel, Partner, Covington & Burling LLP; Lucian Simmons, Solicitor, Senior Vice President, Worldwide Head, Restitution Department, Sotheby's Inc.; and Howard N. Spiegler, Partner, Herrick Feinstein LLP. The program was expertly moderated by Judith Bresler, Counsel, Withers Bergman LLP.

The second panel, co-chaired by Diane S. Krausz and Stephen B. Rodner (the latter of whom skillfully served as moderator), focused on legal transactional issues and recent cases dealing with the depiction of life stories of real people as portrayed in entertainment media, including film, television, theater, books and social media. The excellent panel included Tom J. Ferber, Partner, Pryor Cashman, LLP; Robert C. Harris, Partner, Lazrus & Harris LLP; Richard M. Roberts, Law Office of Richard Roberts; and Eric Zohn, Vice President, Business Affairs, William Morris Endeavor LLC.

Our Cocktail Reception, also held at the New York Hilton, was a perfect setting for conversation and mingling amongst the speakers, members and guests.

We have a busy year in the planning. Several programs are already planned and running.

A Joint Program on legal issues for dance companies was organized by the EASL Pro Bono Committee and the New York Foundation for the Arts' (NYFA) BUILD Education Initiative on February 12th. The day-long program, held at NYU Law School, included panels on

licensing, trusts and estates, not-for-profit and for-profit business entities and accounting, and social media and branding. Several EASL members were amongst the prominent speakers, including Carol Steinberg (Co-Chair of EASL's Pro Bono Committee), Christine Pepe (Co-Chair of the Music and Recording Industry Committee), Tim DeBaets (Past EASL Chair), Innes Smolansky (EASL District Representative from the 2nd Judicial District), Elissa Hecker (Past EASL Chair, Co-Chair of EASL's Pro Bono Committee, and Chair of EASL's Publishing Committee) and Lesley F. Rosenthal, Vice President, General Counsel and Secretary, Lincoln Center for the Performing Arts (Past Chair, NYSBA's Commercial and Federal Litigation Section, Member of the NYSBA Board of Directors, Member of the New York Bar Foundation, and Member of the NYSBA House of Delegates). I was honored to deliver the Keynote Address on "The Martha Graham Case: Who Owns Dance?", and was joined at the podium by Janet Eilber, Artistic Director of the Martha Graham Dance Company. Special thanks go to Carol Steinberg, Elissa Hecker and Peter Cobb, Program Officer, NYFA Learning/NYFA Consults, BUILD, for organizing this important event for choreographers, dancers and counsel.

On February 23rd, the Publicity, Privacy and Media Law Committee and Sports Committee held a 1.5 CLE credit program on recent clashes between sports personalities and computer game developers and fantasy sports operators in the context of players' rights of publicity in their names, likenesses, images and voices. This program was organized by Ned Rosenthal and Barry Werbin, Co-Chairs of the Publicity, Privacy and Media Law Committee, and Matthew Pace, Ayala Deutsch and Kathleen Wu, Co-Chairs of the Sports Committee, and adroitly moderated by Ayala Deutsch.

Music and Recording Industry Co-Chair Christine Pepe organized and moderated a terrific program on March 2nd titled, "The DMCA Safe Harbor: Anchored or Adrift? What Have Courts Done to the DMCA Safe Harbor and Is This *Really* What Congress Intended?" The panel, consisting of Michael Elkin, Barry Slotnick, Hillel Parness, Gregory Gulia and Mary Rasenberger, discussed the DMCA's original purpose—which was intended to strike a balance between online innovation and copyright protection. With this in mind, the panelists examined several key DMCA opinions, such as *Viacom v. YouTube* and *UMG v. Veoh*. The panel also discussed the Supreme Court's pronouncements from *Grokster* regarding inducement liability as a separate cause of action outside of the scope of the DMCA, and whether courts through the interpretation of the DMCA have enabled ISPs to engage in willful blindness to copyright infringement. Finally, the panel discussed the implications of the *MP3tunes.com* case pending in the Southern District of New York, and asked

whether this was a case of willful blindness or a legitimate business model. The program was held at Cardozo Law School and was followed by a reception.

The Copyright and Trademark Committee, co-chaired by Jay Kogan and Neil Rosini, organized an excellent CLE program addressing how mobile apps, such as Apple iTunes's Ulysses Seen, will affect and be affected by traditional copyright doctrines. The app originated as a web-based project, and its unique use of public domain material and crowd-sourced content has raised fascinating issues of copyright law. Chad A. Rutkowski, co-founder and business manager of the company that created the project (and a copyright attorney with Woodcock Washburn), led a lively discussion, which was held at New York Law School on March 22nd.

On April 1st (no fooling!), we held our Joint Program with Fordham Law School's Sports Law Forum (an all-day event). This was the sixth consecutive year that the Fordham Sports Law Forum and EASL have collaborated on this symposium, which was co-organized by Anthony Dreyer, former EASL Sports Committee Co-Chair. Topics included liability of head injuries and concussions in professional sports; the relationship between agents and their amateur clients; and pending labor issues and new collective bargaining agreements.

An excellent double-feature on entertainment law was held in May. On May 16th, Professor Stan Soocher from the University of Colorado, Denver, discussed legal developments in the film and television industries at the annual CLE luncheon co-sponsored by the Motion Pictures Committee (Steve Rodner and Mary Ann Zimmer, Co-Chairs) and the Television and Radio Committee (Pamela Jones and Barry Skidelsky, Co-Chairs). Professor Soocher is scheduled to give his essential lecture, "Entertainment Law—Year in Review," at our Spring Meeting on May 20th.

As I mentioned above, EASL members join and remain active throughout their careers for many reasons. In addition to our outstanding programs, EASL members benefit from our premier *Journal*, published three times a year, and which is packed with articles on a wide spectrum of topics of great interest to our members. Our Law Student Initiative and BMI/Phil Cowan Memorial Schol-

arship Competition offer law students the opportunity to publish papers on topics of their choices in the *Journal*. Congratulations to the winners of this issue's Law Student Initiative winners Jacklyn A. Serpico, Tracy J. Keeton, Timothy Poydenis, and Brian Walton; and the BMI/Phil Cowan Memorial Scholarship Competition: Sohail Itani from St. John's University School of Law, and Glen Cheng from Rutgers Law School-Newark. In addition, our newest, and perhaps our most far-reaching, venture is our blog. Frequent postings range from announcements on job openings to the latest case developments. Our blog is often the #1 most visited blog of the New York State Bar Association. Thanks to our dedicated *Journal* and Blog Editor, Elissa Hecker!

To add to the excitement, our newest initiative is the Member-Get-A-Member Campaign, which kicked off at the Annual Meeting. The grand prize will be a cash award of \$500. For details, please see the Annual Meeting transcript for Rosemary Tully's description of the member-driven recruitment on our website. Who will be the lucky winner? It could be you. Stay tuned!

In closing, I would like to congratulate Ezgi Kaya for her appointment as Co-Chair of the Young Entertainment Lawyers Committee, and Jason Aylesworth for his appointment as Co-Chair of the Digital Media Committee. I would also like to thank Monica Pa, who regrettably had to step down as Secretary in order to accept the position of Senior Counsel, Intellectual Property Litigation, in Disney's Anti-Piracy division in Los Angeles. We are fortunate to have Pamela Jones, a founding EASL member, as Secretary for the remainder of my term as Chair. Finally, I thank Bennett Liebman for his exemplary service throughout his four-year term on the House of Delegates. I look forward to working with Steve Richman, who will begin his term on the House of Delegates in June 2011 as I begin the last year of my term.

As I look back on my first year as Chair, I am amazed by how much we have accomplished and still have left to do. I am available at judithprowda@aol.com to hear your thoughts on how we can continue to serve not only our members, but the State Bar and the larger community.

Judith B. Prowda

ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

Visit us on the Web at www.nysba.org/easl

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



Editor's Note

It is with great excitement that I write about our new and hopefully long and fruitful relationship with the New York Foundation for the Arts (NYFA). As you will read in the Pro Bono Update, NYFA and EASL are working together to help a largely underserved part of the entertainment and arts community—the world of dance. The feedback regarding the full day program from both attendees and participants is outstanding, and we intend to offer many more programs and clinics to New York dancers and dance companies.



©Lori Hecker

For those of you who could not attend, or who did but want to take a closer look, this issue also includes the transcript for EASL's Annual Meeting in January.

I hope that the Spring issue includes several articles of interest to all EASL members. As always, I look forward to hearing from you, either via feedback to articles, or with submissions.

Have a good thaw from the long winter.

—Elissa

The next *EASL Journal* deadline is
Friday, June 3, 2011.

Elissa D. Hecker practices in the fields of copyright, trademark and business law. Her clients encompass a large spectrum of the entertainment and corporate worlds. In addition to her private practice, Elissa is a Past Chair of the EASL Section. She is also Co-Chair and creator of EASL's Pro Bono Committee, Editor of the EASL Blog, Editor of *Entertainment Litigation* and *Counseling Content Providers in the Digital Age*, 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), a member of the Board of Editors for the *Journal* of the CSUSA and Editor of the CSUSA *Newsletter*. 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, via email at: EHeckerEsq@yahoo.com or through her website at EHECKERESQ.com.

Doing pro bono is more than merely offering legal services for free—it is helping to educate, assist and enable the artists to do what they do best—create. It also helps to legitimize the concerns of those who know what feels right and wrong, and offers a way to navigate around those concerns, so that both the business and creativity can grow and prosper. Please join us in our pro bono endeavors. EASL is proud to be a leader of the NYSBA in this effort.

Much of this Spring issue is devoted to the future of our profession. Several high caliber student articles ended up earning the BMI/Phil Cowan Scholarships and Law Student Initiatives, and you will read how the authors cover a wide array of EASL issues. I am sure that you will agree that the writing quality and analytical, creative thinking offered by the student authors bodes well for the future of our practice areas.

EASL Lawyers in Transition Job Bank

The EASL Lawyers in Transition (LIT) Job Bank has been updated! To view the Job Bank, please visit the EASL Lawyers in Transition group page on Linked In (www.linkedin.com).

The EASL LIT Job Bank on Linked In is an exclusive benefit for members of EASL. In order to view the Job Bank, you must request to join the EASL LIT group page on Linked In. To join, visit www.linkedin.com and search for NYSBA Entertainment Art and Sports Law Lawyers in Transition Committee under "Groups." After submitting your request to join the group, we will confirm that you are a member of EASL and your request will be granted.

Pro Bono Update

"Dancing is like water, it floats away" –Merce Cunningham

EASL's Pro Bono Steering Committee Members Elissa Hecker and Carol Steinberg collaborated with the New York Foundation for the Arts (NYFA) to present a day-long Saturday program on "Legal Issues for Dance Companies," which generated unprecedented excitement and appreciation among the attendees and the panelists. The beauty of this program was that high-level attorneys and innovators in the dance world donated their precious time to speak to the attendees about pressing legal issues that confront the dance community (see the program on page 8 for a list of speakers). Many of the attendees had been learning to enhance their professional development through NYFA's BUILD program, and were ready and eager for the legal advice that was given so creatively and generously. The attendance was terrific, and the feedback showed that the dance companies and choreographers who attended were grateful for the rich program (and want more).



Judith Prowda, joined by the Martha Graham Center's Artistic Director, Janet Eilber, gave the keynote address about the Martha Graham litigation and

its lessons for dance companies today. The discussion highlighted the importance of determining ownership of the dance, having appropriate contracts to reflect this key decision, and protecting the legacy of the choreographer. The panels that followed on licensing and trusts and estates issues covered these key issues. The licensing panel, consisting of attorneys and an innovator in digital distribution of dance, provided essential legal information to the attendees in practical language. The next panel focused on protecting the legacy of the choreographer in a casual, yet extremely informative, manner. Subsequent panels covered basics of setting up and running a business, with an exciting discussion of the pros and cons of



using not-for-profit companies and, in the alternative, for-profit models for dance companies. The day concluded with a panel focused on using social media to maximize fan bases and audience attendance. Each panel found its unique and fascinating way to reach the attendees.

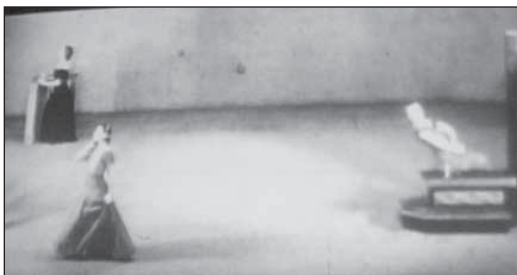
Feedback from those who attended showed that they greatly appreciated the advice they were given, and they want more. Their reaction

highlights the need for more pro bono work to continue this wonderful process. For example, one attendee said that she needs pro bono counsel to work with her company on an ongoing basis. Another said that she learned so much and now has more questions (a good sign). More than one panelist said that this was the most enjoyable program they had been on or attended. Lane Harwell, Executive Director of Dance NYC (the service organization for the dance community), said, "It was a pleasure to be a part of this extraordinary event—so valuable to the dance community as it navigates legal hurdles and opportunities. Thank goodness there are lawyers out there who want to help!"



Kathy Kim, another Member of the Pro Bono Steering Committee, and Stephanie Spangler, an EASL member, also worked behind the scenes with Caroline Camp of NYFA to make this event a success. NYFA's Peter Cobb, attorney, saxophone player, and Program Officer, provided magnanimous and invaluable support.

The attendees want more. Working with the dance community is an exciting and satisfying way to do pro bono work. Please be on the lookout for opportunities to participate through your email, the EASL Listserv, and/or the EASL Blog.



You will find this work as satisfying and enjoyable as we do.

Introductory Remarks

Michael Royce, Executive Director, NYFA

Peter Cobb, Program Officer, NYFA Learning/NYFA Consults, BUILD
Carol J. Steinberg, Esq., Co-Chair, EASL Pro Bono Committee; School of Visual Arts

***The Martha Graham Case:**

Determining Who Owns a Dance*

Judith B. Prowda, Chair, EASL Section, Senior Lecturer, Sotheby's Institute of Art, Law Office of Judith B. Prowda
Janet Eilber, Artistic Director, Martha Graham Center of Contemporary Dance



Licensing: Contracting with Collaborators and Other Artists

Cory Greenberg, Esq., Director of Operations & Special Projects, Alvin Ailey American Dance Theater
Marc Kirschner, Founder and General Manager, TenduTV
Christine A. Pepe, Esq.,

American Society of Composers, Authors & Publishers (ASCAP), Director of Legal Affairs

Trusts and Estates: Protecting Your Legacy

Timothy J. DeBaets, Esq., Cowan, DeBaets, Abrahams and Sheppard

Jean Davidson, Executive Director, New York Live Arts, (Bill T. Jones/Arnie Zane Dance Co. and Dance Theater Workshop Re-imagined)

Terence Dougherty, Board Director and Corporate Secretary of New York Live Arts (Bill T. Jones/Arnie Zane Dance Company Re-imagined); General Counsel of the American Civil Liberties Union; Commissioner of the Women's Refugee Commission

Daniel Scott, Esq., Chadbourne & Parke LLP

Business Entities and Accounting: Innovative Solutions

Innes Smolansky, Esq., Law Office of Innes Smolansky
Lesley F. Rosenthal, Vice President, General Counsel and Secretary, Lincoln Center for the Performing Arts
Lane Harwell, Director, Dance/NYC



Brian S. Perkis, CPA

How You Can Use Social Media to Build Your Brand and Avoid Some Legal Problems Along the Way

Elissa D. Heckler, Esq., Co-Chair, EASL Pro Bono Committee; Law Office of Elissa D. Heckler

Erik Gensler, President, Capacity Interactive Inc.

Andrew Berger, Counsel: Tannenbaum Helpert Syracuse & Hirschtritt LLP

* * *

The Pro Bono Committee's Speakers Bureau also co-sponsored an event with Local 802, a member of the American Federation of Musicians, for a seminar on Legal Issues for Musicians. Christine Pepe, Director of Legal Affairs of the American Society of Composers, Authors & Publishers (ASCAP) and EASL's Music Committee Co-Chair, provided the attendees with a helpful overview of copyright law and the components involved when musicians are taking steps to protect their own work or properly use the other artists' works. Harvey Mars, in-house counsel from Local 802, complemented this seminar by discussing legal issues commonly encountered by musicians in the union, such as the topic of practicing music in one's residence with unwelcoming neighbors.



* * *

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

• **Elissa D. Heckler**, heckleresq@yahoo.com

• **Philippa Loengard**, loengard@law.columbia.edu





Speakers Bureau

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

• **Carol Steinberg,**
elizabethcjs@gmail.
com

• **Kathy Kim,** kathy-
kim2007@gmail.com

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



Things to do Monday:
1.) Rights self-assessment - know where you stand
2.) Start making good on past promises
3.) Get "all media language"
4.) Document EVERYTHING
5.) "Preview" clean-up



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

Law Student Initiative Writing Contest

Congratulations to LSI winners:

Tracy J. Keeton, of St. John's University School of Law, for her article entitled:
Looking Through the *Lenz*: An Analysis of *Lenz v. Universal Music Corporation* and its Impact on
YouTube and the DMCA's Safe Harbor Provision

Timothy Poydenis, of St. John's University School of Law, for his article entitled:
Time for a Change in Athletes' Morals Clauses

Jacklyn A. Serpico, of St. John's University School of Law, for her article entitled:
License v. Sale: The Impact on Royalties, Music Downloads, and the Music Industry

Brian Walton, of Florida Coastal School of Law, for his article entitled:
Equal Rights: City of Jacksonville Beach's Department of Parks and Recreation Compliance with the
Florida Civil Rights Act of 1992: Florida Statute § 760.08

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, June 3, 2011**
- **Submissions:** Articles must be submitted via a Word email attachment to 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, June 3, 2011**

The Phil Cowan Memorial/BMI Scholarship

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

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

The Competition

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

The paper should be twelve to fifteen pages in length (including *Bluebook* form footnotes), double-spaced and submitted in Microsoft Word format. **PAPERS LONGER THAN 15 PAGES TOTAL WILL NOT BE CONSIDERED.** The cover page (*not* part of the page count) should contain the title of the paper, the student's name, school, class year, telephone number and email address. The first page of the actual paper should contain only the title at the top, immediately followed by the body of text. **The name of the author or any other identifying information must not appear anywhere other than on the cover page.** All papers should be submitted to designated faculty members of each respective law school. All law schools will screen the papers and submit the three best to EASL's Phil Cowan Memorial/BMI Scholarship Committee. The Committee will read the papers submitted and will select the Scholarship recipient(s).

Eligibility

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

Free Membership to EASL

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

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

Yearly Deadlines

December 10th: Law School Faculty liaison submits 3 best papers to the EASL/BMI Scholarship Committee.

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

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

Prerogatives of EASL/BMI's Scholarship Committee

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

Payment of Monies

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

About BMI

BMI is an American performing rights organization that represents approximately 350,000 songwriters, composers and music publishers in all genres of music. The non-profit-making company, founded in 1940, collects license fees on behalf of those American creators it represents, as well as thousands of creators from around the world who chose BMI for representation in the United

States. The license fees BMI collects for the “public performances” of its repertoire of approximately 4.5 million compositions are then distributed as royalties to BMI-member writers, composers and copyright holders.

About the New York State Bar Association / EASL

The 77,000-member New York State Bar Association is the official statewide organization of lawyers in New York and the largest voluntary state bar association in the nation. Founded in 1976, NYSBA programs and activities

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

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

NYSBA Guidelines for Obtaining MCLE Credit for Writing

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

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

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

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

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

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

EASL Legislation in New York State in 2010

By Bennett Liebman

The perilous financial condition of New York State kept legislative activity in the entertainment, art and sport law fields to a minimum in 2010.

Other than a major expansion of the State's film tax credit, there really were few developments in the EASL field in the Empire State. The State's continuing fiscal perils might mean that 2011 will also be a fairly uneventful year for EASL-related legislation. On the other hand, the State Senate, which was controlled by the Democrats for the past two years, has returned to Republican control¹ which might mean that EASL issues will receive a different measure of scrutiny in 2011. Additionally, some issues—such as what to do with the remains of the New York City Off Track Betting Corporation (OTB) and whether to continue the free market in the resale of tickets at entertainment venues—are screaming out for some legislative response.

Film Credit

In the course of final passage of the State's budget, the legislature, followed by gubernatorial approval, passed a significant extension and expansion of New York's existing film tax credit. The 30 percent film production tax credit was extended for five additional years, and it was funded at the rate of \$420 million per year for this five-year period.²

Additionally, the legislature added a stand-alone credit for productions that do post-production in New York State. Eligible productions that complete 75 percent of post-production in New York can now apply for a 10 percent credit for the post-production work done in here.³

The legislation allocates an additional \$420 million in each of 2010, 2011, 2012, 2013, and 2014 and defines this as an "additional pool" for those years. Previously, the legislature had allocated \$85 million in 2010, \$90 million in 2011 and 2012, and \$110 million in 2013 for the film credit.⁴ In 2009, the legislature allocated an additional \$350 million for the film credit for that year,⁵ on top of \$75 million that had been previously allocated.⁶

New York started its film production credit in 2004 with the aggregate amount of annual tax credits capped at \$25 million.⁷ It was expanded in 2006 to increase the cap to \$60 million.⁸ It was further expanded in 2008 and 2009 to increase the cap, and with the 2010 legislation, it has reached its highest levels of State support.

The New York 30 percent credit applies only to below the line (BTL) film expenses. According to the Governor's Office for Motion Picture and Television Development, BTL film expenses "mean hard costs of production includ-

ing the salaries of crew and extras as well as equipment and facility rental, lab costs, construction materials, props, wardrobe, locations, editing and catering, etc. Typically, BTL represents 65 percent of the average budget."⁹ Thus, the 30 percent credit would typically provide a benefit that approximates "18 percent of a project's total budget."¹⁰

Further to the additional \$2.1 billion in funding, the 2010 legislation placed some qualifications on claiming the credit. The legislation specifies a time frame which will determine the tax year for which the credit can be claimed. It requires that at least 10 percent of the principal shooting days be spent at a qualified New York film production facility. This 10 percent requirement is waived for "qualified independent film production companies" which are smaller entities that are "principally engaged in the production of a qualified film with a maximum budget of fifteen million dollars, and (ii) controls the qualified film during production, and (iii) either is not a publicly traded entity, or no more than five percent of the beneficial ownership of which is owned, directly or indirectly, by a publicly traded entity."¹¹

The legislation requires that the completed DVD release of the production either contain an end credit acknowledging New York State support of the production or contain a New York promotional video approved by the Governor's Office of Motion Picture and Television Development. The production must also "certify that it will purchase taxable tangible property and services, defined as qualified production costs" only from companies registered to collect sales tax in New York.¹²

Postproduction costs of a qualified production will only be eligible for the general film credit where "the post production costs paid or incurred that is attributable to the use of tangible property or the performance of services in New York in the production of such qualified film equals or exceeds seventy-five percent of the total post production costs spent within and without New York in the production of such qualified film."¹³

The 2010 legislation also provided a separate credit that would cover 10 percent of work at a post-production facility. This would cover works not eligible for the general 30 percent film production tax credit. It would cover works only where the costs at the New York post-production facility met or exceeded "seventy-five percent of the total post production costs paid or incurred in the post production of the qualified film at any post production facility."¹⁴

Seven million dollars is allocated annually for the post production tax credit. A separate chapter amend-

ment makes clear that this allotment is part of and not in addition to the overall \$420 million annual allocation.¹⁵ The chapter amendment provides “that the post production tax credit will be allocated \$7 million annually from the \$420 million pool of available tax credits. Unallocated post-production tax credits may be made available for the Empire film production credit upon the exhaustion of the aggregate amount of film credits.”¹⁶

In an especially tight budget year, there was significant legislative support for the film credit in New York. Governor Paterson’s initial budget proposed the \$2.1 billion in additional funds for the credit, and the only action taken by the legislature to in any way alter this funding was to use \$35 million of the \$2.1 billion allocation to establish the post-production credit.

While film credits have been controversial in other states,¹⁷ and have occasionally been seen as opportunities for corruption,¹⁸ in New York State, they have largely been uncontroversial. They have enjoyed significant support from the entire legislature; the only major issue seems to be the belief that the credits primarily benefit downstate New York while providing fewer benefits for upstate.¹⁹

Reselling of Tickets

The ticket reselling saga in New York State reached a measure of temporary closure in July with the signing by Governor Paterson of legislation that largely reinstated the provisions authorizing the free market in the reselling of tickets.²⁰ This capped a month and a half period where the laws authorizing the free market in ticket reselling lapsed, triggering the reinstitution of New York State’s traditional strict limits on the scalping of tickets.

New York State from 1922-2007 had very stringent anti-scalping legislation in place. This system was replaced in 2007 by legislation that established a free market for the resale of tickets coupled with a system under which ticket brokers were regulated by the New York State Department of State.²¹

The 2007 legislation was set to expire in 2009, and was renewed by the legislature in 2009 until May 15, 2010.²² The 2009 renewal continued the free market in ticket resales and included a requirement that the Secretary of State report on the overall effectiveness of the 2007 deregulation scheme. The Secretary of State reported that the legislation should be renewed. In reviewing the issue of paperless ticketing, she also found that paperless ticketing “arguably cuts down on ticket speculation insofar as the actual purchaser has to be present in order to gain access to the concert venue.”²³

Nonetheless, the 2010 renewal was hardly easy. The battle largely involved the issue of the use of paperless tickets, which are tickets issued for an event without

any paper whatsoever. They are not e-tickets that can be printed out at home; they are closer to what would be considered electronic personal seat reservations.²⁴ The buyer uses a credit card to purchase the ticket. “The buyer must then go to the venue with the same credit card and a photo ID to gain admittance. A swipe of the credit card at the gate produces a slip confirming the location of the reserved seat.”²⁵

The primary ticket sellers, such as Live Nation/Ticketmaster, and many of the venue operators support paperless tickets. The secondary ticket sellers, such as StubHub and Razorgator, are opposed to paperless tickets, as it makes it difficult for them to resell tickets. On the political side, the fight was largely between Governor Paterson (with the State Assembly as an ally) and State Senator Craig Johnson. Governor Paterson supported a requirement that purchasers have a right to a paper ticket. Senator Johnson wanted no restrictions on paperless ticketing. The Assembly initially passed Governor Paterson’s proposal with the right to a paper ticket,²⁶ but the Senate refused to concur. With the impasse between the Senate and the Assembly, the free market in ticket resales came to an end on May 15, 2010, and the old anti-scalping laws went back into force.²⁷

Nonetheless, with considerable confusion occurring due to the reversion to the pre-2007 anti-scalping law, Senator Johnson eventually largely acceded to Governor Paterson’s demands. The Governor resubmitted a program bill,²⁸ and it was passed at the conclusion of the legislative session in 2010.²⁹

The enacted legislation continues the free market in ticket resales. The basic provision on paperless tickets in the bill requires that an operator of a place of entertainment may not “employ a paperless ticketing system unless the consumer is given an option to purchase paperless tickets that the consumer can transfer at any price, and at any time, and without additional fees, independent of the operator or operator’s agent. Notwithstanding the foregoing, an operator or operator’s agent may employ a paperless ticketing system that does not allow for independent transferability of paperless tickets only if the consumer is offered an option at the time of initial sale to purchase the same tickets in some other form that is transferrable independent of the operator or operator’s agent including, but not limited to, paper tickets or e-tickets.”³⁰ Thus, consumers are entitled to the option to purchase a transferrable ticket at the time of the first purchase.

The new legislation on ticket resales will sunset on May 15, 2011. Senator Johnson was defeated in his bid for reelection in November. While this legislation will likely be controversial when it comes up for reauthorization it remains to be seen whether any other senator will follow Senator Johnson’s lead and champion the concept of paperless tickets.

The Vetoes

Governor Paterson vetoed a number of bills that were of interest to the arts and to historical concerns. He vetoed Assembly Bill No. 1730-D, which would have established a fairly detailed regulatory regime governing auctions in New York State. While not questioning the goals of the bill or its overall provisions, the Governor's veto was due to a lack of an overall uniform enforcement mechanism.³¹

The Governor also vetoed Assembly Bill No. 7885-A, which would have authorized the appointment of local government historians,³² and Assembly Bill 10027, which established the New York State War of 1812 200th anniversary commission.³³ Both bills were vetoed due to their cost implications.

Governor Paterson's most controversial veto involved the legislation establishing record keeping requirements for gubernatorial records that would be provided to the State Archives to be made available to the public.³⁴ The Governor cited a series of objections to the bill in his veto message. These objections included costs to the State, the issue of making executive records subject to the State Education Department, whose board is chosen by the legislature, and the possible granting of access to records that should be protected from disclosure.³⁵ Nonetheless, to mollify the effect of his veto, Governor Paterson issued an executive order under which his gubernatorial records would be preserved. The order requires development and implementation of a records management policy for the Executive Chamber, including an archives retention schedule. The Governor also arranged for his records to be retained at Cornell University.³⁶

Other EASL Concerns

One arts-related bill that was enacted in 2010 was Assembly Bill No. 11438 which provided interim funding of the New York State Theater Institute.³⁷ The Theater Institute was a public benefit corporation in New York's Capital District whose mission was to provide professional theater for family and school audiences. Its management was highly criticized in 2010 by a report of the New York State Inspector General, which found significant self-dealing by the top managers.³⁸ The interim funding did not prove to be sufficient to keep the Institute in business, and it suspended operations at the end of 2010.³⁹

Legislation to provide a right of publicity to families of deceased celebrities (the so-called "dead celebrities bill") did not move forward in 2010. Despite the fact that this legislation was introduced by Senate Majority Leader John Sampson,⁴⁰ the legislation was not voted on in either house in 2010. In fact, a dead celebrities bill was not even introduced in the State Assembly.

The frauds uncovered in the Salander O'Reilly Galleries case, which saw art dealer Larry Salander jailed for stealing \$120 million worth of art from Robert De

Niro's father, John McEnroe and other wealthy friends and investors,⁴¹ may well lead to legislative reforms in art consignments this year.⁴² Nevertheless, no legislation was introduced on this subject in 2010.

Sports Law

2010 was not in any manner a major year for sports legislation in New York, as no legislation on this topic was enacted. The major battle was over the legalization of mixed martial arts in New York. While mixed martial arts legislation passed the State Senate, it did not come to a vote in the Assembly.⁴³

Many bills were introduced on the topic of head injuries in sports, and one bill establishing a New York Head Awareness and Prevention Program did pass the Senate,⁴⁴ although it was not acted on in the Assembly. Given the large number of bills that were introduced on this general topic, there is likely to be added interest in head injuries in the legislature in 2011. These bills could have significant implications for contact sports in the middle school, high school, college, professional, and private/amateur levels in New York.

Horse Racing

This was a year of near misses in the area of horse racing legislation. With the bankruptcy of New York City OTB, numerous efforts were made to establish a legislative fix for the OTB system. All efforts failed, and New York City OTB went out of operation in December. The first effort at saving OTB was in April, when legislation was drafted but not introduced that would have kept OTB afloat. That plan would have included "employee and management cuts; a 15 percent reduction in payments to the racing industry for up to a year, and shrinking the fleet of dozens of cars owned by the OTB."⁴⁵ The labor unions representing the OTB employees, however, eventually refused to support the plan, and the legislation was never introduced.

New York City OTB continued in operation until the fall, when a new legislative plan was attempted. Under that plan, OTB would remain in operation under the following scenario: the account wagering operations of OTB would have been taken over by its creditor racetracks, OTB would severely limit its payments to the racing industry, significantly reduce its staffing, and be limited to a far smaller number of physical brick and mortar establishments. Legislation was introduced to accomplish these goals at the behest of Governor Paterson, and it passed the State Assembly.⁴⁶ Nonetheless, the legislation was not passed by the State Senate. It did come up for a vote, and 29 Senators voted for the legislation with 21 in opposition.⁴⁷ Thirty-two votes are required for passage of a bill in the Senate. All 21 of the negative votes were cast by Republicans. The negative voters believed that all the regional OTBs should have been given the same benefits

that were extended to New York City's. They subsequently introduced their own bill, giving reprieves from certain racetrack payments to all OTBs.⁴⁸ No action was ever taken on the Republican alternative.

The racing bills that were passed in 2010 were largely of the housekeeping variety. The Simulcasting provisions were extended until 2011,⁴⁹ the Racing and Wagering Board was given the power to increase the amount of its fines⁵⁰ and it was empowered to fine OTBs,⁵¹ OTBs were required to provide their budgets to the Racing and Wagering Board,⁵² and the Thoroughbred Breeding and Development Fund was given greater flexibility in allocating its budget.⁵³

In short, with New York City OTB out of operation, and the other entities in racing harmed by its absence, it would appear that considerable work will need to be done in the legislature on the horse racing side in 2011.

Endnotes

1. The Senate had a Republican majority from 1966-2008.
2. 2010 N.Y. Sess. Laws ch. 57, part Q (McKinney).
3. *Id.*; See N.Y. TAX LAW §§ 31, 210.41, and 606(qq) (McKinney 2010).
4. 2008 N.Y. Sess. Laws ch. 57.
5. 2009 N.Y. Sess. Laws ch. 57.
6. See *supra* note 4.
7. 2004 N.Y. Sess. Laws ch. 60.
8. 2006 N.Y. Sess. Laws ch. 62.
9. *Id.* Besides the state film tax credit, New York City provides a 5% credit applied to the applicant's New York City tax liability. See N.Y. TAX LAW, § 1201-a.(b) (McKinney 2010).
10. *Id.*
11. N.Y. TAX LAW, § 24(b)(7) (McKinney 2010).
12. N.Y. TAX LAW § 24.(a)(4) (McKinney 2010).
13. N.Y. TAX LAW § 24.(b)(1) (McKinney 2010).
14. N.Y. TAX LAW § 31 (McKinney 2010).
15. 2010 N.Y. Sess. Laws ch. 312.
16. New York State Assembly Memorandum in Support of Legislation, A. 11678, which became 2010 N.Y. Sess. Laws ch. 312.
17. See Tom Moroney, *More State Governments Say 'Cut!' to Tax Breaks for Hollywood Subsidies Reportedly Offer Few Benefits To Local Economies*, NEWARK STAR-LEDGER, Dec. 5, 2010. See also Karen Bouffard, *Granholtz Says She Laid Way for New Economy*, DETROIT NEWS, Dec. 11, 2010 (quoting Charles Ballard, a Michigan State University economist, who said, "Film credits have been a spectacular mistake, and I don't think you could find an economist that would disagree with that ... We cover 40 percent of their operating expenses. We could have used that money for something else.").
18. Lee Rood, *Film Credits Give States More Money*, HEADACHES, DES MOINES REGISTER, Oct. 27, 2009.
19. Tom Precious, *Budget Deal Cuts Empire Zones to Save Money*, BUFFALO NEWS, June 17, 2010.
20. Ch. 151, L. 2010; Glenn Bain & Kenneth Lovett, *Gov. Paterson Kos Bruce Springsteen's and Other Rocker's Bid to Make Tickets Paperless*, N.Y. DAILY NEWS, July 3, 2010.
21. See 2007 N.Y. Sess. Laws chs. 61, 374.
22. N.Y. Sess. Laws ch. 68.
23. Michael H. Samuels, *New York's Ticket Resale Law Leaves Industry in Limbo*, LONG ISLAND BUSINESS, May 28, 2010.
24. Paul Fahri, *Paperless Ticketing Aims to Thwart Scalping at Concerts, Sports Events*, WASHINGTON POST, July 5, 2010.
25. *Id.*
26. 2009 N.Y. A.B. 11108, 233d Leg. Sess. (2010).
27. Kenneth Lovett, *Gov Reenacts Tough Ticket Scalping Law*, N.Y. DAILY NEWS, May 21, 2010.
28. 2009 N.Y. S.B. 8340-A, 233d Leg. Sess. (2010), same as 2009 N.Y. A.B. 11536-A.
29. 2010 N.Y. Sess. Laws ch. 151, signed on July 2, 2010.
30. *Id.* at § 8; Arts & Cultural Affairs Law § 25.30 .1(c).
31. Veto No. 6798 of 2010.
32. Veto No. 6755 of 2010.
33. Veto No. 6778 of 2010.
34. 2009 N.Y. S.B. 6846, 233d Leg. Sess. (2010).
35. Veto No. 6835 of 2010.
36. Governor Paterson Executive Order #42. See also Jimmy Vielkind, *\$250,000 Cornell Grant at Issue*, ALBANY TIMES UNION, Dec. 15, 2010.
37. 2010 N.Y. Sess. Laws ch. 131.
38. See <http://www.ig.state.ny.us/pdfs/Report%20of%20Investigation%20of%20the%20New%20York%20State%20Theater%20Institute.pdf>. See also Danny Hakim, *Report Sees Corruption in State-Financed Institute*, N.Y. TIMES, Apr. 20, 2010.
39. Casey Seiler, *Theater Ends Run in Drama*, ALBANY TIMES UNION, Dec. 30, 2010.
40. See 2009 N.Y. S.B. 6790, 231st Legis. Sess. (2010); 2009 N.Y. S.B. 8373-A, 233d Leg. Sess. (2010).
41. Melissa Grace & Corky Siemaszko, *Art Scammer Gets 6 Yrs. in Slammer*, N.Y. DAILY NEWS, Aug. 4, 2010; John Eligon, *Dealer Is Sentenced For \$120 Million Scheme*, N.Y. TIMES, Aug. 4, 2010.
42. See NEW YORK CITY BAR, REPORT BY THE ART LAW COMMITTEE RECOMMENDING AMENDMENTS TO ARTICLES OF NEW YORK ARTS AND CULTURAL AFFAIRS LAW 11 AND 12 OF NEW YORK ARTS AND CULTURAL AFFAIRS LAW, http://www.nycbar.org/pdf/report/uploads/3_20071866-CommentsonArticles11and12ofNYArtandCulturalAffLaw.pdf.
43. 2009 N.Y. S.B. 2165-B, 232d Leg. Sess. (2009).
44. 2009 N.Y. S.B. 8420, 233d Leg. Sess. (2009).
45. Kenneth Lovett, *State Deal to Save OTB Heads Down Homestretch*, N.Y. DAILY NEWS, Apr. 9, 2010.
46. 2009 N.Y. A.B. 42001, 233d Leg. Sess., 3d Spec. Sess. (2010).
47. James T. Madore, *NYC OTB Bailout Fails in Senate; Parlors Begin Shutdown as Plan Falls Short of Votes*, NEWSDAY, Dec. 8, 2010.
48. 2009 N.Y. S.B. 8250, 233rd Leg. Sess. (2010).
49. 2010 N.Y. Sess. Laws ch. 134.
50. 2010 N.Y. Sess. Laws ch. 240.
51. 2010 N.Y. Sess. Laws ch. 241.
52. 2010 N.Y. Sess. Laws ch. 459.
53. 2010 N.Y. Sess. Laws ch. 473.

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Chart of EASL-Related Legislation in New York State in 2010

EASL Bills Passed

- Ch. 57, S. 9710-D Rules Committee, Expanded Film Credit, part of budget
- Ch. 131, A. 11438 Rules Committee, Interim funding of New York State Theater Institute
- Ch. 134, 11515 Rules Committee, Extends simulcasting provisions in horse racing statutes, part of budget
- Ch. 147 A. 11567 Lopez, Makes Quick Draw Lottery permanent
- Ch. 151, S. 8340 Rules Committee, Resale of tickets to places of entertainment
- Ch. 240, A. 8181 DelMonte, Increases fine power of State Racing and Wagering Board
- Ch. 241, A. 8182 Spano, Empowers the Racing and Wagering Board to impose fines on OTBs
- Ch. 312, A. 11678, Rules Committee, Amendment to Film Credit, part of budget
- Ch. 459, S. 2717 Adams, Requires OTB corporations to submit copy of annual budget to Racing and Wagering Board
- Ch. 473, S. 7578-A Adams, Allows for greater flexibility in expenditures of Thoroughbred Breeding and Development Fund

EASL Bills Vetoed

- A.1730-D Brodsky, Establishes regulatory structure for auctions, Veto # 6798
- A.7885-A McEneney, Authorizes appointment of local government historians, Veto # 6755
- A.10027-B Brodsky, Establishes the New York State War of 1812 200th anniversary commemoration commission, Veto # 6778
- S. 6846 Breslin, Relates to record keeping procedures and policies relating to records of the governor, the executive chamber, the legislature, Veto # 6835

EASL Bills Passed One House

- A. 954-A Bing, Establishes a fund to receive contributions for the support of the New York State Council on the Arts, Passed Assembly
- A.4358 Morelle, Establishes the Arts and Artifacts Domestic Indemnity Act, Passed Assembly
- A. 6090 Englebright, Creates the New York state amateur sports development advisory council, Passed Assembly
- A. 8395 McEneney, Changes the composition of the board of directors of the Executive Mansion Trust, Passed Assembly
- A. 42001 Rules Committee, Establishes the New York Racing Network, Inc., Passed Assembly
- S. 706-D Klein, Extends video lottery games to include games capable of generating random results, including roulette, baccarat, and "21," Passed Senate
- S. 2165-B Parker, Authorizes mixed martial arts events, Passed Senate
- S. 3022-A Adams, Authorizes state to participate in an interstate compact to coordinate racing and wagering rules, Passed Senate
- S. 5439-B Valesky, Changes membership in harness breeding fund, Passed Senate
- S. 6039 Bonacic, Allows the video lottery vendor track located at Monticello Raceway to participate in vendor's capital award, Passed Senate
- S. 7162 Adams, Authorizes formation of limited liability companies for the purpose of conducting horse race meetings, Passed Senate
- S. 8119-A Adams, First Passage of Constitutional Amendment authorizing commercial casino gambling in certain localities, Passed Senate
- S. 8420 Stachowski, establishes the New York State Head Injury Awareness and Prevention Program (significant implications for high school sports), Passed Senate

Other EASL Bills of Interest: No Action Taken

- A.7020-A Lancman, Prohibits discrimination by banning sporting events in New York that sanction anti-discrimination behavior
- A.11670-A Aubry, S. 8492 Peralta, Requires cardiac screening of student athletes
- A.9994-A Corwin, S. 6934 -Maziarz, Eliminates age requirement for eligibility for high school athletic competition for pupils with a developmental or physical disability
- S.6652 Maziarz, Permits the employment of minors as referees, umpires or officials at youth sporting events
- S. 6790 Sampson, Prohibits using the persona of a deceased personality
- S. 7103 Parker, Renders ineligible for public funding, in the next State fiscal year, any professional sports team whose broadcast of a home sporting event was blacked out for any reason
- S. 8373-A Sampson, Prohibits using the persona of a deceased personality
- S. 8520, Lanza, Establishes the New York Racing Network, Inc., and provides for all regional OTBs to have the same benefits as New York City OTB

Fair Use: A Regenerative Concept in the Law

By Carol J. Steinberg

Each year the Humanities and Sciences Department of the School of Visual Arts (SVA)¹ in New York City presents a conference on Liberal Arts and the Education of Artists. As a member of the faculty and firm proponent of artists' knowing their rights and joining an organization that advocates for them, I usually present a paper related to these themes. Last fall, the theme of the conference was *Green, Greener, Greenest: Romancing Nature Again*. In response to the call for papers that explore the ways in which art educators, visual artists and writers approach, understand, and use "nature" and "green" (including general education of artists), I decided to provide a user-friendly approach to fair use. Since fair use evokes images of regeneration of copyrighted material, I found a link between artists' rights and the theme of the conference.

A constant question asked by students and artist clients is "What can I use (without getting sued)"? In legal parlance, what is fair use? The thrust of the question of late is whether the borrowing is "transformative"—whether it adds something new with a different character, aesthetic, and understanding. This in turn evoked an image of not just recycled copyright—but regenerative copyright. This is as close as this art lawyer can get to this fascinating theme.

Fair use is the ability to use copyrighted work in a different format without liability. The underpinning of the concept is the attempt to strike a balance between society's interest in protecting the rights of the copyright holder/providing an incentive to create **and** society's parallel interest in promoting free expression and the creation of new ideas in new forms.

The difficulty in answering the students' and clients' question is that there is no easy answer. Courts apply a four-part test² and lawyers must advise that each case has to be analyzed on its own—not an answer that is helpful to an artist in a studio. However, the case law of late has been focused on whether the use is "transformative"—i.e., whether the use of someone else's copyrighted work produces something new, with a different character with new insights, new aesthetics, or new understandings. Thus, a possible connection to the theme—fair use jurisprudence that considers regeneration of copyrighted work.

In this article, I will tell you about recent developments in the law, and particularly what is considered a "transformative use" so that you will have some guidance about what can be used. I will also describe proposals to provide a more straightforward answer and suggest how artists can affect this process (and thereby help themselves).

The latest issue of SVA's *Visual Arts Journal*, a visual essay demonstrating various creative/artistic endeavors of SVA's students and showcasing the best of the SVA student community, illustrates the legal question. Each creator, I surmise, wants to make a living as an artist and certainly does not want to be the recipient of a lawsuit. The first article to address: *The Essential Wonder Woman Encyclopedia*, by SVA alumnus and faculty member Phil Jimenez and John Wells. DC Comics, and not the authors, holds the copyright to *Wonder Woman*. The guide purports to clarify the convoluted story lines and to illustrate and comment on her complex career. Is it copyright infringement or a transformative fair use? Later, we will discuss J.K. Rowling's suit against the writer of a Harry Potter lexicon, which may shed light (or just reiterate the complexity of providing a simple guideline) on the question. The next article, called *Amazing Greek Myths of Wonder and Blunders*, "kiddifies" the old stories with contemporary references and illustrations. Has the author re-tooled copyrighted images? If so, are the uses fair? The publisher and heirs and insurance companies will want to be reassured. Finally, Dominic Pappone's silkscreen prints, inspired by a near death experience with his uncle in Italy, also raise questions of fair use. If the sculpture in the image called "Reborn 2009" was protected by copyright, would his new use be considered transformative?

What then is a transformative use? One judge put it simply—if you are too lazy to do your own work and you just use someone else's, that is not transformative. Instead, if you add something new and creative with a different purpose, which is a benefit to society, that passes the test. Two recent literary battles, waged by J.D. Salinger and J.K. Rowling, illustrate where courts are going.

Frederick Colting, writing as John David California, wrote *60 Years Later: Coming Through the Rye*. The work centered on a 76-year-old Mr. C. Although the name Holden Caulfield did not appear in the book, Mr. C. was clearly Holden, one of the best-known adolescent figures in American fiction, aged 60 years. Pre-publication, Colting described his intention in writing the book, claiming that he was inspired to write the second half of the story and that his book was a "tribute" and "sequel" to the beloved *Catcher in the Rye*. Just like the first novel, the character left home, but in this "sequel," he was not at prep school, but in a retirement home upstate. He was still the Holden Caulfield character and had a particular view of things. He could be "just tired," and he was disappointed in the whole goddamned world. He was older and wiser in a sense, but in another sense he did not have all the answers. Once the book became the subject of a copyright infringement lawsuit, Colting claimed a differ-

ent intention. He claimed that the book provided parodic comment or criticism of Holden Caulfield, which would be a legitimate fair use.

The court, however, in *Salinger v. Colting*³ did not buy this argument. Judge Batts found a 76-year-old character with many of the same qualities as the 16-year-old hero—miserable and unconnected, as well as frequently absurd and ridiculous, referring to Colting’s description of the elderly version of the character. “In fact (Judge Batts writes—I have not read the book because publication has been temporarily enjoined in the U.S.), it was these very characteristics that led Caulfield to leave or be expelled from three boarding schools, to wander the streets of New York City alone for several days, to lack any close friends other than his younger sister Phoebe, and ultimately to become a patient in a psychiatric hospital.”⁴ Thus, the court did not find a transformative fair use. Judge Batts then analyzed the other fair use factors, and ruled that the book could not be published in the U.S. She found that Colting did not create something new because he borrowed so much from *Catcher*.

At this point in the litigation, it is Salinger’s estate, the copyright holder, which has the right to write a sequel, called a derivative work, and to utilize his character and story as it sees fit. Colting recently reached an agreement with the Salinger estate to ban the sequel from being published in North America, but to allow its release elsewhere. The settlement agreement is confidential, so the details cannot be confirmed. The theoretical question remains—should Colting be able to extend the life of a literary hero, or only the artist and artist’s estate?

In J.K. Rowling’s suit against RDR Books and Steve Vander Ark, *Warner Bros. Entertainment, Inc. and J.K. Rowling v. RDR Books*,⁵ the court again did not find a transformative fair use, but provided a more nuanced approach. Vander Ark, a librarian from Michigan, created the *Harry Potter Lexicon*, an online encyclopedia of the Harry Potter book series that collected and reorganized “facts” from the novels into searchable form. The *Lexicon* was non-profit and was widely used by fans, including Rowling herself, who said she had been known to sneak into an Internet café to check a fact, rather than buy another copy of Harry Potter from a bookstore (which she said would be very embarrassing). RDR Books wanted to publish the *Lexicon* and assured Vander Ark that doing so was a legitimate fair use. Nonetheless, Warner Brothers and Rowling sued to block the book’s publication, and Rowling publicly stated that she had planned to publish a similar book on her own and give the proceeds to charity.

Once again the court evaluated the fair use factors and focused on two of the factors—the nature of the work, including whether the use was transformative, and the amount/substantiality of the work taken. It found that the *Lexicon*’s use of the Harry Potter series was some-

what transformative, because unlike the books whose purpose was entertainment and aesthetic, its function was to provide information in a reference guide. However, the court also found that the *Lexicon* copied much more of the novels than was necessary for its purpose. Thus, weighing all the fair use factors, the court found copyright infringement. Judge Patterson decided the case in Rowling’s favor because the *Lexicon* appropriated too much of Rowling’s creative work for its purpose as a reference guide.⁶ He issued a permanent injunction to ensure that works like this do not “deplete the incentive for original authors to create new works.”

In a case involving the visual arts, *Gaylord v. United States*,⁷ the government claimed that its use of Frank Gaylord’s sculptures on a stamp was a “transformative fair use.” Gaylord, now 85, in 1990 won a government-sponsored contest to sculpt a Korean war memorial in Washington, D.C. The memorial drew the attention of photographer John Alli, a retired U.S. marine, who took hundreds of shots of the sculptures on a snowy day. In 2002, the government paid the photographer, and not the sculptor, \$1,500 to use the photo on a 37-cent postage stamp. The government made 17 million dollars on the sale of the stamps, and another 5.4 million on sales to collectors. Gaylord, who had served as an Army paratrooper in World War II, received nothing. In 2006, he walked into a law office in Vermont and asked if he had a claim. The firm found Heidi Harvey, at a large intellectual property firm, who agreed to look at the case.

At first, Harvey was skeptical since the government usually demands that artists sign their rights away. When she discovered that Gaylord had retained his rights, she took the case *pro bono*. The government claimed that its use of the stamp was a transformative fair use. Gaylord lost in the lower court, then appealed. On appeal, the court found that the stamp was *not* a transformative fair use. The court stated that “although the stamp changed the appearance of the sculptures by adding snow and muting the color, the changes did not impart a different character to the work.... To the extent that the stamp has a surreal character, the work and the soldiers contribute to that character. The work on a cold, winter morning as opposed to a warm sunny day does not change the character of the work. Nature’s decision to snow cannot deprive Mr. Gaylord of an otherwise valid right to exclude.”⁸ Many artists hailed the decision; appropriation artists and the “copyleft” decried it.

We next turn to a case where the court found a transformative use. You may recall that several years ago Jeff Koons lost a copyright infringement case when photographer Art Rogers sued him for illegally using his photograph of a couple with puppies to make a sculpture for a Banality show. Koons argued that his use was “fair.” The case was decided before the “transformative theory” had been established. Most likely, Koons lost because of

bad faith. He had seen the postcard of Art Rogers' photograph, tore off the copyright notice, and told his Italian fabricator to "copy this."

In *Blanch v. Koons*,⁹ Koons used Blanch's photo from *Allure* magazine as part of a collage, which (according to Koons) commented on contemporary culture. For \$750, Andrea Blanch created an advertisement for Gucci's silk sandals. The photo depicted a woman's lower legs and feet wearing the silk sandals resting on a man's lap in an airplane cabin and appeared in a six-page feature in *Allure*.

Koons was then commissioned by Deutsche Bank and the Guggenheim to create a series of seven paintings, which he later called "Easyfun-Ethereal." One work, "Niagra," was at issue. In "Niagra," Koons (or more accurately his assistants) depicted several sets of women's lower legs juxtaposed against food and landscapes. He intended to "comment on the ways in which some of our most basic appetites—for food, play, and sex—are mediated by popular images.... By reconceptualizing these fragments as I do, I try to compel the viewer to break out of the conventional way of experiencing a particular appetite as mediated by mass media."¹⁰ Koons made good money on the project; Blanch admitted that Koons' use did not harm her career, upset any plans she had for her work, or decrease its value.

The court marched through the four factors and found unquestionably that the use was transformative. "Koons had a genuine creative rationale for borrowing Blanch's image, rather than merely using it to get attention or to avoid the drudgery in working fresh up." Therein is the guidance for artists. Although this advice does not provide a guarantee of fair use, it is the best we can do given the state of the law.

What is to be done? Students and artists will not read cases and evaluate four factors each time they consider "borrowing" someone else's work. Compulsory licensing with set fees has been suggested. This means that anyone could use copyrighted images on condition that a fee is paid. Fees suggested may be appropriate for Jeff Koons and Richard Prince, but not for an academic or a student. Others have suggested panels to evaluate whether the use is fair and mediate disputes. Again, this would be time-consuming and impractical.

Pamela Samuelson, a law professor and director of the Berkeley Center for Law and Technology at University of California at Berkeley, convened a working group made up of academics and large companies, such as Microsoft and Disney, to draft reforms to the U.S. copyright law. Their concerns were spurred by the lawsuits against "regular people" for file sharing, one of which resulted in a \$1.92 million damage award against a Minnesota mom, and the fact that copyright law touches the lives of ordinary people today in ways not contemplated by the 1976

Copyright Act. Copyright law ostensibly protects every email and photograph.

*The Copyright Principles Project: Directions for Reform*¹¹ explores principles for reform, including a heavy emphasis on commercial value when determining fair use and passage of Orphan Works legislation to enable libraries and other good faith users to use orphan works—copyrighted works whose owners cannot be found. Sadly absent from the group are working artist groups. This would be an appropriate forum for visual artists to insert themselves and to create a more workable fair use application.

The most effective solution thus far to the fair use conundrum is the "Best Practices in Fair Use." Documentary filmmakers enacted the "Documentary Filmmakers Statement of Best Practices In Fair Use"¹² to codify a reasonable and workable application of the "fair use" doctrine. Their purpose is to help filmmakers use their guidelines with confidence. It gives specific guidance with an explanation of what can be used, why, and the limitations on such use. The Best Practices was created by a group of professional associations, academics, and attorneys who are experts in the area and are knowledgeable about the law and practice. It is recognized by insurance companies who provide errors and omissions insurance for films and is cited in attorney opinion letters as to whether particular borrowings in a film constitute fair use.

Recently, a filmmaker client asked me for an opinion letter advising that a clip could be "fairly used" in her film. Her film *No Dinosaurs in Heaven* examines the hijacking of science education by religious fundamentalists. It uses footage from *The Bible Explores Dinosaurs*, produced by Answers in Genesis for Creation Library, which sets forth the religious right's point of view, which the film meant to critique. In the letter, I analyzed the use, utilizing the four factors described above and explained how the use conformed to the "Documentary Filmmakers Statement of Best Practices In Fair Use." The beauty of this pamphlet is that insurance providers will accept an attorney letter advising that the use conforms to its principles.

Other copyright users are working on a similar set of "Best Practices in Fair Use." The Berkman Center for Internet and Society at Harvard is working on such a project, as well as the research library community, and online video makers. There is even a Statement of Best Practices governing user-generated content.

I have repeatedly stated in my classes, to my clients, and in various workshops I have given in New York City, on the East End and on the West Coast that artists must have classes and learn about their legal rights. Copyright law, including fair use, is complicated and governs art-making during an entire career and artists must be equipped with this knowledge. Artists must also join

organizations, which can apprise them of their rights and of advocacy efforts to help them in their careers.

Visual artists and those of us who are charged with their education must insert ourselves into the ongoing process of making fair use understandable and workable. Next year, I hope to be able to report on a Visual Artists' "Statement of Best Practices in Fair Use."

Endnotes

1. School of Visual Arts, Homepage, www.sva.edu.
2. Four factor test for fair use: (1) purpose and character of use, including whether commercial or non-profit educational purposes; (2) nature of copyrighted work; (3) amount and substantiality of portion used; and (4) effect on marketplace value of original.
3. 641 F. Supp. 2d 250 (S.D.N.Y. 2009).
4. *Id.* at 258.
5. 575 F. Supp. 2d 513 (S.D.N.Y. 2008).
6. *Id.* at 549.
7. 595 F.3d 1364 (Fed. Cir. 2010).
8. *Id.* at 1374.
9. 467 F.3d 244 (2d Cir. 2006).
10. *Id.* at 247.
11. Pamela Samuelson et.al., *The Copyright Principles Project: Directions for Reform* (2010), http://www.law.berkeley.edu/files/bclt_CPP.pdf.
12. American University School of Communication Center for Social Media, Fair Use, www.centerforsocialmedia.org/fairuse.

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California Dreaming: The Continuing Debate in California Over the Constitutionality of Eliminating the Statute of Limitations on Holocaust-Era Art Repatriation Claims

By David S. Gold

I. Introduction

Last spring, the *Entertainment, Arts and Sports Law Journal* published “Is There Any Way Home? A History and Analysis of the Legal Issues Surrounding the Repatriation of Artwork Displaced During the Holocaust” (by this author).¹ The primary focus of that work was the consequences of technical defenses such as state statutes of limitations and the doctrine of laches on Holocaust-era art repatriation claims. More specifically, the article addressed the critical differences between courts applying the “discovery” rule and those applying the “demand and refusal” rule when determining the statute of limitations period for Holocaust-era repatriation claims. The article used a discussion of *Vineberg v. Bissonnette*² to provide an illustration of these differences. In *Vineberg*, the Rhode Island Court of Appeals was able to move beyond the aforementioned procedural legal barriers to restitution. That court ultimately ordered the return of artwork which had been sold through Nazi coercion in 1937.³ The article concluded: “In sustaining the legal mechanisms precluding access to justiciability, the United States and its courts are blatantly ignoring reality and, more significantly, the rights of those who were subjected to the horrors and barbarism of the Holocaust.”⁴

Since the time of that publication, the legislature and courts of California have engaged in what amounts to a “cat and mouse game” regarding the statutory limitations on Holocaust-era repatriation claims. The underlying issue in this debate is whether it is constitutionally permissible for the California legislature to expand, or suspend entirely, the statute of limitations for claims against museums and galleries that exhibit, display, or sell artworks that were confiscated or otherwise displaced as part of the Nazi program, thereby permitting cases to move forward on the merits. As perplexing as the repatriation issue has traditionally proven, new questions about whether such legislation infringes on the federal government’s exclusive foreign affairs power add a new layer of complexity to this discussion. The resolution of this query will have a significant impact on other state legislatures that might similarly deem the statute of limitations an unnecessary and unreasonable obstacle to victims and heirs bringing action to recover artwork from a museum or gallery.

II. California Code of Civil Procedure § 354.3

On August 15, 2002, the California legislature passed Assembly Bill No. 1758.⁵ This legislation was one of several bills that temporarily eliminated the statute of limitations for claims arising from the actions of the Nazi

regime during World War II.⁶ According to the California legislature, the impetus for this particular legislation was simple: “California has a moral and public policy interest in assuring that its residents and citizens are given a reasonable opportunity to commence an action in court for those pieces of artwork now located in museums and galleries.”⁷ In drafting the legislation, the legislature made several seemingly obvious, but also traditionally overlooked, observations regarding the inherent nature of most Holocaust-era repatriation claims.⁸ First, “[d]ue to the unique circumstances surrounding the theft of Holocaust-era artwork, commencement of an action requires detailed investigation in several countries, involving numerous historical documents and the input of experts.”⁹ Second, and most significantly, “[t]he current three-year statute of limitation, after discovery of the whereabouts of the artwork, is an insufficient amount of time to finance, investigate, and commence an action.”¹⁰

In an effort to alleviate the procedural constraints outlined above, the California legislature added California Code of Civil Procedure § 354.3 which provided, in pertinent part:

(b) Notwithstanding any other provision of law, any owner, or heir or beneficiary of an owner, of Holocaust-era artwork, may bring an action to recover Holocaust-era artwork from any [museum or gallery that displays, exhibits, or sells any article of historical, interpretive, scientific, or artistic significance.]

(c) Any action brought under this section shall not be dismissed for failure to comply with the applicable statute of limitation, if the action is commenced on or before December 31, 2010.¹¹

By adding § 354.3 and its companion statutes to the California Code, the California Legislature expressly recognized the inadequacy of the three-year statute of limitations on Holocaust-related legal claims. In fact, by permitting all such claims to be brought within the prescribed period, the legislature was also making a noteworthy statement regarding the enforcement of any statute of limitations on such claims. More concretely, though, in temporarily eliminating the statute of limitations, the California legislature was able to relieve courts of the procedural restraints resulting from the application of California’s “discovery rule.”

Under the “discovery rule,” applicable in a majority of states, the statute of limitations period begins to run when the potential plaintiff discovers, or should have discovered through reasonable diligence, the whereabouts of a work of art.¹² Such a standard presents obvious problems in that the definition of diligence may vary greatly based on the knowledge, resources, and expertise of a particular plaintiff. As the new laws temporarily eliminated the statute of limitations for certain Holocaust-related legal claims, courts would no longer be required to enter into a prolonged and extremely subjective analysis of when a particular plaintiff *should* have discovered the whereabouts of a work of art or, alternatively, the level of diligence a plaintiff *should* have exerted in seeking information on the displaced work.

Unfortunately, instead of § 354.3 and the other Holocaust-related statutes acting as national precedent for how to address the inherent procedural issues underlying a Holocaust-related legal claim, what followed was a series of attacks on the constitutionality of the legislative action. The first statute to be attacked was § 354.6,¹³ which created a cause of action and temporarily eliminated the statute of limitations period for slave labor claims brought by Holocaust victims and their heirs. In *Deustch v. Turner*,¹⁴ the Ninth Circuit Court of Appeals found § 354.6 unconstitutionally “impermissible because it intrude[d] on the federal government’s exclusive power to make and resolve war, including the procedure for resolving war claims.”¹⁵ The court determined that by enacting § 354.6, the California Legislature was acting “with the aim of rectifying wartime wrongs committed by our enemies or by parties operating under our enemies protection.”¹⁶ In doing so, “California sought to create its own resolution to a major issue arising out of wartime acts that California’s legislature believed had never been fairly resolved.”¹⁷

Later, in *Steinberg v. International Commission on Holocaust Era Insurance Claims*,¹⁸ the California Court of Appeals evaluated the constitutionality of § 354.5,¹⁹ which temporarily eliminated the statute of limitations period for insurance policy claims brought by Holocaust victims and their heirs. The question in *Steinberg* was whether § 354.5, which was being invoked as a statutory basis for bringing an insurance claim against the International Commission on Holocaust Era Insurance Claims, was preempted by foreign policy concerns of the federal government.²⁰ Using a similar rationale as that set forth in *Deustch*, the court found § 354.5 unconstitutional because any claims made possible under the statute would “express a lack of the respect due the Executive Branch.”²¹ The Supreme Court of the United States came to the same conclusion in *American Insurance Association v. Garamendi*,²² finding the enactment of California’s Holocaust Victim Insurance Relief Act of 1999, which required any insurer doing business in California to disclose information about policies sold in Europe between 1920 and 1945, to be an unconstitutional infringement on the Federal Government’s foreign relations power.²³ Although the

Court ultimately found the relevant statute unconstitutional, it openly supported the underlying intent of the California legislature, leaving open the possibility that some relevant action might be appropriate at the federal level:

The basic fact is that California seeks to use an iron fist where the President has consistently chosen kid gloves. We have heard powerful arguments that the iron fist would work better, and it may be that if the matter of compensation were considered in isolation from all other issues involving the European allies, the iron fist would be the preferable policy. But our thoughts on the efficacy of the one approach versus the other are beside the point, since our business is not to judge the wisdom of the National Government’s policy; dissatisfaction should be addressed to the President or, perhaps, Congress. The question relevant to preemption in this case is conflict, and the evidence here is “more than sufficient to demonstrate that the state Act stands in the way of [the President’s] diplomatic objectives.”²⁴

III. *Von Saher v. Norton Simon Museum of Art at Pasadena*

In August 2009, the Ninth Circuit Court of Appeals was presented the opportunity to ascertain the constitutionality of § 354.3. In *Von Saher v. Norton Simon Museum of Art at Pasadena*,²⁵ the court was asked to consider “whether § 354.3 infringes on the national government’s exclusive foreign affairs powers.”²⁶ The suit was brought by Marei von Saher (von Saher), a Greenwich, Connecticut resident and the daughter-in-law and only surviving heir of Jacques Goudstikker (Goudstikker), a prominent art dealer who was forced to flee the Netherlands during the Nazi invasion of May 1940.²⁷ The artwork at issue in *Von Saher* was a diptych entitled “Adam and Eve” that consisted of a pair of oil paintings by Lucas Cranach the Elder (1472-1553).²⁸ The paintings are currently on public display at the Norton Simon Museum of Art at Pasadena (Norton).²⁹

The facts in *Von Saher* are relatively straightforward considering the traditionally questionable provenance of most works of art displaced during the Holocaust. There is no question that Goudstikker purchased the Cranach paintings at an art auction in Berlin some time in 1931, adding to an already substantial collection consisting of more than 1,200 works of art.³⁰ When Goudstikker and his family were forced to flee the Netherlands in 1940, Goudstikker took with him a small notebook containing a list of 1,113 works he was leaving behind in Amsterdam.³¹ This notebook specifically listed the Cranach paintings and detailed the provenance of the work prior to Goud-

stikker's purchase.³² Goudstikker died in flight from the German invasion.³³ He broke his neck after falling through an open shaft while aboard a ship crossing the English Channel.³⁴ At his death, the notebook documenting his art collection was found.³⁵

Some time after the Goudstikkens fled the Netherlands, Nazi *Reichsmarschall* Herman Göring ordered the seizure of all works from Goudstikker's gallery.³⁶ The Cranach paintings were transported to Carinhall, Göring's country estate outside of Berlin, where many works of particular interest to Göring were sent, sorted, and prepared for his personal exhibition.³⁷ Following the Allied invasion of Germany, the Allied Forces discovered the treasure trove of artwork.³⁸ As policy dictated, the discovered works were sent to the Munich Central Collection Point where they were identified, documented, and ultimately returned to the Netherlands some time around 1946.³⁹

In 1952, Goudstikker's widow entered into a settlement with the Dutch government to return part of the Goudstikker collection.⁴⁰ However, she did not pursue the rest of the collection because such pursuit would have required her to return certain restitution payments received from the German government.⁴¹ In 1966, in the absence of any further claims, the Dutch government transferred title of the paintings to George Straganoff-Scherbatoff, an heir of a noble Russian family who claimed the paintings were confiscated from his family by the Bolsheviks during the Russian Revolution.⁴² In 1971, Straganoff-Scherbatoff sold the paintings to the Norton Simon Art Foundation and, in 1979, the paintings went on public display at the Norton.⁴³ The estimated present value of the paintings is \$24 million.⁴⁴

In 2001, von Saher came forward to reclaim the two Cranach paintings from the Norton and, on May 1, 2007, filed suit in federal district court under § 354.3.⁴⁵ The district court granted the Norton's 12(b)(6) motion to dismiss, holding that § 354.3 was facially unconstitutional because it violated the foreign affairs doctrine as previously interpreted by the Ninth Circuit Court of Appeals in *Deutsch*.⁴⁶ The court explained: "As with Section 354.6, by enacting Section 354.3, 'California seeks to redress wrongs committed in the course of the Second World War'—a legislative act which 'intrudes on the federal government's exclusive power to make and resolve war, including the procedure for resolving war claims.'"⁴⁷ Although the "Court [was reluctant] in finding unconstitutional a statute which attempts to provide at least some measure of redress to those victims and their families...the Court [was] not only compelled to apply the foreign affairs doctrine, [but was] bound by the interpretation of that doctrine as set forth by the Ninth Circuit in *Deutsch*."⁴⁸ After nullifying the claim under § 354.5, the district court dismissed the complaint with prejudice as untimely under the customary three-year statute of limitations for the recovery of stolen property in California.⁴⁹

The Ninth Circuit Court of Appeals affirmed in part and reversed in part, agreeing with the district court that "§ 354.3 infringes on the national government's exclusive foreign affairs powers[.]" but disagreeing with the lower court determination that the case was time-barred under the standard three-year statute of limitations.⁵⁰ The court entered into a two-part analysis in regard to the constitutionality of § 354.3. First, the court analyzed whether § 354.3 directly conflicted with the Executive Branch's policy of external restitution following World War II—more specifically, the London Declaration of 1943 and the Art Objects in U.S. Zones Declaration of 1945.⁵¹ After a short discussion of these efforts, the court concluded that because the United States stopped accepting claims for external restitution of artwork in 1948, § 354.3 "does not...conflict with any current foreign policy espoused by the Executive Branch."⁵² The court did note, however, that "had the...statute been enacted immediately following WWII, it undoubtedly would have conflicted with the Executive Branch's policy of external restitution."⁵³

Finding no direct conflict between § 354.3 and Executive Branch policy, the court then turned to the question of whether, in enacting § 354.3, the California legislature was addressing a "traditional state responsibility" or "a foreign affairs power reserved by the Constitution exclusively to the national government."⁵⁴ The court found such an inquiry critical because "[c]ourts have consistently struck down state laws which purport to regulate an area of traditional state competence, but in fact, affect foreign affairs."⁵⁵ The court began its analysis by recognizing the fact that § 354.3 "cannot be fairly categorized as a garden variety property regulation."⁵⁶ Instead, § 354.3 applied only to Holocaust victims and their heirs who were seeking repatriation specifically from museums and galleries.⁵⁷ Moreover, the court noted the legislative history of Assembly Bill No. 1758, which originally restricted the application of the new statute to claims against "museums and galleries in California" and was later expanded to include "any museum or gallery" (emphasis added).⁵⁸ The court interpreted this change as indicative of the intent of the legislature to create a "world-wide forum for the resolution of Holocaust restitution claims."⁵⁹ Although the court expressed its support of such a virtuous objective, it ultimately determined that the expansive applicability of the statute surpassed "traditional state responsibility" and would therefore be subject to a field preemption analysis.⁶⁰

Regarding the preemption of § 354.3, the court found the determinative inquiry to be whether the statute intrudes on the federal government's "power to wage and resolve war."⁶¹ Citing back to its opinion in *Deutsch*, the court noted that "'matters related to war are for the federal government alone to address,' and state statutes which infringe on this power will be preempted.... By enacting § 354.3, California 'seeks to redress wrongs committed in the course of the Second World War'—a motive that was fatal to § 354.6."⁶² Notwithstanding a formal

authorization by the federal government to allow states to address these issues, the court found this power to remain exclusively with the federal government.⁶³ After a short survey of the admittedly inadequate efforts by the federal government to address the issues surrounding the repatriation of artwork displaced during the Holocaust, the court affirmed this aspect of the district court ruling, declaring § 354.3 an unconstitutional intrusion “into a field occupied exclusively by the federal government.”⁶⁴

In a powerful dissent on the constitutionality issue, Judge Pregerson disagreed with the majority’s interpretation of the language and intent of § 354.3 and its reliance on *Deutsch*. Pregerson first attacked the court’s presumption that because the legislature altered the language of § 354.3 to include “any museum or gallery[,]” the statute was intended to establish “a world-wide forum for the resolution of Holocaust restitution claims.”⁶⁵ Instead, Pregerson interpreted the statute narrowly, limiting its application to “entities subject to the jurisdiction of the State of California.”⁶⁶ Pregerson also disagreed with the majority’s reliance on *Deutsch*. As noted earlier, in *Deutsch*, the court was asked to determine the constitutionality of § 354.6, a statute that permitted recovery for slave labor performed “[for] the Nazi regime, its allies and sympathizers, or enterprises transacting business in any of the areas occupied by or under the control of the Nazi regime or its allies and sympathizers.”⁶⁷ The *Deutsch* court concluded that the legislature passed § 354.6 “with the aim of rectifying wartime wrongs committed by our enemies or by parties operating under our enemies’ protection” (emphasis added).⁶⁸ However, Pregerson found “significant differences” between § 354.3 and § 354.6.⁶⁹ First, by enacting § 354.3, the legislature was acting within “its traditional competence to regulate property over which it has jurisdiction.”⁷⁰ Second, § 354.3 does not target “enemies” of the United States or provide access to reparations for harms endured during the war.⁷¹ As such, Pregerson came to the following conclusion: “Here, Appellee, a museum located in California, acquired stolen property in 1971. Appellant now seeks to recover that property. I fail to see how a California statute allowing such recovery intrudes on the federal government’s power to make and resolve war.”⁷²

In a final gesture, the Court of Appeals reversed the district court’s prejudicial dismissal of the claim, noting that von Saher might still be able to bring the claim under § 338, the standard three-year statute of limitations for claims to recover stolen property.⁷³ Such a claim would be based on the application of the often fatal “discovery” rule used to determine when the statute of limitations begins to run on the claim. As noted, under the “discovery rule,” the statute of limitations period began to run when von Saher discovered, or should have discovered through reasonable diligence, the whereabouts of the Cranach paintings. Although the court seemed to indicate that von Saher may be able to satisfy the statute of limitations period, it seems unlikely, given the facts of this case, particu-

larly the amount of detailed history and documentation relating to the stolen works, that von Saher would have been able to establish that she was unaware of her claim until May 2006. Furthermore, under the three-year statute of limitations, the fact that von Saher came forward to reclaim the works in 2001 should completely preclude her from bringing the claim.

On April 12, 2010, von Saher filed a petition for a writ of certiorari with the Supreme Court of the United States. In the petition, she attempted to outline the basic rationale of her arguments:

Not only is it clear that § 354.3 does not implicate or intrude upon federal power, but, quite the contrary, it is plain that the enactment of the statute is consistent with the Federal Government’s policy. It has long been the express position of the United States that property looted during the Holocaust era should be returned to its rightful owners and the possessors of such artworks should be discouraged from asserting technical defenses, such as the statute of limitations, so that claims to these artworks may be judged on their merits.⁷⁴

Von Saher’s argument then moved to distinguish the cases used by the Court of Appeals in making its determination, ultimately finding “no basis...to support a finding that California did not have a strong interest in enacting § 354.3, much less a finding that in enacting the statute, California was not acting within ‘an area of traditional state responsibility.’”⁷⁵ Furthermore, von Saher was unable to find any evidence that § 354.3 in any way “target[s] former enemies of the United States [because] [t]he Federal Government does not make or resolve war with museums and galleries, the only entities at issue under § 354.3.”⁷⁶

Several amicus briefs were filed in support of von Saher’s petition. California Attorney General Edmund G. Brown argued that “[t]he Ninth Circuit erred in determining that Section 354.3 seeks to regulate in an area reserved exclusively to the federal government and, therefore, in invalidating Section 354.3 on field preemption grounds.”⁷⁷ Brown argued that by declaring § 354.3 unconstitutional, “the court erased the line between legitimate state authority and exclusive deferral foreign affairs power, invalidating a state law that facially addresses property claims and that manifestly does not conflict with federal foreign policy.”⁷⁸ The American Jewish Committee (AJC) focused its brief in support of von Saher on the aforementioned characteristics of a Holocaust-era repatriation claim: “[The statute of limitations extension], which implicitly recognizes the difficulty inherent in identifying, locating, and making claims on such artwork, is consistent with the federal government’s policy that such artwork should be returned to their rightful owners, through litigation if necessary.”⁷⁹ The AJC went further, warning the Supreme

Court that “[u]nless checked, *Von Saher* threatens to preempt virtually any state regulation dealing with a matter that might be thought to have foreign implications, even where the federal government has not spoken (or, as here, where the federal government has expressed support for the state action).”⁸⁰ Such preemption would not be limited to Holocaust era art repatriation, but would include “countless other socially-motivated state laws that have been or may be enacted, including laws aimed at promoting human rights or environmental interests.”⁸¹

In perhaps the most aggressive of the amicus briefs, the Commission for Art Recovery (CAR) accused the Ninth Circuit of “[m]aking an unwarranted connection between pursuit of converted property under state law and the power of the federal government concerning foreign policy [thereby extinguishing] a realistic and practical approach to resolve questions of title to property acquired through atrocity.”⁸² Along with the general legal arguments set forth in other briefs, CAR discussed the “devastating impact” of the *Von Saher* ruling on the thousands of Holocaust survivors in the United States attempting to locate and retrieve their displaced artwork.⁸³ More specifically, CAR discussed the various difficulties in locating and securing Holocaust-era displaced artwork, the failings of various federal programs seeking to address these issues, and the injustice resulting from allowing technical defenses such as the statute of limitations against Holocaust victims and their heirs.⁸⁴

On October 4, 2010, the Supreme Court asked the administrative lawyers of the Office of the United States Solicitor General for an advisory opinion on the issue of whether a state legislature can expand, or suspend entirely, statutory limitations periods on certain Holocaust-related claims when such action allegedly conflicts with the federal government’s exclusive foreign affairs power. The contents of that opinion will assist the Court in determining whether it should review the *Von Saher* appeal.

IV. Amended California Code of Civil Procedure § 338

In 2010, the California legislature made its next move in the ongoing conflict with the courts over the statute of limitations for Holocaust-era art repatriation claims. On September 20, 2010, then-California Governor Arnold Schwarzenegger signed Assembly Bill No. 2765,⁸⁵ legislation amending California Civil Procedure § 338 in regard to the statute of limitations for claims relating to “fine art...unlawfully taken or stolen.”⁸⁶ The preamble of the legislation discussed the inherent difficulties resulting from the application of the three-year statute of limitations to stolen art claims:

Because objects of fine art often circulate in the private marketplace for many years before entering the collections of museums or galleries, existing statutes of limitations, which are solely the creatures

of the Legislature, often present an inequitable procedural obstacle to recovery of these objects by parties that claim to be their rightful owner.⁸⁷

There is little doubt that Assembly Bill No. 2765 was passed in direct response to the Ninth Circuit Court of Appeals ruling in *Von Saher*. This assertion was confirmed by California Assemblyman Mike Feuer (D-Los Angeles), who, despite being uncertain as to how the new law would affect the *Von Saher* case, did note the intent of the legislature: “The key thing is that people who have claims that works of art have been stolen should have those claims heard on the merits whenever possible, and not have artificial barriers in the way.”⁸⁸ Furthermore, the absence of any reference to the Holocaust, World War II, or other language that may be interpreted as infringing on the powers of the federal government, illustrates an acute awareness by the California legislature of any potential arguments that might be made as to the constitutionality of the amended statute.

Assembly Bill No. 2765 made several noteworthy changes to § 338. The amended statute reads, in pertinent part:

(3)(A) Notwithstanding paragraphs (1) and (2), an action for the specific recovery of a work of fine art brought against a museum, gallery, auctioneer, or dealer, in the case of an unlawful taking or theft... of a work of fine art, *including a taking or theft by means of fraud or duress, shall be commenced within six years of the actual discovery* by the claimant or his or her agent....

(3)(B) The provisions of this paragraph shall apply to all pending and future actions commenced on or before December 31, 2017, including any action dismissed based on the expiration of the statute of limitations in effect prior to the date of enactment of this statute if the judgment in that action is not yet final or if the time for filing appeal from a decision on that action has not expired, provided that the action concerns a work of fine art that was taken within 100 years prior to the date of enactment of this statute. (Emphasis added.)⁸⁹

The most obvious change resulting from this new statutory language was the extension of the statute of limitations for initiating a claim for stolen art against a museum or related entity from three to six years. Although this change may have an impact on claims for stolen artwork generally, the three-year extension likely maintains little significance to individuals who failed to bring a timely Holocaust-era claim in accordance with the “discovery” rule in California.

Of far greater significance to potential Holocaust-era art claimants is the language of the new statute dictating the application of an “actual discovery” standard, rather than the aforementioned “discovery rule,” when determining the date that the statute of limitations begins to accrue on a stolen art claim. As noted, Holocaust-era repatriation claims are unique, in that often survivors and heirs, particularly those whose relatives lost their lives during the Holocaust, may be entirely unaware that they have rightful claims to works of art. Information regarding stolen art has, in many cases, only recently become available through greater disclosure and developing technologies and databases. Furthermore, those individuals who are aware of their potential claims may lack the knowledge, resources, and expertise necessary to actually discover the whereabouts of the displaced artwork for many years. The California legislature clearly recognized these issues, noting that “[m]useums and galleries have... increasingly and voluntarily made archives, databases, and other resources available...thereby assisting the rightful owners of works of fine art who may have a claim for the recovery of these works.”⁹⁰

Under the new language of § 338, the discovery inquiry shall no longer “include any constructive notice imputed by law.”⁹¹ Instead, the statute of limitations period does not begin to run until the potential claimant has knowledge of both “[t]he identity and whereabouts of the work of fine art” and “[i]nformation or facts that are sufficient to indicate that the claimant has a claim for a possessory interest in the work of fine art that was unlawfully taken or stolen.”⁹² Such a standard will afford potential claimants greater flexibility in satisfying the six-year statute of limitations while, at the same time, limiting subjective arguments as to when they should have known the whereabouts of works or on which date they should have become aware of potential causes of action. In an effort to avoid a flood of litigation in this field, however, the legislature did note that “all equitable affirmative defenses and doctrines are available to the parties, including, without limitation, laches and unclean hands, in order to permit the courts to take all equitable considerations in either party’s favor into account.”⁹³

There are two additional aspects of the amended statute worth noting. First, the statute applies to the “unlawful taking or theft...of a work of fine art, including a taking or theft by means of fraud or duress.”⁹⁴ This language is significant in that it clarifies a growing trend to classify works displaced by fraud or duress as theft. Such inclusion is critical in Holocaust-era art cases because often times the displaced art was not actually seized from a victim as was the case in *Von Saher*, but was the result of a forced sale or coercion by the Nazi party. For example, in *Vineberg v. Bissonette*,⁹⁵ gallery owner Dr. Max Stern was ordered to sell his entire inventory and private collection to a Nazi-approved art dealer.⁹⁶ In response, Stern consigned the majority of his artwork to the Lempertz Auction House in Cologne, Germany where it

was sold as part of the infamous “Jew auctions” to benefit the Third Reich.⁹⁷ In *Vineberg*, the District Court of Rhode Island granted summary judgment for the plaintiffs (the Stern Estate), accepting evidence that the artwork now in consignment was previously sold at the Lempertz Auction for “well below market value” as indicative that the art was sold under duress.⁹⁸

There is a wide range of circumstances under which artwork and cultural property was displaced as a consequence of the policies and coercion of the Nazi party rather than traditional methods of seizure. In some cases, artwork may have been sold to help pay the high cost of taxes the Reich had added to secure exit papers from occupied territories. In other cases, the artwork may have been abandoned or sold in fear of the consequences of creating, storing, or displaying artwork that the Reich deemed “degenerate” art.⁹⁹ Although not explicitly stating so, by including “fraud or duress” in the language of the statute, the California legislature seems to be accepting the notion that all such claims should be considered “taking” or “theft” for purposes of determining whether a claim may be brought under § 338. Such language is critical for potential claimants who may have refrained from bringing an otherwise meritorious claim because a work of art was not actually “seized” by the Nazi party in the traditional sense of the word. Similarly, because the new language of § 338 seemingly equates “fraud” and “duress” with “theft” in regard to the actions of the Nazi regime during World War II, California courts will have less difficulty determining the justiciability of such claims.

The final aspect of the amended statute worth noting is the retroactive application of the law. This is significant for two reasons. First, the statute applies to claims relating to artwork “taken within 100 years prior to the date of enactment....”¹⁰⁰ Setting aside the state statute of limitations problem for a moment, there have been some international efforts to expand the rights of individuals to bring a cause of action for the repatriation of displaced cultural property and artwork. For example, under the 1995 Convention on Stolen or Illegally Exported Cultural Objects (the Convention), potential claimants were permitted to bring individual claims for displaced cultural property “within a period of [50] years from the time of theft.”¹⁰¹ However, given the 50-year time lapse between the end of World War II and the signing of the Convention, those individuals seeking repatriation of art displaced during World War II did not have a claim under the Convention. Under the language of the new statute, however, there should be no question as to the applicability of § 338 to claims arising out of actions taken by the Nazi party from 1937-1945, or claims relating to any remedial efforts taken by the Allied forces during, and immediately following, the war.

Second, the scope of § 338 expressly includes “any action dismissed based on the expiration of the statute of limitations in effect prior to the date of enactment of

[the] statute if the judgment in that action is not yet final or if the time for filing appeal from a decision on that action has not expired.”¹⁰² While such language clearly restricts the re-opening of most cases that have already fallen victim to the three-year statute of limitations and the application of the “discovery rule,” it does provide a new opportunity for any case currently in the judicial system, at the trial level, or on appeal. Section 338 would therefore provide an additional opportunity in *Von Saher* should the Supreme Court decline to hear the case or, alternatively, affirm the Court of Appeals ruling regarding the constitutionality of § 354.3. Similarly, the expanded coverage afforded by the “actual discovery” rule may assist von Saher in successfully arguing that the six-year statute of limitations had not expired at the time the suit was brought. However, as noted, there is evidence that von Saher came forward as early as 2001 to claim ownership of the Cranach paintings. As such, she may be barred from bringing the suit under § 338 regardless of the expanded scope of the new statute.

There exists one major limitation to the application of § 338 to Holocaust-era art repatriation claims. As cited earlier, the amended statute only applies to “an action for the specific recovery of a work of fine art brought against a museum, gallery, auctioneer, or dealer.”¹⁰³ As such, any claim against a private owner would not be permissible under § 338. It would therefore be prudent, if possible, for claimants to bring any potential claims for displaced artwork prior to that work being sold by a museum, gallery, auctioneer, or dealer, to a private individual. Although there is no guidance as to whether a claim might exist against a museum, gallery, auctioneer, or dealer that previously sold a work of art to a private individual, it is unlikely that the courts will expand the scope of § 338 to include all works of art once owned or possessed by such an entity. One reason for this limitation would be the fact that the majority of artwork recovered by the Allied forces following World War II was returned to the country of origin and, in many cases, was held or displayed in public museums. This was the agreed-upon policy of the Allied powers and, more importantly, the Executive branch of the United States Government. Furthermore, expanding the scope of § 338 in such a manner would require the courts to inquire as to the legitimacy of the “Jew auctions” and other methods used by the Nazi regime in confiscating and redistributing artwork during this period. Such considerations would once again connect the statute to the actions of the Nazi party during the war, and the policies of Allied governments following the war, in a manner that would undoubtedly leave § 338 vulnerable for attack on constitutionality grounds.

V. Conclusion

“In sustaining the legal mechanisms precluding access to justiciability, the United States and its courts are blatantly ignoring reality and, more significantly, the rights of those who were subjected to the horrors and

barbarism of the Holocaust.”¹⁰⁴ There is little indication that such ignorance is waning in respect to the impact of state statute of limitations on Holocaust-era art repatriation claims. For example, in the most recent case addressing the subject, the United States Court of Appeals for the First Circuit barred any meritorious argument in a Holocaust-era art repatriation case because the court found the claim to be untimely under the three-year year statute of limitations and corresponding “discovery rule” in Massachusetts.¹⁰⁵ The court wrote, in pertinent part:

Statute of limitations defenses, even when tempered by a discovery rule, may preclude otherwise meritorious claims. Inescapably, statutes of limitations are somewhat arbitrary in their choice of a particular time period for asserting a claim. Yet statutes of limitations cannot be fairly characterized as technicalities, and they serve important interests.... Precisely because they do not address the merits of a claim, statutes of limitations do not vindicate the conduct of parties who successfully invoke them.¹⁰⁶

However one “categorizes” the statute of limitations, it is clear that the courts of the various states continue to be bound by “arbitrary” statutory limitations enumerated by their respective legislatures. In analyzing its own statutes, the California legislature seemed to weigh the “important interests” protected by the statute of limitations for stolen property against the interests of victims and heirs of the Holocaust who, for a variety of reasons, may not have brought suit to recover their artwork within the traditional statutory period. In doing so, the California legislature has found, as others have before it, that “there is no justified ‘statute of limitation’ for an eternal injustice that didn’t have any limits.”¹⁰⁷ Although the initial legislative attempt to provide an adequate opportunity for victims and heirs to be heard on the merits of their cases was successfully thwarted on constitutional grounds, it appears that the California legislature feels compelled to persevere until an adequate resolution is achieved. This commitment to justice should be commended, and, more importantly, serve as a precedent to other states where procedural barriers continue to prolong the pain and suffering of victims of one of the greatest atrocities in history.

Endnotes

1. David Gold, *Is There Any Way Home? A History and Analysis of the Legal Issues Surrounding the Repatriation of Artwork Displaced During the Holocaust*, 21 ENT. ARTS & SPORTS L. J. 12 (Spring 2010) [hereinafter *Is There Any Way Home?*].
2. 548 F.3d 50 (1st Cir. 2008).
3. *Id.* at 58-59.
4. Gold, *supra* note 1, at 22.
5. 2002 Cal. Legis. Serv. Ch. 332 (A.B. 1758) (West).
6. See 1999 Cal. Legis. Serv. Ch. 827 (A.B. 600) (West) (temporarily eliminating the statute of limitations for Holocaust victims and

- heirs seeking proceeds of insurance policies in effect prior to 1945); 1999 Cal. Legis. Serv. Ch. 216 (S.B. 1245) (West) (creating a cause of action and temporarily eliminating the statute of limitations for Holocaust victims and heirs seeking to recover compensation for forced labor endured under the Nazi regime during World War II).
7. 2002 Cal. Legis. Serv. Ch. 332 (A.B. 1758) (West).
8. Such observations were discussed in greater depth in *Is There Any Way Home?*: “The United States and the courts of its various states have failed to recognize the underlying characteristics of a Holocaust-era repatriation claim. Most individuals lack the knowledge, resources, and expertise necessary to locate displaced art. Expecting a survivor or heir to conduct an exhaustive and expensive search for Nazi-looted art, much of which is still unaccounted for, imposes too arduous a duty for those with little expertise in such matters. In some cases, survivors and heirs, particularly descendants of those who lost their lives during the Holocaust, may be entirely unaware that they have a rightful claim to a work of art. Information regarding stolen art is, in many cases, only recently becoming available through greater discovery, disclosure, and developing technologies and databases. Finally, and most importantly, there is historical evidence that the atmosphere in post-War Europe was such that claimants justifiably feared the adverse results of making such claims. Still today, some individuals may not be prepared to confront the atrocities of their past.” Gold, *supra* note 1, at 21.
9. 2002 Cal. Legis. Serv. Ch. 332 (A.B. 1758) (West).
10. *Id.*
11. CAL. CIV. PROC. CODE § 354.3 (West 2006).
12. See, e.g., *O’Keeffe v. Snyder*, 416 A.2d 862 (N.J. 1980); *Naftzger v. Am. Numismatic Soc’y*, 49 Cal. Rptr. 2d 784 (Ct. App. 1996); *Autocephalous Greek-Orthodox Church of Cyprus v. Goldberg & Feldman Fine Arts, Inc.*, 917 F.2d 278 (7th Cir. 1990), *cert. denied*, 112 S. Ct. 377 (1991); *Charash v. Oberlin Coll.*, 14 F.3d 291 (6th Cir. 1994); *Erisoty v. Rizik*, No. 93-6215, 1995 U.S. Dist. LEXIS 2096 (E.D. Pa. Feb. 23, 1995), *aff’d*, No. 95-1807, 1996 U.S. App. LEXIS 14999 (3d Cir. May 7, 1996). For a discussion of these cases, see RALPH E. LERNER & JUDITH BRESLER, *ART LAW: THE GUIDE FOR COLLECTORS, INVESTORS, DEALERS, AND ARTISTS* 236–40 (1998).
13. CAL. CIV. PROC. CODE § 354.6 (West 2006).
14. 324 F.3d 692 (9th Cir. 2003).
15. *Id.* at 712.
16. *Id.* at 708.
17. *Id.* at 712.
18. 34 Cal.Rptr.3d 944 (App. Div. 2005).
19. CAL. CIV. PROC. CODE § 354.5 (West 2006).
20. *Steinberg*, 34 Cal.Rptr.3d at 947.
21. *Id.* at 951-52.
22. 539 U.S. 396 (2003).
23. *Id.* at 401.
24. *Id.* at 427.
25. 578 F.3d 1016 (9th Cir. 2009).
26. *Id.* at 1019.
27. *Id.* at 1020–21; Michael Kirkland, *Goering, a Museum and Nazi-Looted Art*, ST. LOUIS GLOBE-DEMOCRAT, Oct. 10, 2010, available at http://groups.google.com/group/museum_security_network/msg/4005ea665fec31ea.
28. *Von Saher*, 578 F.3d at 1020.
29. *Id.*
30. *Id.* at 1020-21.
31. *Id.* at 1021.
32. *Id.*
33. Kirkland, *supra* note 27.
34. *Id.*; See also Marilyn Bauer, *Jacques Goudstikker Art Collection On Display at Norton*, TCPALM, Feb. 18, 2010, <http://www.tcpalm.com/news/2010/feb/18/art-with-a-history-jacques-goudstikker-art-on-at>.
35. Bauer, *supra* note 34.
36. *Von Saher*, 578 F.3d at 1021.
37. *Id.*
38. *Id.*
39. *Id.*
40. Suzanne Muchnic, *Norton Simon To Keep Pair of Paintings*, L.A. TIMES, Oct. 19, 2007, <http://articles.latimes.com/2007/oct/19/entertainment/et-simon19>; see also *Restitutions To-Date*, THE RAPE OF EUROPA, <http://www.rapeofeuropa.com/stolenRestitutions.asp>.
41. Muchnic, *supra* note 40.
42. *Id.* Although the Straganoff-Scherbatoff claim appears to be the substantive basis of the Norton’s argument, the court does not go into further detail regarding the merits of these claims. Instead, the court mentions the claim in passing: “The Cranachs were never restituted to the Goudstikker family. Instead, after restitution proceedings in the Netherlands, the Dutch government delivered the two paintings to George Stroganoff, one of the claimants, and he sold them, through an art dealer, to the museum.” *Von Saher*, 578 F.3d at 1021.
43. *Von Saher v. Norton Simon Museum of Art at Pasadena*, No. CV-2866-JFW, 2007 WL 4302726, *1 (C.D. Cal. Oct. 18, 2007).
44. Mike Boehm, *Norton Simon’s Disputed ‘Adam and Eve’ Getting Closer Look From Supreme Court*, L.A. TIMES, Oct. 4, 2010, <http://latimesblogs.latimes.com/culturemonster/2010/10/art-adam-eve-holocaust-norton-simon-.html>.
45. *Von Saher*, 2007 WL 4302726, at *1.
46. *Id.* at *2.
47. *Id.* at *3 (citing *Deutsch*, 324 F.3d at 712).
48. *Id.*
49. *Id.*
50. *Von Saher*, 578 F.3d at 1019, 1031.
51. *Id.* at 1023-24.
52. *Id.* at 1025.
53. *Id.*
54. *Id.*
55. *Id.* at 1026.
56. *Id.* at 1025.
57. *Id.*
58. *Id.* at 1026-27.
59. *Id.* at 1027.
60. *Id.*
61. *Id.* at 1028.
62. *Id.* at 1027 (citing *Deutsch*, 324 F.3d at 712).
63. *Id.* at 1029.
64. *Id.* at 1028-29.
65. *Id.* at 1032 (Pregerson, J., dissenting).
66. *Id.*
67. CAL. CIV. PROC. CODE § 354.6.
68. *Deutsch*, 324 F.3d at 708.
69. *Von Saher*, 578 F.3d at 1032 (Pregerson, J., dissenting).
70. *Id.*

71. *Id.*
72. *Id.*
73. *Id.* at 1031.
74. Petition for Writ of Certiorari at 3, Von Saher v. Norton Museum of Art At Pasadena, No. 09-1254 (Apr. 12, 2010).
75. *Id.* at 16.
76. *Id.* at 21.
77. Brief for the State of California as Amici Curiae Supporting Petitioner at 10, Von Saher v. Norton Museum of Art At Pasadena, No. 09-1254 (May 17, 2010).
78. *Id.* at 9.
79. Brief for American Jewish Committee as Amici Curiae Supporting Petitioner at 14, Von Saher v. Norton Museum of Art At Pasadena, No. 09-1254 (May 11, 2010).
80. *Id.* at 19.
81. *Id.* at 25.
82. Brief for Commission for Art Recovery as Amici Curiae Supporting Petitioner at 1, Von Saher v. Norton Museum of Art At Pasadena, No. 09-1254 (May 17, 2010).
83. *Id.* at 8.
84. *Id.* at 8-10.
85. 2010 Cal. Legis. Serv. Ch. 691 (A.B. 2765) (West).
86. *Id.*
87. *Id.*
88. Mike Boehm, *Schwarzenegger Decision Could Have An Impact On Looted-Art Claim Against Norton Simon Museum*, L.A. TIMES, Sept. 30, 2010, <http://latimesblogs.latimes.com/culturemonster/2010/09/schwarzenegger-norton-simon-museum-holocaust-art.html>.
89. 2010 Cal. Legis. Serv. Ch. 691 (A.B. 2765).
90. *Id.*
91. *Id.*
92. *Id.*
93. *Id.*
94. *Id.*
95. 548 F.3d 50 (1st Cir. 2008).
96. *Id.* at 53.
97. Vineberg v. Bissonnette, 529 F. Supp. 2d 300, 303 (D.C. R.I. 2007).
98. *Id.* at 303-04, 307. In 2010, the United States Court of Appeals for the First Circuit was presented with the question of whether the sale of a painting by a Jewish doctor during World War II was voluntary or the result of Nazi coercion. Although finding that the artwork in question was sold under coercion, the case was dismissed under the three-year statute of limitations and corresponding "discovery rule" in Massachusetts. Museum of Fine Arts, Boston v. Seger-Thomschitz, No. 09-1922, slip op. at 7-9, 28-30 (1st Cir. Oct. 14, 2010).
99. For further discussion on the Nazi program of confiscation, see Gold, *supra* note 1, at 22.
100. 2010 Cal. Legis. Serv. Ch. 691 (A.B. 2765).
101. UNDROIT Convention on Stolen or Illegally Exported Cultural Objects art. 3(3), June 24, 1995, 34 I.L.M. 1322.
102. 2010 Cal. Legis. Serv. Ch. 691 (A.B. 2765).
103. *Id.*
104. Gold, *supra* note 1, at 22.
105. Museum of Fine Arts, Boston v. Seger-Thomschitz, No. 09-1922, slip op. (1st Cir. Oct. 14, 2010).
106. *Id.* at 28-29.
107. Carla Schulz-Hoffman, Deputy General Director, Bavarian State Paintings Collection, Address at the Washington Conference on Holocaust-Era Assets: Break-out Session on Nazi Confiscated Art Issues: Principles to Address Nazi-Confiscated Art (April 1999).

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In The Arena

The EASL Section's Publications Committee is seeking authors for its upcoming book about sports law—*In The Arena*.

Chapters will focus on the following issues and topics: NCAA and college/university athletic rules; arena football; right of publicity and privacy of athletes; doping; eminent domain; Pete Rose/gambling and the Baseball Hall of Fame; Title IX; Insurance; and Medical safety issues (i.e., concussions and helmets). We are also accepting other suggestions regarding topics. Please note that this topic list is preliminary and subject to change. The target date for publication is 2013.

The book's editors are Elissa D. Hecker and David Krell.

Elissa is Chair of EASL's Publications Committee and Editor of the *EASL Journal* and Blog. Elissa also co-edited the popular NYSBA books *Entertainment Litigation: Know the Issues and Avoid the Courtroom* and *Counseling Content Providers in the Digital Age*.

David is The Writing Guy™. He is the writer of *Krell's Korner*, an article series in the *EASL Journal*. David has also written more than 60 articles and 100 commentaries about popular culture.

Please email Elissa at heckeresq@yahoo.com if you are interested in contributing to this book.

The Performance Rights Act: Finally Recognizing a Musician's Civil Right to a "Fair Day's Pay for a Fair Day's Work"

By Sohail Itani

I. Introduction

When I hear great American standards on the radio, I think of all the songwriters, artists, and musicians whom my father worked with over the years. It reminds me that every recording has two parts, the composition and the performance. It also reminds me how many wonderful artists and musicians have not been paid fairly for their work.¹

Singer Nancy Sinatra is not the first recording artist to fight against the injustice she is reminded of every time she hears her favorite songs on the radio. Her father, Frank Sinatra, was an early soldier in the still ongoing battle for performance royalties from terrestrial radio stations.² The "Chairman of the Board" fought for years against the reality that recording artists are not paid royalties when their performances are aired on the radio.³ Today, his daughter urges Congress to "right this wrong,"⁴ which has been a subject of heated controversy for more than three-quarters of a century.⁵

II. Overview of the Performance Rights Act

The U.S. Copyright Act recognizes two copyrightable "works of authorship" within a song: the "musical work" (the underlying composition) and the "sound recording" (the recorded performance).⁶ The copyright owner of the composition—namely, the songwriter and/or publisher—has the exclusive right to perform the work publicly.⁷ Pursuant to this grant, the composer receives royalties when his or her work is performed on AM/FM radio.

On the other hand, the copyright owner of the performance—the recording artist⁸—receives no such royalties for AM/FM radio play of the work. This is because current copyright law limits his or her exclusive public performance right to performances by means of *digital* audio transmissions,⁹ which do not include terrestrial radio.¹⁰ This is also due to the fact that copyright law currently exempts "nonsubscription broadcast transmissions" (e.g., terrestrial AM/FM radio) from the sound recording copyright held by the performer.¹¹ In other words, the exclusive rights of the recording artist, contrary to those of the composer, do not include a right to royalties for *all* public performances.¹²

In effect, then, the Copyright Act proceeds in two ways to achieve one disparate result: radio stations are required to pay a fee to songwriters and publishers every

time their musical compositions are played over the air, but are not equally obligated to pay the recording artists who perform those compositions. For the past 80 years, Congress has ignored this inequity and its impact on the music industry. Recently, though, a major corrective step has been taken: the introduction of the Performance Rights Act, a bipartisan measure to ensure that those who perform music are paid for the public use of their creative works.¹³

The Performance Rights Act would amend the provisions in America's copyright laws that exempt over-the-air broadcasters from paying royalties to performers for the recorded performances they play. It would do so by extending a recording artist's exclusive public performance right to performances by means of *all* audio transmissions, not just digital ones.¹⁴ The Act would also strike the "nonsubscription broadcast transmission" exemption to the sound recording copyright held by performers.¹⁵ By making these amendments, the Performance Rights Act would achieve its purpose of granting recording artists performance royalties from all public audio transmissions.

III. The Battle

The push for parity is finally underway. While Congress has responded, however, it has not done so in harmony. Despite the fact that both the House and Senate Judiciary Committees have taken steps to approve the Performance Rights Act, most individual members of Congress still oppose it. The House Judiciary Committee, then headed by Representative John Conyers (D-MI), first moved the Act forward in 2009 by voting in favor of H.R. 848.¹⁶ The Senate Judiciary Committee followed with its own approval of S. 379,¹⁷ the counterpart to H.R. 848. Passage of the Performance Rights Act, however, must still face and survive a full vote by Congress.¹⁸ With the bill patiently awaiting its turn, congressional opponents have already taken steps to prevent its passage into law. A majority of the House¹⁹ and over two dozen senators²⁰ support the Local Radio Freedom Act, a non-binding resolution to prevent the imposition of any new performance royalty or fee relating to the public performance of sound recordings on radio stations.²¹ The split among lawmakers over the Performance Rights Act has resulted in significant debate within Congress. Today, this debate has expanded well beyond the confines of Capitol Hill.

Most followers of the music industry are well aware that the Performance Rights Act is causing a huge battle

between artists' rights supporters²² and radio broadcasters' supporters.²³ Both sides of the debate have developed various arguments as to why it should and should not be implemented. For instance, the bill's supporters cite that radio stations bring in over \$16 billion annually, but that recording artists do not receive compensation from that revenue for the public performances of their works.²⁴ Opponents respond that in light of the current struggling state of the economy and music industry in particular, new performance royalty fees would put radio stations out of business.²⁵

Indeed, a significant amount of study, publication, and discussion weighing the advantages and disadvantages of the Performance Rights Act already exists. It is submitted, however, that the most compelling reason for the bill's enactment has received little attention: its protection of the inalienable, *civil right* of an individual to be compensated fairly for the fruits of his or her labor.

IV. A New Civil Rights Movement

When Martin Luther King, Jr. went to Memphis to ensure that sanitation workers were paid a fair wage, he was leading a civil rights movement to promote the fundamental principle that compensating people fairly for their work is a basic civil right.²⁶ Indeed, this right is deeply rooted in American history and copyright law. As long ago as the late-seventeenth century, philosopher John Locke emphasized an individual's *natural* property right to the "fruits" of his (or her) labor.²⁷ A century later, Lord Justice Mansfield stated that "*because it is just,...* an author should reap the pecuniary profits of his [or her] own ingenuity and labor."²⁸ Today, this principle remains, as the Supreme Court recently noted that the rights conferred by a copyright are designed to assure its holder a fair return for his or her labor.²⁹ Hence, as the saying goes, "a fair day's work deserves a fair day's pay."

A recording artist's "work" is his or her musical or spoken performance as it is fixated in a sound recording.³⁰ Although the performer is usually paid for the time spent in the studio recording the performance, that performance, as the resulting product, is a copyrightable work of ownership.³¹ Like all workers, recording artists deserve to be paid fairly for the use of the fruits of their labor. They have a civil right to "fair pay for airplay."³²

Indeed, by enacting the Sound Recordings Act in 1995,³³ Congress has already recognized that recording artists deserve a performance fee when their songs are aired publicly. That bill currently requires satellite, cable, and Internet radio to pay artists for playing their recorded performances.³⁴ Yet, an exemption remains for terrestrial radio, which exploits recording artists' works without paying these musicians any compensation. As performers continue to be uncompensated for the fruits of their labor, they continue to be deprived of this basic civil right.

Today, the Performance Rights Act stands to put an end to this deprivation.³⁵ In fact, it has come to be called the "Civil Rights for Musicians Act."³⁶ As such, it marks the birth of a performers' civil rights movement—a movement based on the same fundamental principles fought for by Martin Luther King, Jr. 40 years ago.

A. Fair Pay for Airplay

The purpose of the Performance Rights Act is not simply to put more money in recording artists' pockets. Rather, it is largely based on an overall policy of fairness and equity for performers and musicians. Today, influential congressional leaders have emerged to propel this new civil rights movement forward. Representative John Conyers, a reputed civil libertarian,³⁷ wrote the Performance Rights Act and first introduced it to Congress. Senator Patrick Leahy, chair of the Senate Judiciary Committee,³⁸ is also a leading advocate of the Act.

Representative Conyers and Senator Leahy have been joined by several prominent recording artists in support of the Performance Rights Act. Grammy Award-winning singer Dionne Warwick has been at the forefront of the "fair pay for airplay" movement.³⁹ Warwick is opposing big entertainment corporations, like Radio One, in order to secure recording artists' fundamental right to fair compensation for their works.⁴⁰ Warwick has been joined by other artists, such as Dave Matthews, Andrea Bocelli, Will.i.am, and Sheryl Crow.⁴¹ These artists have stepped out of the recording booth and onto Capitol Hill in order to appear at press conferences and rallies in support of the Performance Rights Act.⁴²

While several well-known and successful performers have publicly backed the bill, it is important to realize that the right to fair pay is not merely a benefit to featured, celebrity artists. The Performance Rights Act equally protects the thousands of background singers and session musicians who struggle financially to make ends meet and who deserve to be paid for their works.⁴³ As Duke Fakir, the surviving member of the Four Tops, stated, "[a]ll we [artists] ask is fair pay for airplay."⁴⁴ The Performance Rights Act would answer this civil rights call. It would ensure that performers are able to earn the income they deserve in order to support themselves and their families during their careers and retirement.⁴⁵

Several national associations and organizations have also come together in support of the Performance Rights Act. For instance, the American Federation of Television and Radio Artists (AFTRA),⁴⁶ the National Association for the Advancement of Colored People (NAACP),⁴⁷ the League of United Latin American Citizens (LULAC),⁴⁸ and the Coalition of Labor Union Women (CLUW)⁴⁹ have all publicly endorsed it.⁵⁰ As is evident, organizations sharing the common mission of protecting the civil rights (including the right to fair pay) of a diverse group of people are backing the bill under a common cause. While the coalition of interests united behind the Performance

Rights Act seems predictable, so too is the opposition from its major bedfellows: the big radio corporations and individuals at the pinnacle of the radio industry.

B. United We Stand?

Unsurprisingly, big radio corporations and key executives at the head of the radio industry are opposed to the Performance Rights Act. Radio One, one of the nation's largest radio groups, has been the leading opponent.⁵¹ A major voice of adversity is the founder and chairperson of Radio One, Cathy Hughes.⁵² By her side are Radio One CEO Alfred Liggins (Hughes's son)⁵³ and Amador Bustos of the Spanish Radio Association.⁵⁴ Motivated by business and economic interests, these executives have been successful thus far in lobbying to keep the Performance Rights Act from becoming law.

The radio industry's lobbying efforts have also gained them support from major leaders of the traditional civil rights community. Reverends Al Sharpton and Jesse Jackson—two of the most visible and vocal civil rights proponents of our day—have joined the opposition. Although Sharpton and Jackson, unlike the radio industry, have not taken a position of complete and general opposition to the institution of *any* performance fee, they have asserted that “[t]his bill is geared too much toward the record labels that will control the money,”⁵⁵ under the terms of their recording contracts. Sharpton has claimed that instead of focusing on compensating artists, the Performance Rights Act “is [really] about big business against big business.”⁵⁶

Contrary to these opponents' assertions, the Performance Rights Act accounts for the inequities that often result from the onerous terms of major label recording contracts. Under the Act, to the extent that a license granted by a record label to a radio station extends to such station's nonsubscription broadcast transmissions (i.e., AM/FM airplay), the station is required to pay to the agent designated to distribute the recording artist's statutory licensing receipts (i.e., SoundExchange)⁵⁷ 50 percent of the total royalties that the station is required to pay for such transmissions under the applicable license agreement with the record label.⁵⁸ Then, 90 percent of this 50 percent portion is paid, on a per sound recording basis, to the recording artist.⁵⁹ In effect, even if the recording artist's record label is contractually the copyright owner of the performance in question, 45 percent of the performance royalties payable by a radio station under the Act are distributed *directly* to the artist, rather than to his or her label (where it could be held against recoupables). Simply put, the Performance Rights Act guarantees that recording artists get their fair share. It thus further protects the civil rights of these musicians by defending against intrusions upon those rights by record labels, which are often considered a distinct obstacle in the movement for fair compensation to artists.⁶⁰

C. What About the Little Guy?

Radio broadcasters' supporters also maintain that the Performance Rights Act would adversely affect the radio industry as a whole. Specifically, they argue that the Act would “murder” small minority-owned radio.⁶¹ They cite evidence that a performance fee would “wipeout” at least a third of all existing minority-owned radio stations, most of which are small and localized.⁶²

Such opponents reached out to Congress by sending a letter to Senator Leahy.⁶³ Five months prior to the letter's date, the House Judiciary Committee had approved the Act. The letter's clear purpose (which it failed to accomplish) was to prevent the Senate Judiciary Committee from doing the same. The letter (which was signed by Amador Bustos, among others) stated that minorities are “seriously underrepresented on the public airwaves.”⁶⁴ “Most minority-owned stations operate with inferior facilities and are handicapped by weak financing,” the letter said.⁶⁵ According to the letter's authors, the Act would “throw at least a third of minority broadcasters into bankruptcy [and] [t]he surviving stations would find it virtually impossible to raise the capital they need to grow.”⁶⁶ The concerns set forth in this letter, however, are refuted by the clear language of the Performance Rights Act itself.

These opponents make their assertions without fully taking into account the Act's “special treatment” for minority and small radio stations.⁶⁷ It is actually written so as to protect such stations.⁶⁸ Under the bill's provisions, the annual fee that a radio station would have to pay for performance royalties is limited based on the station's annual gross revenue.⁶⁹ Smaller radio stations would pay proportionately less than their larger competitors.⁷⁰ For example, a station grossing less than \$100,000 per year would pay an annual fee of only \$500 for all of its over-the-air nonsubscription broadcast transmissions for that year.⁷¹ Thus, it would not have to carry a huge financial burden as a result of performance royalty obligations if faced with a poor business year. To even further alleviate any financial strain on smaller radio stations, the bill would give them a three-year grace period before any payment is due.⁷² Indeed, the Act is hardly one that would “wipeout” or “murder” small, minority-owned radio.

V. Practicing What We Preach

“We must ensure that America's working men and women are afforded the dignity and civil rights that any progressive society should provide its citizens.”⁷³ This principle of fair compensation is a civil right rooted in American law and values.⁷⁴ As a nation founded on fundamental human rights and fairness, our country has led by example and spread the importance of civil rights values around the globe. Yet, when it comes to paying recording artists for the use of their performances and comporting with the concept of “a fair day's pay for a fair day's work,” we lag behind the rest of the world.

Nearly every other industrialized nation in the world compensates recording artists for the radio broadcasting of their works.⁷⁵ The only other countries that do not are Iran, North Korea, and China.⁷⁶ Throwing salt on this wound is the fact that our failure to compensate performers, including foreign recording artists, for radio play has resulted in American recording artists being unable to receive performance compensation abroad.⁷⁷ Our lack of reciprocity has deprived our American artists of millions of dollars in earnings from foreign radio stations.⁷⁸ This “worldwide embarrassment” has continued for the past 80 years and “must end now.”⁷⁹ The United States has an opportunity now, by passing the Performance Rights Act into law, to show the rest of the world that we practice what we preach.⁸⁰

VI. Almost There: A Solution Is Near

The good news is that our failure to protect our recording artists’ civil rights can end now. We can finally recognize performers’ rights to “fair pay for airplay.” Our lawmakers are poised to do so, by having approved the Performance Rights Act at the congressional committee level. Indeed, Congress has already enacted legislation (the Sound Recordings Act) signifying its recognition that recording artists deserve a performance fee when their songs are aired publicly.⁸¹ Our lawmakers are finally coming to realize that performers’ rights to this fee should not be limited to only certain means of audio transmission. Terrestrial radio should no longer be exempted from having to recognize musicians’ civil rights.

The Performance Rights Act is almost there in making parity a reality. In fact, this is the furthest a performance rights bill has ever progressed, and it is the first time in 80 years that such legislation has been approved by a full congressional committee.⁸² Even more, the Obama administration is backing the bill.⁸³ Still, there are doubts about the future of the Act in the months ahead. There are many challenging issues currently facing Congress. Even though both the House and Senate now have a bill that can be voted on at any time, turning the Performance Rights Act into law will be affected by a very crowded congressional calendar. To avoid further delay, both the House and Senate Judiciary Committees are asking proponents and opponents of the Act to negotiate a resolution.⁸⁴ Representative Conyers and Senator Leahy have rallied for an end to the “stonewalling” and encouraged “key stakeholders” in the Act to “craft a compromise.”⁸⁵ The bill’s main supporters and adversaries have indeed expressed willingness to compromise; yet history has shown reluctance to budge. At this point, one can only hold onto restrained optimism.

While our lawmakers are undoubtedly faced with several pressing issues, and a negotiated resolution would preserve legislative time and resources, equally pressing is what the Performance Rights Act stands for: the preservation of basic civil rights. Can our legislatures

fully comprehend the importance of having the Performance Rights Act passed into law? To gain this understanding, they must realize what this Act is about. It is about more than a royalty payment. It is about what is right. It is about a *civil right*. “And it is about time.”⁸⁶

Endnotes

1. Nancy Sinatra, *Radio Free America*, N.Y. TIMES, Aug. 3, 2009, available at http://www.nytimes.com/2009/08/04/opinion/04sinatra.html?_r=1.
2. See *id.* The term “terrestrial” is used to denote land-based radio stations, such as AM/FM stations, as opposed to satellite, Internet, or other digital stations. Hereinafter, such stations may be referred to without the “terrestrial” denotation. All direct or indirect references to radio in general will mean AM/FM radio, unless specifically noted otherwise.
3. Under U.S. copyright law, the copyright owner of a sound recording is not entitled to a royalty when his performance is aired on AM/FM radio.
4. Sinatra, *supra* note 1.
5. See Shourin Sen, *The Denial of a General Performance Right in Sound Recordings: A Policy That Facilitates Our Democratic Civil Society?*, 21 HARV. J.L. & TECH. 234, 234 (2007) (citing Robert W. Woods, *Copyright: Performance Rights for Sound Recordings Under the General Copyright Revision Act—The Continuing Debate*, 31 OKLA. L. REV. 402, 403 (1978)).
6. See 17 U.S.C. § 102(a) (2010).
7. See § 106(4).
8. For our background discussion purposes at this point, we will ignore the situations in which a record company, pursuant to its recording contract with an artist, may actually be the copyright owner of the performance.
9. See § 106(6); see also § 114(a) (stating that the exclusive rights of the sound recording copyright owner are limited to those specified by § 106(6) and do not include any right of performance under § 106(4)).
10. Public performance via terrestrial AM/FM radio is a form of analog transmission, which is *non-digital*.
11. See § 114(d)(1)(A).
12. Some performers, however, may still claim royalties if they compose their own songs. See Sen, *supra* note 5, at 235.
13. See H.R. 848, 111th Cong. (1st Sess. 2009); see also S. 379, 111th Cong. (1st Sess. 2009). The bill was first introduced in both houses of Congress on Feb. 4, 2009. Its most recent version (which this article hereafter cites to) was reported in the House of Representatives on Dec. 14, 2010. See H.R. 848, 111th Cong. (2d Sess. 2010). The bill’s purpose since its inception has been to “provide parity in radio performance rights under title 17, United States Code, and for other purposes.” *Id.*
14. See H.R. 848 § 2. The Performance Rights Act would achieve this by omitting the word “digital” from § 106(6).
15. See *id.*
16. See http://www.opencongress.org/bill/111-h848/actions_votes (bill approved by 21-9 vote on May 13, 2009 and ordered to be reported).
17. See http://www.opencongress.org/bill/111-s379/actions_vote (bill approved on Oct. 15, 2009 and ordered to be reported).
18. See <http://www.opencongress.org/bill/111-h848/actions> (bill placed on Union Calendar, Calendar No. 405, on Dec. 14, 2010).
19. See <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:HC00049:@@@P> (listing the 263 representatives endorsing the resolution).

20. See <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:SC00014:@@P> (listing the 27 senators who have endorsed the resolution).
21. H.Con. Res. 49, 111th Cong. (1st Sess. 2009); S. Con. Res. 14, 111th Cong. (1st Sess. 2009).
22. See, e.g., The musicFIRST Coalition, available at <http://musicfirstcoalition.org/mission> (declaring its mission to make sure both new and old artists are guaranteed fair pay for air play).
23. See, e.g., National Association of Broadcasters, available at http://www.nab.org/AM/Template.cfm?Section=About_NAB (stating its mission to advocate on behalf of radio stations and broadcast networks).
24. See *Performance Rights Act Bill Introduced in the Senate*, Feb. 6, 2009, available at <http://news.ecoustics.com/bbs/messages/10381/549087.html>.
25. See Ed Christman, *Performance Rights Act Reintroduced to Congress*, BILLBOARD.BIZ, Feb. 2009, available at http://www.billboard.biz/bbbiz/content_display/industry/e3i040c1ac9536ad53cd5b20962dcf8d5b8; see also *House Lion Supports Broadcasters*, RADIO BUSINESS REPORT, Mar. 3, 2010, available at <http://www.rbr.com/media-news/21907.html> (quoting John Dingell's (D-MI) statement at a NAB event: "[I]t seems ridiculous to me to impose a new punitive fee on broadcasters during this time of recession, especially as broadcasters have seen their revenues decrease by up to 40 percent over the past several years.").
26. See http://en.wikipedia.org/wiki/Martin_Luther_King_Jr. Martin Luther King Jr. went to Memphis to rally with and support the cause of the African-American sanitation workers who were on strike there protesting unfair wages.
27. See generally, JOHN LOCKE, TWO TREATISES ON GOVERNMENT (Peter Laslett ed., Cambridge U. Press 1988) (1689). It should be noted that the predominant philosophical framework behind American copyright law is utilitarianism. ROBERT P. MERGES ET AL., INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 390 (4th ed. 2007). Under the utilitarian view, the basic purpose of the Copyright Act is to encourage and reward creative work in order to ultimately derive benefits for the general public good. See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975); see also *Mazer v. Stein*, 347 U.S. 201, 219 (1954). The monopoly rights provided to a copyright holder are intended to motivate and reward creative activity, so as to serve the important public purpose of allowing access to the products of such activity. See *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984). Nonetheless, the vast body of court decisions, legislation, and commentaries on U.S. copyright law contain references to many other viable philosophical justifications for copyright protection, including those of John Locke. See MERGES ET AL., *supra*.
28. *Millar v. Taylor*, 4 Burr. 230, 238 (1769) (emphasis added).
29. See *Aiken*, 422 U.S. at 156.
30. See 17 U.S.C. § 101 (2010) (defining a "sound recording" as a work resulting from the "fixation" of "musical" or "spoken" sounds).
31. See § 102(a)(7) (identifying a "sound recording" as a copyrightable "work").
32. See Dionne Warwick, *Big Radio's Attacks on Me Aren't Surprising*, HUFFINGTON POST, July 29, 2009, available at http://www.huffingtonpost.com/dionne-warwick/big-radios-attacks-on-me_b_247458.html.
33. See Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, 109 Stat. 336.
34. See *id.*
35. In essence, the Performance Rights Act would also make the Sound Recordings Act unnecessary and redundant, since the new Act would apply to all audio transmissions.
36. *Id.*
37. See NAACP Honors Rep. Conyers & Supports Civil Rights for Musicians, SCHOOL BAND AND ORCHESTRA MAG., Aug. 2009, available at <http://www.sbomagazine.com/ME2/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=19DC570E21034441B66E4B9A3474364A>.
38. See http://en.wikipedia.org/wiki/Patrick_Leahy.
39. See Warwick, *supra* note 32.
40. See *id.*
41. These artists, along with several others, signed a GRAMMY Week January 2010 statement encouraging Congress to pass the Performance Rights Act into law. See *GRAMMY Artists Back Performance Rights Act*, <http://www.musicfirstcoalition.org/node/708>. One could expect that a similar petition would garner support during GRAMMY Week of 2011.
42. *Id.*
43. Sinatra, *supra* note 1.
44. Ted Johnson, *Artists hope bill will make radio stations pay*, VARIETY, July 31, 2009, available at <http://www.variety.com/article/VR1118006776.html?categoryId=16&cs=1>.
45. See Roberta Reardon & Kim Roberts Hedgpeth, AFTRA letter to NAACP, July 21, 2009, available at http://www.aftra.org/documents/NAACP_ltr_7-09.pdf.
46. See *id.* See <http://aftra.com/home.htm>. AFTRA is a union with 70,000 members comprised of performers and broadcast journalists, disc jockeys, and other radio station employees. Respecting "the importance of radio to the careers of recording artists, the jobs of [its] broadcast members, and to American culture," and being "solidly committed to the future success of radio," AFTRA is still "confident" that the Performance Rights Act "achieves the necessary balance" between supporting recording artists and protecting broadcast radio.
47. See <http://www.naacp.org/home/index.htm>.
48. See <http://www.lulac.org>.
49. See <http://www.cluw.org>.
50. James Parks, *Dionne Warwick: 'Fair Pay for Air Play' About Economic Justice*, July 30, 2009, available at <http://blog.afcio.org/2009/07/30/dionne-warwick-fair-pay-for-air-play-about-economic-justice>; *CBC vs. Black Radio Over Royalties: Radio One's Cathy Hughes leads the charge against Caucus* [hereinafter *CBC vs. Black Radio*], EURWEB, <http://www.eurweb.com/story/eur55058.cfm>.
51. NAACP endorses bankrupting black radio, July 15, 2009, <http://www.rbr.com/radio/15814.html>.
52. See *CBC vs. Black Radio*, *supra* note 50.
53. See Warwick, *supra* note 32.
54. *RI, Radio Ink, Civil Rights Groups Write to Leahy Opposing Performance Royalty* [hereinafter *RI, Radio Ink*], ROOTS MUSIC REPORT, Oct. 2009, available at <http://www.rootsmusicreport.com/index.php?page=news&id=77>.
55. Dahleen Glanton, *Rift over royalties: A bill to make radio stations pay singers divides black artists, leaders*, CHICAGO TRIBUNE, Aug. 26, 2009, available at <http://www.chicagotribune.com/entertainment/chi-0826-radioaug26.0,310502.story> (emphasis added). This point was made in a statement by Sharpton.
56. *Id.* (alteration in original).
57. See <http://www.soundexchange.com>. SoundExchange is the non-profit performance rights organization that currently is the sole entity in the U.S. that collects statutory royalties from digital audio transmissions of sound recordings, and then distributes these digital performance royalties to the recording artists or record labels who own the recordings.
58. H.R. 848, 111th Cong. § 6 (2d Sess. 2010).

59. See *id.*; 17 U.S.C. § 114(g)(2)(B)-(D) (2010).
60. The controversy surrounding the unfairness and inequities of major record labels' contracts with recording artists is a distinct issue that warrants its own in-depth analysis. The essential unconscionabilities of these record deals implicate their own civil rights concerns that warrant their own focused discussion.
61. Johnson, *supra* note 44.
62. NAACP endorses bankrupting black radio, *supra* note 51.
63. *RI*, *Radio Ink*, *supra* note 54.
64. *Id.* The letter cited statistics of minority broadcast ownership, specifically highlighting the fact that minorities hold about 7% of the licenses and less than 2% of industry asset value.
65. *Id.*
66. *Id.* (alteration in original).
67. See H.R. 848, 111th Cong. § 3 (2d Sess.2010). This section of the bill is entitled, "Special Treatment for Minority, Female, Religious, Rural, Small, Noncommercial, Public, Educational, and Community Stations" (emphasis added).
68. See *id.*
69. See *id.*
70. See *id.*
71. *Id.* Stations grossing more than \$100,000 but less than \$500,000 would annually pay \$2,500. Stations grossing more than \$500,000 but less than \$1.25 million would pay \$5,000. Those grossing in excess of \$1.25 million would pay royalties at the then-applicable statutory rate or at rates negotiated upon with sound recording copyright owners.
72. *Id.* Larger radio stations, i.e. those with gross revenues of \$5 million or more, are granted a one-year grace period.
73. Reardon & Hedgpeth, *supra* note 45.
74. See *supra* notes 27-29 and accompanying text.
75. *Performance Rights Act Passes in Senate Judiciary Committee*, FUTURE OF MUSIC COALITION, Oct. 15, 2009, available at <http://futureofmusic.org/blog/2009/10/15/performance-rights-act-passes-senate-judiciary-committee>.
76. See Press Release, Counterpoint Systems, Fair or Not "The Performance Rights Act" Will Affect More than Artists Royalties (Oct. 24, 2010), available at <http://musicindustryreport.org/?p=27721>.
77. See John E. Mason Jr., *Performers' Rights and Copyright: The Protection of Sound Recordings from Modern Pirates*, 59 CAL. L REV. 548, 574 (1971).
78. See Keith Holzman, *Performance Royalties*, MUSIC BIZ ACADEMY, Aug. 2007, available at http://www.musicbizacademy.com/articles/kh_royalties.htm (noting the U.S. Copyright Office's estimate that American performers lose \$70 million a year in foreign performance royalties).
79. Conyers, Issa Introduce Bipartisan Performance Rights Legislation: Companion Legislation Introduced Today in Senate, Feb. 4, 2009, available at <http://judiciary.house.gov/news/090204.html>.
80. *Id.*
81. See *supra* notes 33-34 and accompanying text.
82. Cassandra C. Anderson, "We Can Work it Out." A Chance to Level the Playing Field for Radio Broadcasters, 11 N.C. J.L. & TECH. ON. 72, 87 (2009).
83. Obama Administration Backs Performance Rights Act, <http://copyrightsandcampaigns.blogspot.com/2010/04/obama-administration-backs-performance.html>.
84. Ed Christman, *Lawyers Call For Performance Rights Act Negotiations*, BILLBOARD.BIZ, Nov. 2009, available at http://www.billboard.biz/bbbiz/content_display/industry/e3ie84e5cd17ae0924c6641358a681a90a0. The Committee Chairs sent a letter to both musicFIRST and the NAB, in which they requested that these key stakeholders enter into negotiations before the legislation is considered on the floor of either House. "The negotiated resolution will be considered by Congress as it takes up passage of this Act."
85. Andrew Noyes, *Judiciary: Panel Approves Bills on Royalties, Generics*, NATIONAL JOURNAL, Oct. 2009, available at http://www.nationaljournal.com/congressdaily/cdp_20091015_1347.php.
86. Warwick, *supra* note 32.

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ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

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Much Ado About New York Museum Deaccessioning

By Amy J. Goldrich

Back in the frothy early to mid-aughts, a now notorious but then little-known street artist staged a series of performative actions that addressed the role of museums. Banksy, disguised in a glued-on beard and a trench coat, was able to install his own artwork in the Metropolitan Museum of Art, the Museum of Modern Art, the Brooklyn Museum and the American Museum of Natural History, all during a single two-week period in 2005 and during each museum's normal hours. The elusive Banksy's rationale, as quoted by *The New York Times*, which in turn attributed the quote to a website dedicated to graffiti and urban art: "These galleries are just trophy cabinets for a handful of millionaires. The public never has any real say in what art they see."¹

Banksy's institutional critique was prescient. Only a few years later, triggered by the financial meltdown of 2008 combined (in more than a few instances) with Bernie Madoff's venal trickery, the issue returned, though in slightly different form, in a newly articulated concern for museum deaccessioning policy. Amid the panic, a number of museums and arts institutions became more open and (perhaps) mercenary regarding what appeared to be an easy solution to their debt problems: selling works from their permanent collections. Most infamous among these crisis-based decisions was that of Brandeis University, which would have sacrificed the extraordinary collection of its Rose Art Museum by selling it off in order to replenish the University's endowment and cover certain operating costs.²

There is certainly nothing like a financial crisis to focus attention on a broad universe of worst case scenarios. The situation at Brandeis and at other unfortunate or mismanaged institutions prompted a response from those in New York who wanted to protect the public trust³ and New York State's museums from the threat of an evisceration, like the one that appeared imminent at Brandeis. Loud voices protested that existing New York law did not adequately protect the public from a looting of its cultural riches.

Yet was deaccessioning really a problem with insufficient legal and professional proscriptions, and with insufficient consequences for those who violated existing laws and rules? Many questioned whether the complaints were correct that museum deaccessioning was really a problem for New York institutions, even considering the dire economic times. New York State already had (and still has) a codified deaccessioning regulation for museums chartered after 1889,⁴ and there were robust self-regulatory bodies with a firm, enforced code of ethics governing the museum world. However, museums established before 1889—a group that includes the Metropolitan Museum of

Art and the National Academy Museum—were apparently restricted only by the rules and guidelines of self-regulating organizations.⁵ To many, this seemed to be a loophole that threatened the integrity of the entire regulatory scheme. As a result, Senate Bill A6959/S4584A (N.Y. 2009), more widely known as the Brodsky Bill, attempted to eliminate this distinction by (1) making all New York collecting institutions subject to legal restrictions on deaccessioning, and (2) regulating the use of funds from disposed items.⁶

The American Association of Museum Directors (AAMD), which, along with the American Association of Museums (AAM), is one of the two key self-regulatory organizations for museums throughout North America, defines deaccessioning as "the process by which a work of art or other object (collectively, a "work"), wholly or in part, is permanently removed from a museum's collection."⁷ The Brodsky Bill, discussed more fully below, defined deaccessioning as "the removal of an item from a collecting institution's collection and on its collection register following procedures that are set forth in the collecting institution's collection management policy and mission statement."⁸ Under AAMD guidelines, "disposal" refers to the transfer of ownership by the museum *after* a work has been deaccessioned,⁹ whereas the Brodsky Bill defines it as "the removal of an item from a collecting institution's ownership by means of its sale, destruction, transfer, lease, gift or any other means."¹⁰

While recognizing that deaccessioning is "a legitimate part of the formation and care of collections," the AAMD imposes a clear and unequivocal qualification on this general statement:

Funds received from the disposal of a deaccessioned work shall not be used for operations or capital expenses. Such funds, including any earnings and appreciation thereon, may be used only for the acquisition of works....¹¹

AAMD members violating this policy risk censure, expulsion and post-expulsion sanctions from the AAMD and its individual members. This is perhaps best illustrated by the case of the National Academy Museum (NAM), which, having been established in 1825,¹² was not subject to the state's deaccessioning law.

In December 2008, word broke that NAM had deaccessioned and sold two Hudson River School paintings for \$13.5 million in order to cover operating, programming and other expenses.¹³ The decision was reportedly made after rejection of a proposal to sell NAM's upper Fifth Avenue townhouse in favor of a less expensive loca-

tion. NAM's director, Carmine Branagan, had no background in art history or museum management, but knew enough to pull NAM's membership from the AAMD and AAM, because both organizations' regulations were clearly violated by the sale of the paintings for the purpose of raising funds to be spent on operating expenses.¹⁴

NAM's withdrawal from AAMD and AAM did not protect NAM from serious and lasting consequences. After reprimanding NAM via e-mail to the AAMD's 190 members—accusing NAM of “breaching one of the most basic and important of NAM's principles”¹⁵—the AAMD further asked its members to “suspend any loans of works of art to and any collaborations on exhibitions” with NAM.¹⁶ NAM, which had not anticipated such a strong and immediate response, found itself both isolated and severely condemned, unable to mount future exhibitions that relied upon loans from other AAMD-member institutions.

Other New York institutions in dire straits also attempted or contemplated deaccessions for the purpose of raising operating funds in deeply cash-strapped times. (Fort Ticonderoga, for example, considered but later abandoned a plan to sell artifacts for prescribed purposes.¹⁷) In December 2008, the New York Board of Regents imposed certain emergency regulations, and in March 2009 Assemblyman Brodsky introduced legislation that was intended to prevent any repeat of the NAM episode by subjecting all museums in New York to the same legal restrictions on deaccessioning. The Brodsky Bill, however, purported to go even farther, by imposing restrictions and mandates regarding the accessioning of works by cultural institutions.¹⁸

The Brodsky Bill attempted to address the situation by promulgating strict conditions precedent to an allowable deaccession.

A collecting institution may deaccession an item in its collection only if one or more of the following criteria have been met:

- (A) The item is inconsistent with the mission of the collecting institution as set forth in its mission statement;
- (B) The item has failed to retain its identity;
- (C) The item is redundant;
- (D) The item's preservation and conservation needs are beyond the capacity of the collecting institution to provide;
- (E) The item is deaccessioned to accomplish refinement of collections

as required by and/or stated in its collection management policy;

- (F) It has been established that the item is inauthentic;
- (G) The collecting institution is repatriating the item or returning the item to its rightful owner;
- (H) The collecting institution is returning the item to the donor, or the donor's heirs or assigns, to fulfill donor restrictions relating to the item which the collecting institution is no longer able to meet;
- (I) The items present a hazard to people or other collection items.

The bill also would have outlawed the collateralization of any item in a collection.¹⁹ These criteria are not identical, though are largely consistent (as far as they go) with the AAMD criteria for deaccession and disposal.²⁰

However, the Brodsky Bill went further than simply articulating standards for deaccessioning, and this is where the bill created the great wave of resistance. The earliest formal opposition was voiced in a letter sent by the Art Law Committee (ALC) of the New York City Bar Association to memorialize points discussed in a meeting between ALC representatives and Assemblyman Brodsky himself.²¹ The letter, dated May 21, 2009, urged caution and detailed the reasons why that caution was critical. For example, many institutions not traditionally thought of as museums would nonetheless be caught in the net of a bill that seemed to define “collecting institution” far too broadly. Furthermore, many institutions possess items that have not formally been accessioned, or have not been individually accessioned. (There are many valid institutional reasons for possessing items that are not accessioned.)²² The letter expressed support for more measured deliberation so that unintended consequences like this did not overtake the good that the bill aimed to achieve.²³

Shortly thereafter, major cultural institutions—including the Metropolitan Museum of Art, the Solomon R. Guggenheim Museum, The Studio Museum in Harlem, Lincoln Center, the Wildlife Conservation Society, and the Whitney Museum of Art—came forward with their own stated objections. The group sent a letter to legislators asking for deferred action on the bill so that museums and other affected institutions would have more time to evaluate and comment upon it.²⁴ Most complaints focused on the fact that the bill, while well-intentioned, created some unintended and negative, if not debilitating, requirements for many New York institutions, such as:

- Each collecting institution shall develop, adopt and publish a collection management policy and mission statement;
- A collecting institution must accession all items in its possession that are consistent with its mission statement and collections management policy; and
- Each collecting institution shall publish a register of items in its collection, such register to be published within three years of the effective date of the legislation.

Debate continued through 2010, when Brodsky and other legislators held roundtable meetings and further discussions with curators and administrators of affected institutions. The battle was depicted as one between “strict constructionists,” who worried that selling art will become an easy go-to solution for any museum experiencing financial trouble, and those who argued that deaccessioning ought only be extremely difficult, but not outright impossible.²⁵

By August 2010, the Brodsky Bill stalled completely, having lost the support of early co-sponsors²⁶ and having been no match for the critiques and pressure brought to bear by the some of the largest and most powerful cultural institutions in the country. Even significant modifications to the bill were not enough. Brodsky complained that without the bill, “the bean counters will triumph, and we’ll see huge amounts of public art privatized.”²⁷ As the bill stalled, the Board of Regents planned to make its emergency regulations permanent,²⁸ but on September 14, it instead allowed the measure to expire on October 8. Confusion ensued as major newspapers reported the decision of the Regents as a move to allow museums immediately to start deaccessioning.²⁹ Even AAM President Ford Bell characterized the Regents’ decision as “disturbing, holding possibly severe ramifications for the museum field.”³⁰ This was of course not the case, as was (and still is) frequently pointed out by numerous commentators who continue to track the issue.³¹

What has happened since? Did the floodgates open? No. Many museums have announced sales of works from their permanent collections, with proceeds generated by any sales earmarked for the acquisition of new works, consistent with AAM and AAMD regulations.³² A reasonable complaint nonetheless is that the deaccessioning institutions have not always been suitably transparent about what they are doing, but there are no allegations that any institution is violating any laws, AAM or AAMD rules, or other art world norms.³³

Museums seem finally to understand this.³⁴ Soon after the New York State Board of Regents appointed a committee of 16 people to serve on its ad hoc advisory committee on museum deaccessioning in early January 2011,³⁵ museum directors began making themselves available to talk about what they are deaccessioning and why,

and to explain what they are buying with the proceeds.³⁶ Perhaps if museum directors remain forthcoming and available for comment about the thoughtful and ongoing process of shaping and refining of their museums’ collections through selective deaccessioning, they may avert the imposition of rules that they believe are unduly burdensome and ill-suited to remedy any problems that might actually exist. Only time and good lobbying will tell.

Endnotes

1. Randy Kennedy, *Need Talent to Exhibit in Museums? Not This Prankster*, N.Y. TIMES, Mar. 24, 2005, <http://www.nytimes.com/2005/03/24/arts/design/24arti.html>. For apparent video documentation of Banksy’s not terribly surreptitious museum activities, see BanksyTV, *Banksy at the Museums!!! ♥♥♥♥♥CULT VIDEO♥♥♥♥♥*, <http://www.youtube.com/watch?v=IW-rt3jyZU8>.
2. In early 2009 leadership at Brandeis University, without consulting the Rose Museum’s director, hoped to find an immediate remedy for a 25% decrease in the University’s endowment and a \$10 million operating deficit by closing the museum and selling off a 6,000 work collection that included work by Andy Warhol, Nam June Paik, and other important contemporary artists. See Roberta Smith, *In the Closing of Brandeis Museum, a Stark Statement of Priorities*, N.Y. TIMES, Feb. 1, 2009, <http://www.nytimes.com/2009/02/02/arts/design/02rose.html>.
3. The phrase “public trust” appears no fewer than 10 times (as both adjective and noun) in the American Association of Museums Code of Ethics, yet is never defined in the document, which can leave one with a sense that it is a concept that may have always been treated as an article of faith never to be questioned. See <http://www.aam-us.org/museumresources/ethics/coe.cfm>. As a result, debate over the meaning of the phrase is sharp: See, for example, Zaretsky, Donn, <http://theartlawblog.blogspot.com/2011/01/tell-me-again-about-public-trust-new.html>.
4. 1996 N.Y. Laws 1132 (amending the education law, in relation to property of the State Museum).
5. Interestingly, after the New York State Board of Regents appointed a committee of 16 people to serve on its ad hoc advisory committee on museum deaccessioning, the *New York Times* reported that the Metropolitan Museum, although chartered before 1889 and therefore technically exempt from New York State’s deaccessioning law, is *not* exempt from all state rules about deaccessioning after all. In 1972, following an investigation into the Met’s sale of certain works of modern art in order to purchase a work by Velázquez, New York’s Attorney General mandated that the Met (a) list in each year’s annual report the total cash proceeds realized from art sales, and (b) itemize any deaccessioned objects valued at more than \$50,000 each. The rule further specifies that if a work has been displayed by the Met at any time during the prior 10 years, the Met may sell those deaccessioned works only at public auction after advance public notice of the sale. See Robin Pogrebin, *The Permanent Collection May Not Be So Permanent*, N.Y. TIMES, Jan. 26, 2011, http://www.nytimes.com/2011/01/27/arts/design/27sell.html?_r=2&src=twrhp.
6. For a complete text of the Brodsky Bill, see New York State Senate, Open Legislation, available at <http://open.nysenate.gov/legislation/bill/A6959A>.
7. ASS’N OF ART MUSEUM DIRECTORS, REPORT OF THE AAMD TASK FORCE ON DEACCESSIONING Preamble 2, June 9, 2010 (hereinafter AAMD DEACCESSIONING REPORT 2010).
8. Brodsky Bill, 2009 N.Y. A.B. 6959 §2(C), 232d Leg. Sess. (2009) [hereinafter Brodsky Bill].
9. AAMD DEACCESSIONING REPORT 2010, *supra* note 7. Deaccession is not the only way in which works may be disposed of by museums.

Museums may also dispose of “false and fraudulent works, or works that have been irreparably damaged or cannot practically be restored.” Removal/disposal of works under these limited circumstances is determined by the museum and may include destruction of the work.” *Id.*

10. Brodsky Bill, *supra* note 8, § 2(D).
11. AAMD DEACCESSIONING REPORT 2010, *supra* note 7, at 4.
12. National Academy Museum & School, History of the Academy, <http://www.nationalacademy.org/pageview.asp?mid=5&pid=100>.
13. ArtInfo, *Museum Deaccessioning Bill Looks Dead in the Water*, ARTINFO, Aug. 11, 2010, <http://www.artinfo.com/news/story/35439/museum-deaccessioning-bill-looks-dead-in-the-water/>.
14. Randy Kennedy, *National Academy Museum Sells Two Hudson River School Paintings to Bolster Its Finances*, N.Y. TIMES, Dec. 6, 2008, <http://www.nytimes.com/2008/12/06/arts/design/06acad.html>.
15. Posting of CultureGrrrl, AAMD Censures National Academy, Calls on Members to End Loans and Collaboration on Exhibitions, http://www.artsjournal.com/culturegrrl/2008/12/aamd_censures_national_academy.html (Dec. 5, 2008 2:46pm).
16. *Id.*
17. Robin Pogrebin, *Bill to Halt Certain Sales of Artwork May be Dead*, N.Y. TIMES, Aug. 10, 2010, at C1, available at <http://www.nytimes.com/2010/08/11/arts/design/11selloff.html>.
18. Some items owned by a collecting institution may not be part of that institution’s actual collection. Only through a process of accessioning may an item become part of the collection. Accessioning, a topic with its own politics, policies and constituencies, is beyond the scope of this article.
19. Unencumbered by AAMD and AAM strictures, in 2009 the Metropolitan Opera used its exquisite Chagall murals as replacement collateral so it could access much-needed cash that had previously secured a loan. Daniel J. Wakin, *Metropolitan Opera Offers Chagalls as Collateral*, N.Y. TIMES, Mar. 3, 2009, <http://www.nytimes.com/2009/03/04/arts/music/04oper.html>.
20. AAMD’s criteria are: (A) the work is of poor quality and lacks value for exhibition or study purposes; (B) the work is a duplicate that has no value as part of a series; (C) the museum’s possession of the work may not be consistent with applicable law, e.g., the work may have been stolen or illegally imported in violation of applicable laws of the jurisdiction in which the museum is located or the work may be subject to other legal claims; (D) the authenticity or attribution of the work is determined to be false or fraudulent and the object lacks sufficient aesthetic merit or art historical importance to warrant retention. In disposing of a presumed forgery, the museum shall consider all related ethical issues including the consequences of returning the work to the market; (E) the physical condition of the work is so poor that restoration is not practicable or would compromise the work’s integrity or the artist’s intent. Works damaged beyond reasonable repair that are not of use for study or teaching purposes may be destroyed; (F) the work is no longer consistent with the mission of collecting goals of the museum. The Board of Trustees or governing body of the museum must exercise great care in revising a museum’s mission or reformulating collecting goals; (G) the work is being sold as part of the museum’s effort to refine and improve its collections, in keeping with the collecting goals reviewed and approved by the museum’s Board of Trustees or governing body; and (H) the museum is unable to care adequately for the work because of the work’s particular requirements for storage or display or its continuing need for special treatment.
21. Letter from Virginia Rutledge, Chair, New York City Bar Art Law Committee, to Hon. Richard L. Brodsky, N.Y.S. Assembly (May 21, 2009) available at http://www.nycbar.org/pdf/report/Museum_Deaccessioning_Brodsky052109.pdf [hereinafter NYC Bar Art Law Committee Letter].
22. For example, the Museum of Natural History complained, “We have 6,000 beetles—why would we want to publish a register that would include each beetle?” Pogrebin, *supra* note 17.
23. NYC Bar Art Law Committee Letter, *supra* note 21.
24. Robin Pogrebin, *Institutions Try to Slow Bill to Curb Sales of Art*, The New York Times, June 23, 2009, <http://www.nytimes.com/2009/06/23/arts/design/23deaccess.html>.
25. See Judith Dobrzynski, *The Art of the Deal*, N.Y. TIMES, Jan. 2, 2010, http://www.nytimes.com/2010/01/02/opinion/02dobrzynski.html?_r=1&ref=opinion.
26. The most notable defection was by Jose M. Serrano, the bill’s original sponsor in the State Senate. Serrano withdrew his support after hearing from cultural institutions affected by the proposal. Serrano was quoted as saying, “We all saw that a one-size fits all approach was not going to work. I didn’t think that we would be able to make wholesale changes to the bill that would make it palatable for everyone.” Pogrebin, *supra* note 17, at C1.
27. *Id.*
28. *Id.*
29. See Posting of Donn Zaretsky on Relax, The Art Law Blog (Sept. 15, 2010, 9:43 p.m.) (referring to *New York Times* and *Wall Street Journal* headlines).
30. See Posting of CultureGrrrl, Deaccession Obsession: AAM’s Statement on Regents’ Reneging on Regs, http://www.artsjournal.com/culturegrrl/2010/09/aams_statement_on_nys_board_of.html (Sept. 16, 2010, 9:09 p.m.).
31. See, for example, The Art Law Blog (Donn Zaretsky) and Real Clear Arts (Judith Dobrzynski).
32. *Id.*
33. See Posting of Real Clear Arts, Cleveland Museum Almost Sneaks Through A Deaccessioning Sweep—Updated, <http://www.artsjournal.com/realcleararts/2011/01/cleveland-deaccessioning-sweep.html> (Jan. 17, 2011, 7:54 p.m.), which contains a nuanced critique of the Cleveland Museum’s deaccessioning activities.
34. Pogrebin, *supra* note 5.
35. Posting of Real Clear Arts, NYS Regents Take One Step Forward On Deaccessioning, <http://www.artsjournal.com/realcleararts/2011/01/nys-regents-and-deaccessioning.html> (Jan. 5, 2011, 9:59 p.m.).
36. Pogrebin, *supra* note 5.

Amy J. Goldrich, whose practice predominantly serves those in the contemporary art world, focuses on transactions, litigation and private client representation. She is admitted to practice in both New York and California, where her clients include collectors, artists, dealers, art institutions and other related businesses. She heaps great thanks upon Virginia Rutledge, former chair of the Art Law Committee of the New York City Bar Association, for editorial help with this article.

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

January 24, 2011

Hilton New York

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Sotheby's Institute of Art
New York City

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Stephen B. Rodner, Esq.

Pryor Cashman LLP
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NAZI-ERA RESTITUTION: RECENT CASE DEVELOPMENTS

Moderator: Judith A. Bresler, Esq.

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Simon J. Frankel, Esq.

Partner, Covington & Burling LLP
San Francisco, CA

Panelists:

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WHOSE LIFE IS IT ANYWAY?—LIFE STORIES IN MEDIA

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Partner, Pryor Cashman LLP
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Richard M. Roberts, Esq.

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Panelists:

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William Morris Agency Inc.
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Robert C. Harris, Esq.

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Judith Prowda

MS. JUDITH PROWDA:

Good afternoon everyone. I'm Judith Prowda, I'm Chair of the Entertainment, Arts, and Sports Law Section of the New York State Bar Association. Welcome to members of the New York State Bar Association, EASL, students, guests, members of the public and press. This is our Annual Meeting, and I welcome you here.

Before we begin today's proceedings we have an important order of business. First, House of Delegates. Our House of Delegates Representative Bennett Liebman has reached his four-year term limit and has served admirably. I would like to nominate former House of Delegates Representative and Co-Chair of EASL's Legislation Committee Steve Richman to serve another term, which would begin on June 1, 2011 and run until May 31, 2013. The Executive Committee of the Entertainment, Arts, and Sports Law Section has supported my nomination. I would like to put it to the Section for a vote. May I have a motion?

MR. BARRY SKIDELSKY: I'm Barry Skidelsky, along with Pam Jones Co-Chair of the Television and Radio Committee, and I move that we adopt that proposal.

MS. JUDITH PROWDA: Any seconds? Thank you very much. Let's call a vote then. All in favor? Any opposed? Okay, unanimous.

Second order of business, Monica Pa, our Secretary, has tendered her resignation due to work in Los Angeles. I would like to thank Monica for her excellent service as Secretary. I have nominated Pamela Jones to serve the remainder of my term as Chair, which will end on January 31, 2012. Pamela is one of EASL's founding members. I would like to put it to the Section for a vote. First I would like a nomination. Second? I would like to put this to a vote. All in favor? Opposed? Unanimous, thank you very much.

Now I would like to highlight some of our outstanding programs and initiatives in 2010 and to tell you about our exciting plans for the coming year. These items are at the core of our Section, and the reason many of you have joined EASL in the first place and remain active throughout your career. I am pleased to report that as of December 31st our membership reached its all time high, 1,694 members. We have organized a membership drive beginning today with the goal of hitting 2,001 members, which would entitle us to an additional delegate in the House of Delegates. Our Vice

Chair Rosemarie Tully will provide the details about the membership drive in a few minutes. It's exciting because the winner will receive a cash prize of \$500.

As I've announced last year, one of my top priorities as Chair has been to involve EASL membership throughout the state, some of whom have traveled great distances to be here today. I am pleased that we welcome District Representatives for all 13 Judicial Districts in New York. So please get in touch with your District Rep.

Pro Bono continues to be one of the highest priorities of the New York State Bar Association and EASL. Our Pro Bono Committee is working hard under the guidance of our Steering Committee comprised of Elissa Hecker, Philippa Loengard, Carol Steinberg, Monica Pa, and Kathy Kim. Last fall the Pro Bono Committee, Co-Chaired by Carol Steinberg and the Fine Arts Committee, which I Chair, organized a unique program at Creative Time, the public arts organization, and the specific legal issues surrounding the creation of public art projects. Carol and I served as co-moderators on this panel.

The Pro-Bono Committee has also held clinics throughout the year and will be holding a day long program on dance next month with the New York Foundation for the Arts, working closely with Peter Cobb, who is with us today.

I formed the Lawyers in Transition Committee, Co-Chaired by Saryn Leibowitz and Leila Amineddoleh, which has started a job bank for EASL members and has held several breakfast meetings in navigating the job market.

Last spring I created the In-House Lawyers Committee Chaired by Kim Shariff, which has organized a number of programs for in-house entertainment lawyers and attorneys interested in going in-house.

Our Fashion Law Committee, Co-Chaired by David Faux and Cathy Mitchell, started a fashion law newsletter and held numerous lectures. Our Young Entertainment Lawyers, Kathy Kim and Stephanie Khalifa, and our liaisons from the Young Lawyers Section, Ezgi Kaya and Jason Aylelsworth, also held a sold-out program on "Speed Networking."

Our Litigation Committee, Co-Chaired by Paul LiCalsi and Stanley Pierre-Louis, held a program on The Practical Implications for Copyright Litigations Following *Salinger v. Colting*, in which the Second Circuit did away with the presumption of irreparable harm which copyright plaintiffs formerly enjoyed when seeking a preliminary injunction. Paul LiCalsi moderated this program.

Our day-long fall program with CMJ Music Marathon and Film Festival, Chaired



by Rachel DeLetto, was a resounding success for the fifth consecutive year. A few days later we held another day-long program in collaboration with the Dispute Resolution Section, which focused on Mediation and Arbitration in the Entertainment and Arts Fields. ADR Committee Co-Chairs Judith Bresler and I organized this program.

In late fall, the Theatre and Performing Arts Committee, Co-Chaired by Diane Krausz and Jason Baruch, held a program on Everything You Need to Know About Contracts Among the Dramatists, Developmental Theatre and Commercial Producers, specifically in the context of developing a stage production from commission by not-for-profits through to Broadway.

Turning now to publications, we have several. Our publications include books, a *Journal*, which is published three times a year, and a blog. This past year we published a book *Counseling Clients in the Digital Age, A Handbook For Lawyers*, edited by Kathleen Conkey, Elissa Hecker, and Pamela Jones. Our *Journal* continues to thrive in large part due to our devoted Editor Elissa Hecker, and to all of you contributors. And our blog, also edited by Elissa, has truly taken off with regular postings on the latest developments in the law. It is often the number one most visited blog of the New York State Bar Association. These are but a sampling of outstanding programs and initiatives for 2010.

What lies ahead? We have exciting plans for the winter and spring seasons, beginning with a program on Publicity Rights of Sports Celebrities and Computer and Fantasy Sports Games organized by Barry Werbin, Ned Rosenthal, Ayala Deutsch, Matthew Pace, and Kathleen Wu. In March, Christine Pepe, Co-Chair of the Music and Recording Industry Committee, is organizing a program.

For our spring program in May, Mary Ann Zimmer, Co-Chair of Motion Pictures, and Tracy Greco, programs Co-Chair, are organizing our biennial Update on Entertainment Law given by Stan Soocher.

Our TV and Radio Committee Co-Chairs Pamela Jones and Barry Skidelsky have so many programs planned that I told them that they should start their own TV series.

Mark your calendar now for our Annual Sports Law Forum on April 1st with Fordham, Chaired by Anthony Dreyer.

Finally, I'm organizing a behind-the-scenes visit to Sotheby's auction house in the spring. And in just a few moments we will begin our Annual Meeting, comprised of two panels. Our first panel, Nazi-Era Art Restitution: Recent Case Developments, will address recent cases brought by heirs of Holocaust victims concerning ownership of artworks claimed to have been looted or sold under duress during the Nazi era. When the art resurfaced often decades later in the hands of museums, collectors,

galleries, and auction houses, ownership disputes have raised complex procedural substantive and policy issues. Program Co-Chairs Carol Steinberg and I organized the first panel and were assisted by our Law Student Liaisons Elisabeth Conroy from Syracuse and Irina Tarsis from Cardozo.

Our second panel, "Whose Life Is It Anyway?"—Life Stories in Media, will focus on legal transactional issues and recent cases that deal with depiction of life stories of real people as portrayed in entertainment media, including film, television, theatre, books, and social media.

Program Co-Chairs Diane Krausz and Steve Rodner organized the second panel and were assisted by our Law Student Liaison James Freedman from Brooklyn.

In closing, I would like to extend an invitation to all of you to our cocktail reception immediately following today's proceedings. It will be held in the Mercury Rotunda on this floor, the third floor.

I now turn the podium over to our Vice-Chair Rosemarie Tully, and then to our Co-Chair of the BMI/Phil Cowan Memorial Scholarship Committee Judith Bresler, who will announce the winners of this year's EASL/BMI Scholarship.

Carol Steinberg will introduce the first panel and Diane Krausz will introduce the second panel. I hope that you enjoy today's very full program, and look forward to seeing you at the break and the reception. Thank you very much.

MS. ROSEMARIE TULLY: Welcome, I am here to just give you a brief overview of our Member Get a Member Campaign. The State Bar Association, for the last three years, has done a membership outreach program, sort of a challenge to the State Bar as a whole and to each Section, to increase their membership 10 percent. Each year we have increased and now we are 305 or so shy of 2000, 2001 members. So now we are opening it up to you, our Section membership, to join in the recruitment effort with a Member Get a Member Campaign. If you recruit five or more new members you get a free CLE from the Section, the Entertainment, Arts, and Sports Law Section. If you recruit more than 10 members you get this Annual Meeting CLE free, which is a nice deal. And if you are the one with the most recruits, over 10, you get the grand prize of \$500.

In order for your recruits, the people that you've referred to join the Section, in order for that to qualify, if you look at the second page, you need to make sure that you put in on the upper left hand side, your name as the referral for the new member. You can write your name in on the second page, scan it in, email it to folks that you think might want to join the Section and make sure that they either fax or mail it to the State Bar Association. The State Bar will keep track of all the referrals.

The Member Get a Member Campaign will run from today through May 6, 2011 (and has been extended to June 15, 2011). So hopefully at our Spring Meeting we will be able to announce the winners. But those of you who get the level of recruits to either get a free CLE or to be the grand prize winner will be notified directly.

Just one more point. If you have any questions about the campaign, you can email me, Rosemarie Tully rosemarie@tullylaw, it's on the instruction sheet, as well as my Membership Co-Chair Jessica Thaler, at jessicathaler@gmail.com. So both of our emails are on the first sheet, so if you have any questions, please don't hesitate to send us an email. And good luck, happy recruiting. Thank you.

MS. JUDITH BRESLER: Will my Scholarship Co-Chairs Barbara Jaffe and Gary Roth come up please? For those of you who are not aware of it, the BMI/Phil Cowan Memorial Scholarship was created six years ago in memory of a beloved colleague, Phil Cowan, who was one of the Founding Chairs of the Section, and died precipitately from brain cancer. To keep his memory alive we created a scholarship, it's a writing competition that is open to all accredited law schools in New York State, as well



Judith Bresler

as a number of other law schools on a rotating basis selected by our partner, BMI, in this venture, for students to write an article either on an area of entertainment, art, sports law, or copyright law. And each year we have a Scholarship Committee that is comprised of members of the Executive Committee of EASL who judge the papers and award two scholarships to two students who have deserving submissions.

This is our sixth year of the Scholarship. We've had fabulous submissions. And I'd also like to extend a special thank you to the service of the Scholarship Committee who was really dragooned into reading the papers, and I thank you for all of your wonderful efforts, as well as giving a thanks to all those who submitted. And now it is our pleasure to award the scholarships to the deserving students.

HON. BARBARA JAFFE: I am very pleased to make a presentation of the Phil Cowan Memorial Scholarship to Glen Cheng for his winning article, "Copyright and Modern Art: A Readymade Solution." Mr. Cheng, Glen Cheng was the first student to enter the joint JD/MD program between Rutgers Law School-Newark and UMDNJ-New Jersey Medical School. He received his Bachelor of Science in biology from the College of New Jersey in 2005, his MD

from New Jersey Medical School in 2009, and will graduate with his JD this May.

After graduation Glen will be clerking for the Honorable Robert Kugler in the District of New Jersey. Glen gives thanks both to John R. Kettle, III for his enthusiastic teaching of copyright law, and to Carol A. Roehrenbeck for teaching and promoting the visibility of art law at Rutgers. Congratulations Glen.

MR. GARY ROTH: The other winning paper this year was entitled

"The Performance Rights Act: Finally Recognizing a Musician's Civil Right to a 'Fair Day's Pay for a Fair Day's Work.'" The author was Sohail Itani. Sohail, would you come up? Are you



Gary Roth and Judith Bresler

here? Sohail is a third year student at St. John's University, serving as Articles Editor on *The Journal of Civil Rights and Economic Development*, and is V.P. of Operations for the Entertainment, Arts, and Sports Law Society. He received an undergraduate degree in General Business from the University of Maryland and achieved his dream of studying law in New York by way of St. John's providing him with a full tuition academic scholarship. Sohail is particularly interested in practicing Entertainment/Intellectual Property law and/or Tax, and is interning this semester at CBS College Sports; congratulations.

MS. CAROL STEINBERG: It is my pleasure to introduce the esteemed moderator and members of this first panel. Judith Bresler, who will moderate the panel, is Counsel to Withers Worldwide, where she represents clients in all areas of the art market. And aside from authoring other books and publications, is co-author of the award winning treatise *Art Law: The Guide For Collectors, Investors, Dealers, and Artists*, acclaimed by *Forbes Magazine* as the "Industry Bible." Donald Burris, Senior Partner in Burris, Schoenberg & Walden, has been actively involved in national and international business law since 1970. He has devoted a considerable amount of time to the pursuit of looted art stolen by the Nazis.

Howard Spiegler, Co-Chair of Herrick, Feinstein's International Art Law Group, has been involved in several well-known litigations to recover stolen artwork, including the famous *Wally* case, which resulted in the recovery of the full value of the painting to the estate.

Ray Dowd, Partner at Dunnington, Bartholow & Miller, Author of the *Copyright Litigation Handbook*, and

currently the Copyright Litigation blog. He represents the heirs of Holocaust survivors and several high profile and important litigations.

Simon Frankel, Partner in the San Francisco office of Covington & Burling, focuses on copyright and trademark litigation, technology disputes, and art law. He has represented the Museum of Fine Arts Boston in various cultural property disputes.

And Lucian Simmons is a Senior Vice President of Sotheby's in New York and the Head of Sotheby's Worldwide Restitution Team. He has been involved in art restitution and provenance issues since 1997 and has been involved in the resolution of claims to artworks worth in excess of \$250,000,000.

MS. JUDITH BRESLER: Thank you Carol. On January 7, 1998 the Museum of Modern Art was served with a Grand Jury Subpoena for the painting *Portrait of Wally*. And so began modern Nazi looted art litigation. The settlement of *Wally*,¹ Howard's case, which he'll address, spurs aggrieved original owners to soldier on with their restitution efforts. And the seizure of this painting in the course of its litigation by U.S. Customs under federal warrant shocked the international art world and was instrumental in spawning a renewed worldwide interest in examining both the process of Nazi looting and various governments' post-war restitution policies, policies which generally fell short.

And so in 1998, starting with the Washington Conference Principles on Nazi-Confiscated Art, with 44 nations, including us, adopting the Washington Principles, and over the next decade, including the 2009 conference in Prague giving rise to the Terezin Declaration with 46 signatories, governments reached consensus on non-binding principles calling for cooperation among its signatories in tracing looted art for more stringent provenance research publicizing the un-restituted art, promoting the legitimacy of its restitution, taking steps to expeditiously achieve a just and fair solution, and with Terezin, to resolve cases on the facts and merits.

At the same time, museum organizations, the Association of Art Museum Directors, the American Association of Museums, the International Council of Museums, adopted their own non-binding codes of ethics for member museums for such art in their collections. But even so, there's been pushback, certainly in the United States from current possessors, whether the possessors are private parties or museums. Pushback in the form of possessors initiating lawsuits to quiet title and raising technical defenses like statute of limitations to preclude resolution of the cases on their merits. Resolution which could have perhaps clarified certain issues, such as what during the Holocaust constituted a "fair sale."

The first such declaratory judgment case, *Benningson v. Alsdorf*,² Don's case, which he'll address, began as

a civil replevin suit in 2004 by the heir of the aggrieved original owner and subsequently involved the filing of a declaratory judgment action by the current possessor of the work, which is a Picasso, to quiet title.

Then in 2006 and 2007, the Toledo Museum of Art, with the Gauguin, and the Detroit Institute of Art, with the van Gogh, each sued to quiet title in response to ownership claims asserted by the heirs of aggrieved original owners. In each case, the museum won on grounds of statute of limitations.

The Museum of Fine Arts in Boston is another winner on summary judgment in an action that it filed to quiet title in a claim to a Kokoschka painting asserted by the sole heir of the rightful family. The Museum won on statute of limitations and we'll hear from Simon Frankel, who represents the MFA about this case.

Another declaratory judgment suit, *Bakalar v. Vavra*,³ which progress will be addressed by Ray Dowd, representing the aggrieved original owners' heirs. Ray successfully appealed a choice of law ruling causing the Second Circuit to hold based on an interest analysis that New York law, rather than Swiss law, should apply in this case.

And finally, Lucian Simmons, Worldwide Director of Restitution at Sotheby's, will discuss Sotheby's policies with respect to provenance research and other processing by Sotheby's of possibly tainted objects offered to Sotheby's for sale.

And now the ground rules, and if any members of the press are here, welcome. Each panelist has 20 minutes to speak on the cases I mentioned as well as some other cases. This will be followed by a 10 minute general Q & A, so please hold your questions to the end. And now let's get started. Don.

MR. DON BURRIS: I'm very glad to be here; I thank the organizers for putting together such a good program, the Section for such a nice turnout. Well worth coming in from Santa Monica. I cannot quite justify the fact that the temperature difference is about 60 degrees today, but I'll do my best in that regard. And I did grow up right across the Brooklyn Bridge, so there's a bit of nostalgia, and perhaps I can remember what it was like in the old days.



Don Burris

Since I'm the first speaker and I'm not certain the level of experience any of you have had with these kinds of subjects, let me just start out by kind of framing the subject. We're talking today about Nazi looted art, and

we are not talking about some high level Nazis who on occasion would go in, steal an expensive painting, sell it for their own benefit, or keep it on their walls. We're talking about the systematic looting of Europe's cultural traditions. We're talking about the Nazis going right into countries, and as part of the organized program, making sure that they carted away valuable paintings, other things as well, although this panel primarily is involved with paintings and paintings are—the word easy is a bad word—but paintings are easier basically to get back than a piece of jewelry that might have belonged to somebody's uncle or something like that.

But in any event, we're talking about something that was a matter of conscious policy by the Nazis. Why did they do this? Greed, obviously. Hitler was a failed artist as you may know. Maria Altmann, my client in the case that I'm going to tell you about in a couple of minutes, who is just a wonderful woman in her 90s⁴ was saying one day, “it's really too bad that Hitler failed as an artist, because maybe he would have had a different career and gone to the public and made himself famous, as opposed to the tragic consequences of his life.”

But Hitler being a failed artist thought he knew a lot about art. Goering wanted to emulate Hitler and so they vied with each other, and Goebbels, in trying to seize art and they were very successful at it. The Nazis were inveterate record-keepers, so they made a record of virtually every piece of art that they stole. They used in many cases French dealers that were in existence at the time because after the Nazis took over France, they were able to be in a position where they were able to use those dealers as middle people, and they had a flourishing business and collection during the war.

There were other motivations, of course; there was an anti-Semitic tinge to it. There was this feeling among the Germans that they kept expressing about being a super race and the like. But basically this was very systematic.

Now, I have entitled my section of the presentation “From Tragedy to Triumph.” The tragedy is unfortunately too well known. And there's no way that any of us can stand up here and talk about some of the cases that we've actually been fortunate enough to be victorious in and not remember the tragedy of the Holocaust. And there's no way recovering a painting for a family can fully make up for everything that that family suffered during the Holocaust, including death of relatives, and just their lives even if they lived, their lives being just torn asunder. But in a small way we try to do what we can to make things right. And there's a feeling sometimes that we're kind of getting back at the Nazis even at this late date in



a way that we can do it, it's the only thing we can do right now in terms of doing it. And I cannot tell you the expression on Maria Altmann's face when she was told that the U.S. Supreme Court said she can proceed with her case. It was priceless in terms of everything that was done. And that's the kind of satisfaction you get.

Is it easy? These cases, as I'm going to show you in a minute, are very tricky, they are very difficult.

We even have people on the panel who may in fact be defending the possession of paintings based on what they feel a legitimate defense is.

So in many cases, Judith told you a little bit about *Wally*, and Howard will tell you the details and how many years it took. Maria Altmann's case took eight years. The *Benningson* case didn't take quite as long, but it certainly represented a procedural mess in terms of what happened. There were cases filed in state courts, in federal courts in Illinois and California.

And of course in *Altmann*, we ended up with two relatively formidable opponents, one was called the Government of Austria, and the other one was called the Government of the United States. And so it was not an easy task, we're proud that we were able to do it, and mostly we're happy for Maria.

Let me show you—I thought a visual, since we are talking about art, and we are talking about specific instances where we had to deal with looted art. Let me show you some slides which I picked out which are representative, I believe, of the era and then our work.

The first one is the front page from a book called the *Monuments Men*. Not a well known story necessarily, a book that came out relatively recently. But the United States Armed Forces had a specific Section that went through occupied Europe when we took the areas, and retrieved paintings. Some of the people involved were people who had backgrounds. They were curators, they were art students, and the like. And some people were just ordinary soldiers who were intrigued by the level of work that they were doing. And some were draftees who were assigned to the task. But it's a very interesting story talking about allied heroes and the greatest treasure hunt in history. They've done some amazing things in terms of what happens. So there are good guys at the same time the bad guys are stealing the paintings.

This is one example of Hitler's preoccupation. Here he is at the Haus of German Art in Munich. These early photos by the way are matters of public record from National Archives, you can see them on the Internet. They

are kind of interesting in terms of showing what goes on. You can see his fascination and preoccupation with it.

Hitler had a master plan to ultimately have a special art museum in Linz in Austria; he was from Austria at the time, and that was a background. There's Eisenhower and Bradley inspecting some of the paintings that were retrieved.

It was interesting, as hard as we were fighting and as important and preoccupied as we were with fighting, generals up to Eisenhower were interested in this task because they understood that part of the restoration of the countries that we were freeing involved the restoration of their cultural treasures and their self respect in that regard.

Here's a Monet discovered in the vault. Paintings were discovered not just on the walls of art houses in Paris, paintings were discovered in salt mines. Paintings were discovered in farmhouses just behind the retreating troops and the like. And many of them as I said were up in the French areas and they were in the process of or had been cataloged at the time. There's amazing stories which I have no time to get into right now. If you haven't seen it, please take a look at the "Rape of Europa," which is the whole story of what was going on at the time. It's a very interesting movie that has been on public television, actually in the theatres for a short period of time. Here's a Rembrandt. Here's myself and my partner at the Supreme Court, a little bit of home movie.

Let me go to the first major case that I'm talking about today, the Maria Altmann case, and let me give you some background. You may have read about this, it got a lot of publicity at the time.

Gustav Klimt was and is a major artist in Austria. Some people call him the da Vinci of Austria, if you like. I'll do my best to talk about him and come back to him. Anyway, Gustav Klimt was and is considered to be one of the leading, if not the leading, artist from Austria. At the time that Gustav Klimt was painting, which was the early part of the 20th century, Austria was very much high culture and high society and the Jewish part of that was very prevalent in terms of participation by Jewish people and also Jewish artists, and Freud, and Schönberg, and other people like that at the time. Well, Klimt, like many other struggling artists, had a patron and patroness, and they were Mr. and Mrs. Adele Bloch-Bauer. And he painted Adele several times. This is the most famous painting, this is called the *Gold Painting*, and it was one of five paintings that we ended up suing for. I'll tell you about the lawsuit. And he gave the couple the five paintings so that they could be in a position where they could have something from his work and something to remember that he had done in that regard.

He also gave them another, *Portrait of Adele*, which is a little more Asian in style in terms of background and the like, also famous, not quite as famous as the *Gold Painting*. And he gave them some landscapes which actually are very nice. He gave them the three landscapes, and they remained with Mr. and Mrs. Bloch-Bauer in their palatial house in Vienna. Mrs. Bloch-Bauer died very young in the 1920s of natural causes, and Mr. Bloch-Bauer was devastated, they had no children.

Just to put Maria in context, Maria was the niece who used to come to the house to visit on Sundays, so she knew where the paintings were. You talk about a perfect client to testify at a deposition: "It was on that wall and those marks there indicate that that was the *Gold Painting*"—in any event, these paintings remained in the Bloch-Bauer house, and Mr. Bloch-Bauer created a kind of shrine to those paintings at that time.

The Nazis came in in 1938 and we had, of course, the Anschluss, which was the unification with the Nazis. Interestingly enough, in some of the papers filed in our case, the Austrians took the position that they were victims of the Nazis. If you read history or you look at newsreels or anything else like that, there really were some victims in terms of what's happening there. But in any event, the Austrians came in, Mr. Bloch-Bauer fled, and he fled to Switzerland without his paintings, without virtually any possessions. He tried to get the paintings back because he had set up certain trusts with banks that had offices in Switzerland and they told him, "No. It's being controlled by the Germans, we can't do anything about it, we can't get anything back for you."

He lived out the war in Switzerland; meanwhile Maria and her two siblings had come to North America. Maria lived in California. One of the siblings lived in Toronto. And basically they had come here for a new life. Maria actually had to get her husband out of Dachau at the time; it was really a very, very difficult task.

After World War II, Mr. Bloch-Bauer is dead, and the family tries as hard as they can, they hired Austrian lawyers, they did what they could to bring back the paintings. They said to the Austrian government, "You have the paintings somewhere, please send them back to us. You know, you have a law that says—Judith alluded to some of these laws but—you have laws that technically and theoretically say, these paintings should be given back to the rightful owners. And the Austrians, to make a long story short, refused to do that, insisted that if they're going to take any paintings that they take paintings of lesser value. And so they took lesser value paintings, and kind of insisted they release the rights to the other paintings. They also had a bunch of cover stories which I'll tell you about in a second.

In the 1970s, I'm skipping way ahead because this story goes way ahead—the United States enacted a modi-

fied version of the Foreign Sovereign Immunities Act. And in that Sovereign Immunities Act there were lots of restrictions on suing foreign institutions, but there is carved out an exception called the expropriation exception, when something is done illegally, per se illegally, and you can establish it, for instance a Nazi government was considered to be taking illegal actions with all of this. And so under that expropriation clause people were at least thinking about trying to do something about what the Nazis had done.

The first thought was go to Austria, let's sue there, we don't have to worry about enforcement in an American court. There's a statute there, they technically will entertain our suit, let's see what happens. My partner Randy spoke German, let's see what we can do in Austria. So we filed a motion in the Austrian court and the Austrian authorities had a requirement that if you were going to sue you had to put up as a kind of irrevocable security the value of what you were suing for. So obviously if we were told to do that, Maria couldn't get into the court, because she wouldn't have anything near the millions and millions of dollars the paintings were worth. It was appealed to the Austrian courts, and another Austrian court on the appellate level said, "You know what, we're going to be benevolent, all you have to do is put up all your assets." And the Austrians, being equally benevolent, said, that's bullshit, we've got to go back to the original one. When that happened Maria and we all said, "We're getting out of here. Where are we going to go? California." That's where I went 35 years ago, you know, land of opportunity.

We went to California, we filed in the federal district court, we got jurisdiction based on the fact that Austria had travel brochures that they advertised in and there were pictures of the paintings in the travel brochures. We had a wonderful district judge who ruled in our favor. We ended up getting a decision out of the Ninth Circuit that was positive. We ended up—the Supreme Court said we were right on the Sovereign Immunities Act. And then we're back in the district court. We made a very complicated decision to go to an Austrian arbitration and we won that, three-nothing. Our arbitrator, one selected by us, and one selected by the Austrian lawyers. We won that one and then ultimately the paintings came back. One was sold. The *Gold* went for \$135,000,000, the other four were sold at auction at Christie's for \$190,000,000. The family felt very good. And there's a lot of good authority in there with regard to the possibility, at least, of suing an entity, suing a foreign entity. We split Scalia and Thomas, which is not a small task in terms of what you do.

Benningson was a case we had to bring in the state courts because we didn't have full diversity. We had to sue the owner who lived in Chicago, but we also had to sue the dealer who lived in Beverly Hills. We lost at the

first level in a wacky decision. Remember the last one in jurisdiction? This is wacky, no jurisdiction. You brought the paintings to California, you tried to sell them, they were here for seven or eight months. The State Court of Appeals upheld her, and now we're in the State Supreme Court. The State Supreme Court voted unanimously to take the case. Before that could happen, the U.S. government filed a federal court suit to recapture the paintings. We went to a federal court magistrate, we ended up settling the case. We got \$6,500,000 for the client. The client was a law student, and strangely enough he dropped out of law school after he got his recovery; I'm not sure exactly why.

Everything that I would have said, I'm sorry if I rushed this a little bit, is in the materials. It's a wonderful area to be working in. The kinds of people on the panel are the kinds of people that I really enjoy working with. And if any of you feel cynical about practicing law, just think about areas like this where we're really doing something for the humankind in addition to trying to be good lawyers. Anyway, is that it?

MS. JUDITH BRESLER: You have a couple of minutes.

MR. DON BURRIS: I have a couple of minutes, okay. *Benningson* that I started to tell you about, *Benningson* is an example. We went up through the state court ranks, we lost on jurisdiction. We found out afterward that the state court judge, who shall remain nameless, was actually a political ally of one of the lawyers in the case in terms of what had happened there. And we always wondered about that decision. We actually moved to disqualify because that hadn't been told to anybody, and that was rejected in terms of what happened there.

The appellate court decision is kind of silly because the appeals court basically said, "All this happened 60 years ago, what are you doing here"? Well, in *Altmann* it's a totally different rationale. What we're doing here is dealing with a legal right to replevin—it's a basic doctrine, no thief has the right to pass along good title to anyone, no matter how far down the line you go. Anybody can sue subject to things you'll hear about today, statute of limitations, and other things like that that are beyond the discussion here.

But the Illinois counsel for the woman opened a separate federal court action. So they were trying to deal with it in Illinois. We stopped that, at least stayed it, while everything was pending here and we were very lucky, because we got the U.S. Attorney General's office to file a federal court suit that ended up in a result. One little footnote on that that takes one sentence, the person who filed it was a Japanese American citizen, this by the way is a Picasso painting, was a Japanese-American citizen who said, "You know, I read about this case, my family was interred in a Japanese-American concentration camp.

I don't like suffering of any minority group, I want to try to help your client." And that was the genesis of it, simple as that. Okay?

MS. JUDITH BRESLER: Fabulous. Howard.

MR. HOWARD SPIEGLER: Good afternoon. In January 1998 and then again in



Howard Spiegler

September 1999, the international art world was shocked into recognition of an immense problem that had lurked beneath the surface for some 65 years.

An Egon Schiele painting *Portrait of Wally*, depicted here, which had been loaned for exhibition by the Leopold Museum in Vienna to the Museum of Modern Art here in New York, was seized by

American law enforcement authorities. First by the District Attorney of New York County Robert Morgenthau and then by the United States Customs Service working under the direction of the Asset Forfeiture Unit of the United States Attorney's Office for the Southern District of New York.

Our client, the Estate of Lea Bondi Jaray, claimed that the painting had been wrongfully taken from her in Vienna in 1939 by a Nazi agent and never returned. Therefore the state and then the federal authorities alleged that the *Wally* was stolen property wrongfully imported by the Leopold Museum into the United States and specifically New York State.

This seizure of the loaned artwork at MoMA by American authorities sent shockwaves throughout the world and was a major factor in causing governments, museums, collectors, and families of Holocaust victims to refocus their attention on Nazi looted art.

As a result, many artworks and other cultural property have been the subject of numerous disputes over the more than 10 years since the *Wally* seizure, with many successful recoveries, as well as disappointing dismissals of lawsuits usually on technical procedural grounds. But the litigation that essentially started it all to recover this painting went on throughout this long period and was only resolved last summer.

I and my colleagues at Herrick Feinstein represented the Estate of Lea Bondi Jaray throughout this litigation. In the limited time that I have here today I will briefly describe the basic facts and procedural aspects of the *Wally* case and then mention some of the major consequences of the case and its settlement. The key decisions in the case covering a host of complex issues and indeed the stipula-

tion of settlement itself are all included in your written materials.

So here are the basic facts. Mrs. Bondi Jaray was a Jewish art dealer in Vienna who fled for London in 1939 after her gallery was Aryanized by a Nazi agent. Days before she left Vienna she was also forced to surrender one of her prized personal possessions kept in her home, this haunting portrait by Egon Schiele of his lover and favorite model Wally Neuzil.

After the war, *Wally*, which was among the thousands of looted works recovered by American and other allied troops, was mistakenly mixed in with the artworks of another collector, Heinrich Reiger, who had perished in a concentration camp. *Wally* was transferred by the American military along with Reiger's artworks to the Austrian government, for it was the policy of the U.S. Government to return all works they had recovered from the Nazis to the governments of the countries where they were located when they were looted.

And Austria, in the dawn of the Cold War era, was treated by the United States as a victim of Nazism, as Don mentioned, rather than as an ally of Germany during the war, which of course it was. So these artworks were returned to Austria in the same way that other artworks were returned to France and the Netherlands, for example, and other "true" allies of the United States. The idea of course was that these governments would be responsible for returning these works to the original owners from whom they had been looted. *Wally*, however, ended up at the Austrian National Galerie in the Belvedere along with the works that the Reiger family had decided to sell to the Galerie, despite the fact that *Wally* clearly had never been part of the Reiger collection, a fact well known to the Austrian Museum and the other responsible officials of the Austrian government.

So in the mid 1950s Mrs. Bondi Jaray in London asked a visiting Schiele collector, Rudolph Leopold of Vienna, to help her get her painting back from the Belvedere. Instead, however, Leopold arranged behind her back to acquire it himself and then refused her later demands to return it to her. Mrs. Bondi died in 1969 never having recovered her beloved *Wally*.

Eventually Leopold established the Leopold Museum in Vienna and *Wally* became part of its collection. In the 1990s however, Leopold made a fateful decision to loan several of the Museum's Schiele works, including *Wally*, to the Museum of Modern Art in New York.

In early 1998 near the end of the exhibition, Mrs. Bondi's heirs in the United States notified MoMA of their claims and asked that the Museum hold the painting pending resolution of the matter. MoMA however, refused, citing its contractual obligation to return the work to the Leopold Museum at the end of the exhibition.

The family contacted the District Attorney of New York County, who subpoenaed the painting in connection with a criminal investigation that he commenced to determine if *Wally* constituted stolen property present in New York in violation of New York law.

MoMA moved to quash the subpoena on the ground that New York law prohibits seizure of an artwork on loan from out of state, although few thought the law was applicable to criminal investigations. In any event, the case worked its way up through the state courts to the Court of Appeals, which ultimately ruled in MoMA's favor.

Meanwhile, fearful of this possible result and knowing that if the Court of Appeals ruled against us *Wally* would be on a plane to Austria within a matter of hours, we started visiting the Asset Forfeiture Unit of the United States Attorney's Office in Manhattan to persuade them, should the Court of Appeals rule against us, to consider seizing *Wally* as the subject of a violation of the National Stolen Property Act. Much to our relief, immediately after the Court of Appeals decision, the U.S. Attorney commenced the lawsuit to have the Leopold Museum forfeit *Wally* on the ground that it was stolen property unlawfully imported into the United States. And the U.S. Customs Service seized the painting, marking the start of over 10 years of litigation during which we worked jointly with the government to recover the painting and return it to the Estate of Lea Bondi Jaray.

The case was finally settled last summer, a week before the trial was scheduled to begin. Most of the issues in the case had been resolved in our favor by the district court the previous fall when it determined opposing summary judgment motions made by us and the Leopold Museum. Indeed, only one issue was left for trial, whether Leopold knew that *Wally* was stolen when he, for the Leopold Museum, imported it into the United States for the MoMA exhibition.

The terms of the settlement had three main parts. First, the Leopold Museum paid the Bondi Estate \$19,000,000, an amount considered by most experts to reflect the full value of the artwork. The estate released its claim to the painting and *Wally* was transferred to the Leopold. Second, the Leopold Museum is required to display signage next to the painting wherever it is exhibited anywhere in the world setting forth in English and German *Wally's* true history, including the successful litigation in language specifically drafted by the Estate and agreed to by the Leopold Museum. Third, before *Wally* was transported to Vienna, it was displayed for three weeks at the Museum of Jewish Heritage in New York last summer beginning with a ceremony commemorating the legacy of Lea Bondi Jaray and the successful resolution of the litigation.

Although we're certain that the *Wally* case will be analyzed and commented on for years to come, including in a documentary film due out this spring, I thought it would be helpful to discuss briefly what we see as the most significant aspects of this important case.

First, as I mentioned before, the *Wally* case helped to bring the problem posed by Nazi looted art to the forefront of discussion and action throughout the world. The commencement of the state and federal litigation in the *Wally* case changed everything, as a recent headline in *The Art Newspaper* declared. It helped open up a global re-examination of the massive looting of art fomented by the Nazi regime, as well as the postwar policies of the governments of Europe and the U.S. that dealt with looted art.

Under the leadership of the United States, Principles were adopted in Washington by 44 nations encouraging the original owners to come forward and assert claims to art looted by the Nazis and urging possessors to resolve such claims fairly and expeditiously. Several European governments created brand new Restitution Commissions to re-examine claims by victims' families that had been or could have been brought after the war to recover looted artworks.

These Commissions often provided for a waiver of any statute of limitations that might otherwise have applied so that these claims could be considered on the merits. And museums all over the world, as well as governments with huge art collections of their own, started placing on the Internet images and information about artworks in their collections as to which there was a gap in provenance or ownership history between the years 1933 and 1945, asking those with further information about these works to contact them and perhaps make a claim for recovery.

Although the *Wally* case helped spawn many subsequent cases brought to recover Nazi looted art, one aspect of this case distinguishes it from many others, the fact that it was commenced by the United States government. Indeed, one important question that was repeatedly raised by critics of this case throughout this long litigation was simply this, why was the U.S. government involved in this case at all? Why were substantial government resources being committed to what these same critics have characterized as nothing more than a title dispute between the Leopold Museum and the Bondi Jaray Family, one that should have been resolved in a civil lawsuit between them? This question is critically important, I think, because it really raises the issue of whether the United States and indeed other governments should play a significant role in trying to resolve Nazi looted art claims. Despite the misgivings expressed by many, it is clear that this civil forfeiture action was both consistent with and fully promoted the express public policy interests of the U.S. regarding Holocaust looted art.

As former Chief Judge and later Attorney General Michael B. Mukasey determined in one of the early decisions in this case, on its face the National Stolen Property Act proscribes the transportation and foreign commerce of all property over \$5,000 known to be stolen or converted. Although the museum parties and amici would have it otherwise, even a so-called world renowned museum is not exempt. Explaining further, the court added that if *Wally* is stolen or converted, application of the National Stolen Property Act will discourage both the receiving of stolen goods and the initial taking, which was Congress' apparent purpose. The court concluded that there is a strong federal interest in enforcing these laws.

It is also important to remember that the government brought this action and seized *Wally* before it was about to be sent to Austria and thus placed beyond the reach of any plausible attempt at resolution. The Austrian government, while adopting a law in 1998 that purportedly was designed to ensure the careful review of claims for Nazi looted artworks in the Austrian Government's possession, had determined that as a private foundation under Austrian law, the Leopold Museum is not covered by this statute despite the fact that the Austrian Government provided a substantial amount of its funding and appointed half of its board of directors.

Thus commencing this forfeiture action without delay and securing the artwork in the United States certainly promoted the United States government's interests in fairly resolving these cases and preventing the trafficking of stolen property.

I should add that the U.S. government sometimes takes a position adverse to the claimants in these kinds of cases as it did in the *Altmann* case,⁵ as Don mentioned. And this is especially so when, as in *Altmann*, a foreign government is the party in possession of the disputed artwork and issues relating to sovereign immunity are involved. But an important lesson of the *Wally* case for potential claimants is not to ignore the very helpful and often critical role that the U.S. government can play with respect to individual claims.

Turning to the terms of the settlement of the case, it is important to note that since this case involved the resolution of a government forfeiture action, there was little question but that the stipulation of settlement would be filed in open court, so ordered by the judge in the case, and its terms open to public scrutiny and review. This is rarely the case in private civil litigation. However, in private civil litigation, the confidentiality, the terms of settlement, is almost always agreed to by both parties.

Indeed, recently one federal judge strongly criticized the practice of keeping settlement terms confidential in these historically important cases. But in our case the public has been made aware not only of the precise amount of monetary compensation paid to the Bondi Jaray Estate by

the Leopold Museum, but the non-monetary settlement terms as well through the opening ceremony and temporary exhibition of *Wally* at the Museum of Jewish Heritage in New York before it was transported to Austria, and the specific signage that must accompany *Wally* at any exhibition sponsored by the Leopold Museum either at the Museum or anywhere else in the world.

It is important to recognize in this context that Nazi looted art claims involved very deep emotions occasioned by the horrific experiences of the claimant families during the Holocaust. As a result, even where a claim can be resolved by payment of the full value of the claimed artwork, there are often other interests of the claimant that must be satisfied before the case can be settled. Often these include correction of the record concerning the true provenance of the artwork, providing public and permanent recognition of the true historical facts, and the importance of exhibiting the artwork in a museum dedicated to the remembrance of the Holocaust even temporarily cannot be overstated.

Thus potential settlements of Nazi looted art claims should always give heed to the importance of recognizing the emotional need of the claimants to try to correct in some way the historical but still deeply felt injustices of the Nazi era.

I was asked to speak briefly, which I obviously will, about one of the cases our firm is handling, *Marei von Saher v. Norton Simon Museum of Art*. This concerns two life size portraits of *Adam and Eve* painted by Lucas Cranach the Elder in the 16th century, which were looted by the Nazis from Jacques Goudstikker, a Jew who had been the leading art dealer in the Netherlands at the time. The case was brought by our client against the Norton Simon Museum. Our client is the sole heir to Jacques Goudstikker. The Norton Simon Museum is in Pasadena, California. They currently possess both works.

Very briefly, before we commenced this litigation, the legislature in California unanimously passed, and the Governor signed, a special statute of limitations that extended claims brought by Holocaust victims against museums or galleries to recover Holocaust looted art. So when we allege the timeliness of our claim in our complaint, we based it upon this statute. The Museum, however, moved to dismiss and the court indeed granted the dismissal then affirmed by the Ninth Circuit Court of Appeals on the ground that this statute, this California statute of limitations, interfered with the foreign affairs power of the United States government and therefore was unconstitutional.

Very quickly, we petitioned to the U.S. Supreme Court for certiorari in this case and interestingly both sides suggested to the court their view of what the United States government would have in this matter. And we urged the Court to ask the United States government as an alterna-

tive to immediately granting certiorari. The Court indeed took us up on that proposal, and we are now awaiting word from the Solicitor General as to his view on this case, which will report to the U.S. Supreme Court, followed by a decision on certiorari. So stay tuned. Thank you.

MS. JUDITH BRESLER: Thank you Howard. Ray.

MR. RAYMOND DOWD: Good afternoon. Thank



Raymond Dowd

you Judith Bresler, Judith Prowda, and Carol Steinberg, and thanks to my former law partner Dan Marotta, who is on the Executive Committee of EASL.

I think many of you are sitting there thinking, “I’ve come here for the weather, to enjoy myself, hear an interesting story. I’ve heard a couple of speakers talk about this big problem that will prob-

ably never have any relevance to my life. It seems to be people complaining about stuff that happened decades ago. Everybody sort of seems to be Jewish, and it couldn’t really impact my life and my practice.” Well, I’m here to talk about the case, but I just want to sort of drill in the relevance of these potential facts to your life.

This case came to me in 2005. My background is Irish Catholic, had an Italian Catholic partner, I studied French and Italian, knew no German, and shortly thereafter found myself neck deep in Nazi-era German language documents. So it can happen to you in your practice for a variety of reasons.

A couple of statistics that you should know about, and I’ll go through some of the looting statistics, but think about it. Millions of people were murdered and displaced during World War II, they had lots of stuff. Shortly thereafter, the United States developed the most encyclopedic museums in the world on the taxpayer dime and they can’t explain where much of it comes from. So that’s a problem, since most of us go to museums or bring our children to museums. We know people who buy art, people who sell art, we may represent some of them. So these issues probably are more relevant to your lives than most of you who are sitting there were thinking before.

We’ve spoken about the *Portrait of Wally* case. It was a landmark, it changed everything, that’s true, but it wasn’t just *Wally*. When Morgenthau did a seizure at the Museum of Modern Art he also seized a painting owned by Fritz Grünbaum called *Dead City*, and *Dead City* is the lost cousin that I am going to talk about.

Morgenthau’s seizure, as Howard has explained, went up to the New York Court of Appeals, it was

quashed. Then the Feds came in and seized the *Portrait of Wally*. They didn’t seize *Dead City*, *Dead City* was returned to the Leopold Museum in Vienna, even though Robert Morgenthau told me that he had told Ray Kelly, who was the head of Customs at the time, to also seize *Dead City*. No one quite knows why *Dead City* wasn’t also seized by the federal government. And now it’s hanging at the Leopold Museum in Vienna.

So the story is how did this stolen work get returned to Vienna? Why is it hanging in Vienna? And why should any of us care? Well, the reason I care is because in 2005 a client walked into my office, and this headless woman came into my life. It’s a drawing by Egon Schiele known as *Seated Woman With Bent Left Leg*, that is not a name that Egon Schiele attached to it, it’s not written on it anywhere. Egon Schiele is an artist who did not title most of his works, they were titles that were assigned by collectors or art dealers afterwards.

And you see some notations below, those are catalog raisonné numbers. One of the ways we trace works of art is to go through various art catalogs. Every cataloger assigns a different number to it, and so it’s very confusing to go through and sort through. So each catalogue raisonné will assign a number. So we see K51 refers to a catalog done by Otto Kallir, who is an art collector and proponent of Schiele in the United States after leaving Austria. And we see JK1974, that refers to his granddaughter’s initials, because she prepared a catalogue raisonné that included this work.

How did the work get to the United States? Well, we can see—and that’s why *Dead City* is important to the story of this little sketch that I showed you that came into my office, because sometimes you can use the transit of a more famous, well identified work to trace the path of a less known work. So here we are looking at a September 18, 1956 invoice and we see *Dead City* as number one on the list, and has a corresponding catalog and inventory number. And then we see *Seated Woman With Bent Left Leg*, catalog number 51. There’s an invoice of 19 works that were shipped from Switzerland to New York County in September of 1956 by a man named Eberhard Kornfeld with an art dealership called Gutekunst and Klipstein. So Kornfeld, in September of 1956, had had an exhibition showing in Bern, Switzerland, and he put together a catalog. In that catalog, there’s 53 illustrated Schieles, including *Dead City* and the *Seated Woman With Bent Left Leg* sketch. But the only provenance that was listed in entire catalog was for *Dead City*. And where did the catalog say that *Dead City* came from? From the collection of Fritz Grünbaum. Now, I represent the heirs of Fritz Grünbaum, that’s how I come into the story.

So during our case, the art dealer, Kornfeld, testified that all of the Schieles in the ‘56 catalog came from Grünbaum. The question became how did he figure that out

and whether or not that was true during the litigation? So here is an excerpt of a catalogue raisonné, we see that the work's title is listed, alternative titles the various catalogs may have used for it. We see a description of the work—oil and gouache wood, and all my materials are starting on page 617 of your materials, if you want to follow along more closely. Oil and gouache wood, signed and dated, that's the first thing. Then you see provenance, which is the history of owners.

So it begins as a provenance should, acquired from the artist, Arthur Roessler, Alfred Spitzer, Fritz Grünbaum, Gutekunst & Klipstein. So from reading that provenance you think well, Fritz Grünbaum, Gutekunst & Klipstein, Fritz Grünbaum had sold this work to the Swiss art gallery. And I'll show you shortly why that is a problematic proposition.

So that is a catalogue raisonné entry that was compiled by Jane Kallir, who is Otto Kallir's granddaughter. Otto Kallir was Fritz Grünbaum's art dealer and he contemporaneously back in 1930 created a catalogue raisonné of all of Schiele's oils and some of Fritz Grünbaum's work was included in that catalogue raisonné.

Now, how did artworks get to the United States from Nazi Germany, because remember Nazi Germany was Nazi before we entered World War II. The Nazis came in in 1933, they started their attacks on art and their degenerate art exhibitions in the summer of 1933, that culminated with a really big exhibition that everybody knows about in 1937. But that summer when the Nazis came to power, they immediately launched an attack on Jewish art dealers, Jewish art. They hired actors to act like these people were crazy, anybody who did modern art. And they also simultaneously started auctioning off things. So we have here an excerpt from an auction catalog from 1938 in Berlin. "Important notice to foreigners desirous of buying at this sale, According to a special permit granted by the competent German authorities it is possible to have auction accounts for objects bought at a public auction in Germany for an English or American Purchaser settled through the intermediary of the association of trustees Fides Treuhand Vereinigung of Zürich, Switzerland.... The reduction, at the present time, amounts to about 30% of the purchase price paid in the auction."

So the Nazis are saying, you get a 30 percent discount if you buy through Switzerland. Now why would that be? Well, the answer is, we have no idea. Fides Treuhand has been in business since 1910, it's a subsidiary of Credit Suisse, you can go on their website. And nobody's ever asked them for their records, they've never been subpoenaed. And we don't know how many works passed through them into the United States because they've never shown their records. I have the website for the Fides Treuhand and the Swiss in the wake of the Nazi gold scandals, they said that they promised they would investigate all this. The Bergier Commission that was ap-

pointed had subpoena power, they never used it, they just asked Swiss art dealers for voluntary information.

So the case that came to me in the spring of 2005 was a suit for slander of title, remember that, and a declaration of title, because the Austrian lawyer of my client had allegedly sent a letter to Sotheby's in London challenging an auction of *Seated Woman With Bent Left Leg*. The successful bidder at the Sotheby's London auction allegedly withdrew the bid and caused damage to the seller's title. The seller or consigner was a Massachusetts resident who then proceeded to sue in the Southern District of New York. And my fellow panelist Lucian Simmons was quite involved with the case and testified at the trial.

What did the complaint say? The complaint said the drawing, *Seated Woman With Bent Left Leg*, has an established and documented provenance. It originally belonged to the collection of Fritz Grünbaum, a well-known Viennese cabaret performer. In 1938 the Nazis confiscated Grünbaum's residence and inventoried the contents of his art collection. Grünbaum was deported to Dachau, where he died in 1941.

Now, if you, as I read, think I don't have much of a litigation—the guy's dead, they took all his stuff, what more can there be to litigate? Yet six years later I'm still neck deep in the case, having gone up to the Second Circuit. So let's walk through how we got there and why I'm here today.

Fritz Grünbaum was born April 7, 1880 in Brno, Moravia at the time Moravia was part of the Austria-Hungarian empire, now it's part of the modern Czech Republic. And he died January 14, 1941 in the Dachau concentration camp. He was very famous, he was part of the team that was like the Abbot and Costello of both Germany and Austria. He was a film star, a radio star, a cabaret star, he was a household name, and in Austria today still is.

Lily, his wife, was deported to the Minsk, which is a death camp—death camp as opposed to a concentration camp is where the train went, the tracks ended, the bodies were marched into trenches, or gassed, or burned. So when you're trying to prove a death, if you can show that somebody was deported, that's enough with a death camp. With a concentration camp where labor occurred, and there's housing, and food, there's a greater chance of survival, so your burden of proof on proving a death is a little bit higher.

We mentioned before the Anschluss, where Hitler came in in 1938 to Austria, Fritz at the time was living in Austria. He was in the first transport to Dachau from Austria and he made these cabaret performances at the time. There's a great film called "Dance with Death—Totentanz," about cabaret performances in concentration camps. It's one of the most heartbreaking films you can

ever see. And he died in captivity, had never left during his whole captivity.

So how did Jews lose property under the Nazi Reich? It's not an answer that when I took on this case there were very clear documents, there's very little helpful scholarship out there. On March 23, 1933 Hitler took power from the Reichstag, he governed by decree under the Führerprinzip. The Nazi party platform said, to buy from a Jew is to be a traitor to the German people. So from the time Hitler got to power, there were massive and persistent boycotts of Jews. And the way the Jews were able to buy, or sell things, or to escape, is to undergo a process called Aryanization. That is, if you put an Aryan in your business, the Nazis or German people would come in and trade with the Aryan and the Aryan would, in a friendly manner, take over the business. And the problem with proving that is there was not a court-ordered confiscation. So if a business magically happened to fall into German hands and happened to have been owned by Jews, there was all this paperwork and documents saying that it was all friendly, but that really wasn't the case. So from 1933 to 1937, proving these transactions is much more difficult and it takes a lot more study of the history of that period to prove these cases.

Some of the first people to go under the Nazi regime and out of their professions were Jewish lawyers and Jewish judges.

So as I said, 1937 there's the big degenerate art exhibition, but they had been going on since the summer of 1933. So how did the regime strip the Jews of property? Well, there was a flight tax, the Reich Flight Tax, that was enacted in 1931, which was prior to Hitler coming to power. Then as of the fall of 1938 there was Kristallnacht, and the Jews were forced to pay a 25 percent atonement tax.

From 1934 moving forward, there was a confiscatory foreign exchange rate only for Jews that I think by about 1936 was at 96 percent. So think about it, you had to pay \$100 in Reichsmarks to get four dollars in foreign exchange. When the foreign exchange was paid to Jews, it was often paid, or the proceeds of these transactions were paid, into blocked accounts, or paid with something called Saar Marks that were not able to be transacted. So there was this massive wave of sham transactions where Jews never got the proceeds of transactions that on their papers seemed legal.

During this time, tens of thousands of art works left Germany and entered the U.S. either directly or through Switzerland and were snapped up by U.S. museums and wealthy collectors.

What else did the *Bakalar* case say? Aside from the drawing, *Seated Woman With Bent Left Leg*, there are a number of works from the Fritz Grünbaum collection that

were part of the 1956 selling exhibition at Gutekunst and Klipstein. Where? Leopold Foundation, Albertina Museum, Museum of Modern Art New York, Allen Memorial Museum in Oberlin College, Coninx Museum, Zurich, Santa Barbara Museum, Art Institute of Chicago, Carnegie Institute Museum of Art. These are all places now with this stolen art. How do we prove title, heirship? We have an heirship certificate. We look to Austrian heirship law to prove who gets what.

Jewish Property Declarations: there was a law passed April 26, 1938, Jews who had over 5,000 Reichmarks in property had to declare all of their property. So under category 4, Jews had to list art. So Grünbaum's listed 5,791 Reichmarks and Grünbaum and his wife on his behalf filed six of these declarations. Attached to one of the declarations was an inventory that listed *Dead City* by name, and then 37 other drawings or color sketches but without the title. So the question becomes, how do you show that those drawings or sketches are the same ones that we had at issue in the case? So that was inventory taken by Franz Kieslinger. Franz Kieslinger was the henchman to someone who has been described as arguably the single most prestigious art plunderer in the history of human civilization, and that's Kajetan Mühlmann.

We have here a letter that was sent to Fritz and Lily Grünbaum from their lawyer, it's their first bill, it's for 6,500 Reichsmarks, that's three times the average worker's salary in the day. So just think—you're a lawyer introducing yourself to the client, saying "here's my bill," at a point in time where Jews were not allowed to have control of their property. This was an Aryan trustee appointed to despoil them of their property.

As the U.S. Consul General in Vienna said, "There's a curious respect for legal formalities. The signature of the person despoiled is always obtained even if the person in question has to be sent to Dachau in order to break down his resistance." So we have a power of attorney. Why use a power of attorney in how Grünbaum assets were stolen? We did a chart at trial. But I want to flip up to our case.

Bakalar v. Vavra was a first Holocaust-era art trial in U.S. history in a federal court. *Menzel v. List*⁶ was the only other one we knew of. And the judge applied Swiss law. The work had passed through Switzerland for 147 days and we said that Swiss law didn't apply. The Second Circuit vacated and remanded for the proceedings and a new trial. The decision is important for a number of reasons, it acknowledges this mass confiscation. It acknowledges the legal effect of the Dachau power of attorney. And the punch line is here, Vavra and Fischer, the plaintiffs, "have made a threshold showing that they have an arguable claim to the Drawing, New York law places the burden on Bakalar, the current possessor, to prove that the Drawing was not stolen." And that's a very important statement of

the law. That is a statement accurately of what New York law is at this time. Thank you.

MS. JUDITH BRESLER: Thank you. Simon.

MR. SIMON FRANKEL: Thank you to Judith, and Judith, and Carol, for inviting me here from California to freezing New York. I figured that as the only attorney on the panel who is representing a current possessor of art that changed hands, I would get a perhaps a chilly reception, but I had no idea.



Simon Frankel

Like the other panelists I'm going to tell you primarily the story of one case and to take you through the facts of that case, the historical facts, and then the story of the case. A case in which I and some others at my firm, Covington & Burling, have been representing the Museum of Fine Arts in Boston.

And we start with this painting, the subject of the lawsuit which is by the Austrian expressionist Oskar Kokoschka, who painted in the early years of the 1900s, and was a contemporary of Klimt and Schiele, of whom you've heard already.

The background for this particular work is that in 1912 to 1914 Kokoschka had a stormy and passionate affair with Alma Mahler, the widow of the composer, and it was right after she had had an affair with Walter Gropius, whom she later, after her affair with Kokoschka, married. Those of you familiar with the era will know that Alma Mahler was "it" in that period in Vienna.

She and Kokoschka, however, as I said, had a stormy affair, which in her words she later ended "because she was afraid of being overcome by too much passion." During the time they were involved, Kokoschka painted a self portrait of himself with Alma Mahler around 1913 and it's a painting about five feet tall, a little more, and a little over three feet wide. And as described in the current wall text at the Museum of Fine Arts in Boston, "it is a symbolic testimonial to the artist's tumultuous affair...Kokoschka's haunted expression and the ambiguous poses of the two lovers—who seem both to embrace and to move past each—other reflect a complex and tormented relationship." And I will tell you it is a very troubling and striking painting, particularly when you reflect that it was painted not after, but in the midst of their romance.

A couple of years after it was painted, Kokoschka sold the work to Oskar Reichel, who was a Viennese doctor and art collector who knew Kokoschka very well. And Reichel had actually collected, over the years he purchased a number of other Kokoschka paintings and

ended up with about 10 in all including this painting; on the upper right is a portrait of Reichel by Egon Schiele, a watercolor from around 1910. Reichel collected a number of other Viennese artists from the period as well. And as I said, he was close to Kokoschka, and for a period Kokoschka had lived at the Reichel home in Vienna and had done this portrait in the lower right of Oskar Reichel's oldest son Hans, called *Portrait of a Youth*.

As you'll hear, Reichel had three sons in addition to Hans, a middle son Raimund and a disabled son Max.

In the early 20s Reichel began to look to sell some of his Kokoschka works and began to consign them, and he consigned a number of them in 1924 and 1925 to Otto Nierenstein who later changed his name to Otto Kallir of whom you've heard already, the owner at that time of the Neue Galerie in Vienna. And they were consigned for exhibition and possible sale at agreed prices. And then he continued this consignment, and in fact, his sons and his wife Malvine assisted with this process and often were helping pack them up or signing the receipts when they came back. And he consigned them again in 1933.

Then came the Anschluss, which Don and Ray have already spoken of, when Austria came under German rule or joined with the Nazis. At that time all Jews, including Oskar Reichel, were forced to register their assets. And Oskar Reichel duly filed an asset declaration that included all of his artworks. At that time he still owned five Kokoschka paintings. He had sold about five of them, he owned five including the *Two Nudes (Lovers)* portrait and the *Portrait of Hans*.

By February of 1939 Otto Kallir had moved to Paris, where he opened the Galerie St. Etienne for a short period. And in February 1939 Oskar Reichel transferred his remaining five Kokoschka paintings, including those two, to Kallir, and they were shipped to Paris where they were exhibited in April 1939 at the Galerie St. Etienne.

And then in August of that year Kallir left France and moved to New York, where he opened the Galerie St. Etienne, which is still in existence here and as I think Ray eluded to, now overseen by his granddaughter Jane Kallir.

And in the following years the painting—a number of Kokoschka works which Kallir had purchased and other works were exhibited across the United States. In 1939 there was zero market for these works in this country and in a way Kallir really created a market by very energetically exhibiting them across the United States.

In September 1945, once Otto Kallir had created interest in these kinds of works, there was a market. And he sold the work to the Nierendorf Galerie in New York. A few months later it was sold to the Silberman Galleries here. And then in late 1947 or early 1948 it was sold by the Silberman Galleries to Sarah Reed Blodgett, who

was from a wealthy family from Oregon, and who a year earlier had purchased from another gallery the *Portrait of Hans* work. So she ended up owning both of them.

The paintings hung in her homes in Oregon and in Michigan for many years, and were often on exhibit, particularly the larger work, the *Two Nudes (Lovers)* work, exhibited around the country. And she owned them until 1972, when she died. At that time she gave the *Portrait of Hans* work to her daughter Sarah Dunbar and gave the *Two Nudes* work to the Museum of Fine Arts in Boston, which acquired it in 1973.

Meanwhile the Reichel family suffered greatly, as so many Jews did under the Nazis. Hans Reichel actually had left Austria in June of 1939 before the paintings were transferred to Kallir. He settled in Illinois, he was a doctor there. Raimund Reichel left Austria for Paraguay in 1939 and then he settled for several decades in Argentina. But Oskar and his wife Malvine remained there and were subject to persecution. Most of their assets were taken, their businesses were shut down. And then in 1943 Malvine was deported to a concentration camp. Oskar Reichel died of natural causes that year, and their disabled son Max was killed by the Nazis in a camp. But Malvine survived the war and joined her son Hans in Illinois and lived there for five years until she died in 1951. Hans remained there until he died in 1979. And Raimund lived in Argentina until 1982, when interestingly he moved back to Vienna, and he lived there for another 17 years when he died in 1997. And Otto Kallir ran the Galerie of St. Etienne here until 1978.

After the war, the Reichel sons, particularly Raimund Reichel, submitted a number of applications for restitution on behalf of himself and Hans. And in particular in 1957 Raimund submitted an application to the Austrian fund for assistance to political persecutees seeking restitution for a number of paintings by Anton Romako, another artist in that early period of the 1900s, all works that had been owned by Oskar Reichel. And in his application, Raimund Reichel actually listed each of the works by catalogue raisonné number, by the then-official catalog number, and said that he sought restitution for these works which were forcibly sold and taken from his father. But the application did not list any of the works that Oskar Reichel had transferred to Kallir in 1939.

And then later in the 1980s, a number of art historians who were working on Kokoschka tracked down Raimund Reichel in Vienna and a number of letters that Raimund Reichel wrote to the historians survived. And at that time Raimund recalled his father's collection of Kokoschka works. And specifically recalled their sale to Kallir in 1939 and remembered that his father had transferred the paintings to Kallir with the understanding that Kallir would give money to—when he sold them—to Hans and Raimund who would no longer be in Austria, who

would be in the United States or South America. And that Kallir, still unable to sell the paintings because there wasn't a market, had paid some money up front to Hans who had then sent half the money, \$250, to Raimund. And Raimund recalled visiting Kallir in his gallery in New York in the 1940s and talking to him about the Kokoschkas and what had happened to them.

Meanwhile, after Raimund died, his unrelated heir—Hans died and had left his entire estate to Raimund. Raimund died and in 1997 and left his estate to an unrelated heir who may have been his nurse in later years, Claudia Seger-Thomschitz, who had lived in London and then lived in Vienna.

And in March 2007, the Museum of Fine Arts and the Dunbars—Sarah Dunbar, who lives in New Orleans, received demand letters from lawyers for Seger-Thomschitz demanding the return of the two paintings I've mentioned. And the Museum and the Dunbars launched a nine month investigation to competently, exhaustively investigate the provenance of these paintings and found that it appeared that the 1939 transfer had been *Wally*, and that at least Raimund Reichel in the 1950s had made a distinction between the Romakos, which had been forcibly taken from his father, and the Kokoschkas, which he seemed to not perceive as having been taken.

Subsequently, after a meeting at which the MFA laid out their findings, the Seger-Thomschitz counsels declined to withdraw their claim and the Museum commenced a declaratory judgment action, one of the actions that Judith mentioned earlier. It was filed in January of 2008 in the District of Massachusetts. Seger-Thomschitz then filed a counterclaim seeking possession of the painting. And in September 2008 the Museum moved for a summary judgment based on the Massachusetts three-year statute of limitations, which applies the discovery rule and provides that the statute of limitations begins to run when a claimant knew or should have known of the existence of a claim.

Meanwhile, Mrs. Dunbar filed a similar action in Louisiana, a declaratory judgment action, although hers invoked Louisiana law. Louisiana, being a Civil Law state, has a period of prescriptive rights which essentially provide that if you possess something for five years you get title. So it's an extremely harsh civil law rule that obviously made Mrs. Dunbar's rights very strong in that case.

In May 2009 the district court held that Seger-Thomschitz claim was time barred. And Judge Zobel in the District of Massachusetts held this on two grounds. One is that Raimund and Hans themselves had known of the transfer of the work to Kallir and the circumstances of it and that they could have at all times located where the work was. This was not a work that was in private hands and not able to be found for many years. It was actually—even when it was owned by Mrs. Blodgett, it was in the

catalogue raisonné, it was frequently on exhibit. The catalogue raisonné, at least one of them referred to her as the owner, it was not difficult to find. And the district court noted the fact that Raimund had asserted claims to other works but not these. But the district court also found that it was time barred because after Raimund had died and after Seger-Thomschitz learned that she might have a claim to works owned by Oskar Reichel as the sole heir to Oskar Reichel indirectly, that she had waited more than three years to ever assert a claim.

And again, during that period, particularly which during when she was alive after 2000, the whereabouts of this painting were very easy to ascertain. It was on the MFA's website with a complete provenance which listed Oskar Reichel. It was in various online indexes and databases, and other catalogue raisonné, and other means.

And then in October of 2010 late last year, the First Circuit affirmed that decision from the district court. The First Circuit only reached the second grounds that the district court had held on, that is, it found that Seger-Thomschitz had learned in 2003 that she had a potential claim to works of art previously owned by Oskar Reichel.

And that by the way, was when in the fall of 2003 the city of Austria had returned to her, as the heir of Oskar Reichel, four works by Anton Romako, the same artist who Raimund Reichel had sought restitution for the loss of those works by his father. And they returned those works to Seger-Thomschitz. And Seger-Thomschitz had actually pled in her counterclaim that at that time she became aware that she would have potential claims to works that had been owned by Oskar Reichel. But it had been significantly more than three years before she brought a claim. And again, during that period it was easy to find the painting. So Seger-Thomschitz's claim was also held time barred.

As I said, the First Circuit didn't reach the issue of whether the Reichel's own action, to assert a claim after the war, was also time barred to any claim. But it did reach a ground that had been asserted in the district court as a basis for disregarding Massachusetts's statute of limitations, which was that the Museum was a 501(c)(3) tax exempt organization, and therefore claims against it ought to be governed by federal law. This was an argument that Seger-Thomschitz made. And the district court dispatched that fairly easily and said, 501(c)(3) status does not justify a free ranging superintendents by the federal courts. Non-profits are essentially creatures of state law, they merely are tax exempt under federal law.

The First Circuit also rejected a contention that had been made really in passing in the district court but was pressed by Seger-Thomschitz very forcefully on appeal, that the Massachusetts statute of limitations should be pre-empted as a general matter as in conflict with federal foreign policy under the *American Insurance Association v.*

Garamendi case.⁷ That case involved a statute that California had passed which imposed certain requirements, disclosure requirements on life insurance companies that had issued policies to Jews in the Nazi period. And life insurance companies challenged it and essentially the Supreme Court said that California, by reaching out and enacting a statute that specifically dealt with foreign affairs, was intruding on an area of law reserved for the Executive under the Constitution, and that that was unconstitutional.

And it's a similar—it's the same doctrine that I think Howard referred to in connection with the *von Saher* case, where the Ninth Circuit said that a special California statute of limitations that was longer for claims to arise—claims to works of art that changed hands in the Nazi period—would be unconstitutional as an incursion on the foreign affairs power.

But the First Circuit said, first of all there is no clear federal policy at this time. The Washington Principles, even the Terezin Declaration, did not evidence a federal policy that cases not be decided on statutes of limitations. And even if there were such a federal policy, the court said, the Massachusetts statute wouldn't be in "clear conflict" with it, because it has the discovery rule and it allows a flexible application. And it makes accommodations for fair outcomes.

The court made two other observations that I think you will see echoed in ways that we probably can't predict in future cases. One is that the court noted that while statutes of limitations may preclude otherwise meritorious claims, they "cannot be fairly characterized as technicalities, and they serve important interests." And the court talked about what you hear in law school in terms of evidence being lost, memories fading, witnesses dying. But it stressed that statutes of limitations themselves are focused on fairness. And I think you'll see that as signification in future litigation, because you do often have this debate about statutes of limitations as though they are technical defenses which ought not to have any application in litigation over art from the Nazi era.

Second, the First Circuit suggested that, going forward, museums should attempt to follow the 1999 guidelines of the American Association of Museums, which call on museums to take all reasonable steps to resolve the Nazi-era provenance status of objects before acquiring them for their collections.

It's too early to say what significance this observation may have in future cases, whether there will be cases where museums have not. Most large museums of which I am aware have taken enormous and costly steps to do just that. And this work obviously had been acquired by the museum in 1973 so it was long before those—that policy.

In the parallel proceeding in the Fifth Circuit, Seger-Thomschitz also lost based against the Dunbars and the court there, the Fifth Circuit, held in August of last year that federal law did not pre-empt application of Louisiana's prescriptive period. A cert petition was filed in the Dunbar case in late December and in our case on the 10th of January, so perhaps there's a last chapter that has yet to unfold. Thank you.

MS. JUDITH BRESLER: Thank you Simon. Lucian.

MR. LUCIAN SIMMONS: Good afternoon ladies and gentleman, and thank you to Judith, Judith, and Carol for the kind invitation to speak today. While I'm doing this I should explain why it is that I'm standing in front of you today and what it is that I do at Sotheby's.

As you can see from my bio, I am an English Solicitor by background. I've worked for Sotheby's since 1994. I run our worldwide restitution department, and in that role I have three main functions. Firstly, it's to minimize the risk that Sotheby's might accidentally sell a work of art which was looted between 1933 and 1945 that was never given back. Secondly, it is to work alongside our clients, mostly art collectors, when they find that they may have a problem painting in their collections, helping them to resolve those problems. And thirdly, I work alongside the heirs to many looted collections and on occasion we're invited to—well, Sotheby's is invited to sell paintings which are restituted to them.

There are a number of things which distinguish me from my learned colleagues on the panel today, not least of which that I'm English, not American. But the main difference is that I generally deal with works of art which come in for sale from private collections as opposed to dealing with works of art in museums or state collections. So often we're dealing with private international law or private law in various jurisdictions as opposed to public law and to public policy issues.

Secondly, although I know all of my colleagues are extremely reputable and responsible in giving advice to their clients, our main aim at Sotheby's is to stay well away from litigation and to help our clients to stay away from litigation as well. So what I'm going to talk to you about today is mostly about the steps we take to avoid getting to court.

And the third main difference is that generally Sotheby's, as commission agents, don't have an ownership

interest in the works of art which we sell. So we're helping other people as a commercial public company.

One of the main purposes of this panel today is to talk about recent cases brought by the heirs of Holocaust victims concerning the historic ownership of artworks. And I thought I'd start my comments with a quote from the case which Ray Dowd was speaking about and that's *Bakalar v. Vavra*. And specifically, I was going to give you a quote from a 1989 *New York University Law Review* article which Judge Korman quoted with approval in his judgment in the Second Circuit Court of Appeals. And the quote he gave us as follows:

Because stolen artwork can be very valuable, may eventually filter into the open market and may be handled by the shadowy institution of the art gallery, art owners may be victimized by international trading of stolen art. Original owners, however, have only a few fragmentary and little-known mechanisms by which to register or recover their stolen art objects. Moreover, they are further disadvantaged by the art dealers' usual practice of not examining the sources of artworks which they trade in, and while art dealers protest that they are only protecting the desire of their wealthy clients to remain anonymous, and that they are under no legal duty to inquire into the sources of the artworks which they trade, such anonymity removes illegitimate transactions from immediate scrutiny.

Well, my job in the next 10 minutes is to talk about why that is certainly not true today even if it was true 21 years ago when it was written. And I guess I should start by explaining how it is I got involved in this field in the first place and why it is that Sotheby's has a dedicated Provenance Review and Restitution Department. And very briefly it starts with this painting, which we were asked to sell out of a German collection in the mid 1990s, to be specific in 1997. And what we did when we offered this painting for sale was what we always try to do, we consulted with our clients, and in the catalog for the sale we gave the most complete provenance we could for the entire period of the painting's history, but particularly for the war years. And what we said was that the painting had been acquired in 1941 for the Museum in Linz. And what we kind of didn't realize in 1997 was the Museum in Linz was actually a museum planned by Adolph Hitler as the repository for works of art which were looted from across Europe. As I said, we didn't really pay enough attention to this, but the *Boston Globe* did. And then the week prior to the sale we were hit by a tidal wave of bad



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publicity. And they had headlines along the lines of, “Sotheby’s to Sell Looted Nazi Artwork.”

Well, the short term result of this was that we sat down with our consigners and agreed that they would withdraw the painting from sale to allow further research to take place. But the longer term result was that Sotheby’s instituted a due diligence program specifically designed to filter out works of art with potentially problematic provenance at the consignment stage and basically avoid the legal, commercial, and ethical risks which this would entail. And as I said, this happened in 1997, which was a year before the Washington Conference which you heard discussed earlier, and a year before the *Wally* case started. So this was very early on. And I personally had been involved in this since that time, since November 1997.

Well, what I thought I’d do next really is to take my lead from the article cited by Judge Korman and talk about what it is that Sotheby’s does to bring art out of the shadows when we offer it by sale by public auction, to explain how we examine the sources of works of art which we offer for sale, and most importantly, to explain how we work to bring about the resolution of potential claims arising for the historic ownership of art.

Now, what I thought I’d do, as Sotheby’s has its own master painting sale this week, is to use examples coming from the sale which is on view today. And I thought in doing that I’d take you through the due diligence process we have to filter out potential issues. The first thing we do very obviously is to speak with our client and ask where paintings come from. Clients will often give us their invoices, give us information as to where things in their collections came from. But sometimes that isn’t enough. When things come from estates, or when people simply don’t know where their artworks came from in the past, what we will also do, is we will ask each client to give us a full warranty of title confirming to Sotheby’s and to the buyer that they have the right to sell and the right to pass valid legal title. And indeed in this current sale season, I personally have turned away at least one painting where I knew there was a clear provenance but yet the consignor was not happy to give us that warranty with the unlimited liability that he felt that he’d be taking on in doing so.

The third thing we do, and that’s why I’m showing you this slide, is to look at the publications on the artists concerned and look up the published provenance of each work of art which we are asked to sell. On the slide you’ve got a mid 16th century *Portrait of a Lady* by Lucas Cranach the younger from 1543. When we were researching the provenance of this painting we looked in Rosenberg,⁸ which is the main source on Cranach, and in all the other publications. And what we discovered was that this painting used to look like the photograph on the left and was described in the inventory of Stefan von Auspitz,

who was a Viennese collector in 1931 as a *Portrait of a Lady on a Red Background*. And as you can see from the photograph on the right today, the background is very far from being red, it’s rather a rather nice creamy color in real life. What we discovered again doing more research was that this painting had in fact belonged to von Auspitz, who was a victimized Jewish art collector in Vienna. It had been seized from him by the Austrian government and sold by his trustee in bankruptcy to a dealer called Kurt Walter Bachsitz, again another victim of Nazi persecution. He had sent it to Baltimore, where the red background was taken off in 1932 and then went back to Europe and was sold to Dr. Van Beuningen in Rotterdam in 1933. So we were satisfied that this picture had a clear provenance, but it’s just an example of how the description of a painting can change over time.

This is another example again in our sale this week. We now call it a Magnasco of *Card Players By a Fire*. If you turn the painting over on the back you’ll see these markings. On the left of the slide is the stamp of the French government, it’s an MNR stamp, which shows that this painting was seized by the French authorities after World War II, but in this case it had been in an Italian collection and it had been sold by force in an involuntary auction in Paris in 1941. But on the right of this slide you’ll see how the French described this in their restitution records. Describes as, *Italian School Scene of Torture*, and in fact, if you look at the painting, it’s card players. So when you go to the records, however hard you try, unless you know what you are looking for you won’t find the right painting because it’s misdescribed.

That really brings me onto the next point that I was going to make, and that is that in a way the most important thing our due diligence process teaches my colleagues to do is to look at the back of pictures and to look at what physical evidence a picture shows as to where it came from in the past.

Again, this is in our sale on Wednesday. And if you turn this painting over, and this is Dirck Hals, of again, a game playing soldiers. On the back of this painting you see on the top left the initials AR, I think it’s 29 and then on the bottom right you see AR 416, and that is a Foster Rothschild in Vienna. But when you look at the bottom line here, the middle label is K 1072, and that’s a Kremsmünster number, which shows that this painting, although it belongs to a looted Rothschild collection, then went back to the Allies, to the Americans specifically, and then was restituted after that. So the back of this picture not only tells you that it was a looted painting, but then goes on to tell you that it was restituted and it can safely be sold.

The other point that’s interesting with this painting is that one of the things that we do is to check every work of art which we are asked to sell against Sotheby’s

proprietary database of victims of aggressors, of Nazis, and the dealers who collaborated. And if you looked in that database for this particular painting, you'd see that it was traded by a gentleman called Fred Mont in New York City. Prior to coming to New York City he was in Vienna and traded as the Galerie St. Lucas on his original name of Frederick Mondschién. He was well known or well suspected to have traded in looted works of art when he got to New York City. But in this case, although it rings a bell as being a red flag, we know that it's a safe reference, because he was actually asked to sell this painting by the Rothschild family in 1949. So although it's a red flag, it has no effect on our ability to sell the painting safely.

And this, just by way of interest, is the record which you can now find online for the Munich collecting point, showing all the information I've just given you and showing right on the left side that this painting was acquired for Adolf Hitler from the Rothschild family.

Again, this is another painting which is hanging in Sotheby's in the Upper East Side as we speak, and this illustrates another point and really just another source which we consult when we're asked to sell paintings on consignment. There's this painting which was actually in Hermann Göring's collection, and when researching it for sale we looked at the back and again, here you have a number of labels. On the back it's labeled as being by Yosk Van Claver, now it's by the Master of the Female Half-Lengths, and then you have an Edmund Rothschild label top right, it says ER48, which says it's from the French branch of the Rothschild family.

So again, one more thing we do is to check the databases which have gone online in the last year of French losses. And again, because we can prove this has been restituted, this is a picture which we can sell and these are the records which you will find in the online database that I just mentioned.

Well, really the last thing I wanted to speak about is what happens when we discover that a work of art was in a looted collection that appears not to have been restituted. And again, these are examples from the very recent past. This is the inside of a snuff box which we were asked to sell in New York last summer. And this label says "Collection H.E.B.," which stands for Henry and Emma Budge, who were German collectors who made their fortune building railroads from New York to Philadelphia. They lived actually two blocks from here throughout the early part of the 20th century before taking their collection back to pre-Nazi Germany. When we discovered this label, and in fact, when we discovered that all the pieces on this slide had been in the Budge collection and had been in the forced sale of Emma Budge's collection held in Berlin in 1936, we spoke to each of our clients in turn and said that these were pieces that we would not be able to sell. I think two of the current owners said, "but I own

this, my lawyers told me that I have legal title to this for various reasons." One case it was because they bought it at public auction in Amsterdam and that effectively cleansed title out of passage of years in that jurisdiction. But what we said to each consignor was that whatever the legal situation, we're looking at three things: we're looking not only at the legal position, at the legal ownership, we're also looking at the ethical position and the potential PR damage which the client and Sotheby's would suffer if we would offer these for sale with the Budge provenance without a settlement being reached first. And we're also looking at a potential market exposure. If you tried offering any of these for sale then savvy dealers and savvy buyers would know that the Henry and Emma Budge collection was stolen by the Nazis and would therefore sit on their hands at an auction. And even if you tried to sell them, then you probably would get either no result or a very heavily discounted price. So in each case we were able to facilitate an agreement between the Budge family and the current owner, and each of these pieces was sold last summer.

Coming back to this week, I wanted to show you this picture. This is an example of how many of these cases are unclear regardless of how much research you do. This picture by Van der Venne is a Greza (phonetic), it's a facsimile of a drawing in oil on board from 1631. When we were researching this picture for sale, we were able to discover a very full provenance going back to 1710 when it was published in a collection in the Hague all the way through to the late 19th century when it entered the Rothschild collection coming out of the Russian collection. We discovered that it was with Matilda von Rothschild near Frankfurt by the early 1920s and was with her daughter in Frankfurt by at least—or by 1925. We then discovered that it had been with a dealer called Sammy Rosenbaum, traded as Isaac Rosenberg in Amsterdam by 1939. And Rosenbaum had placed it with Howard Spiegler's client's ancestor Jacques Goudstikker on consignment, to be returned by Goudstikker to Rosenbaum sometime between July 1940 and December 1940, and then disappeared until it had appeared for sale in a Dutch private collection, actually at Sotheby's in Amsterdam in 2003. So in this case we just didn't know what had happened, how the picture had left the Rosenberg/Rosenbaum stock.

So in this case we spoke to our client, and an amicable resolution was reached between the client and the heirs and Sammy Rosenbaum. So when you look at our catalog for the sale coming up this week, you'll see that his catalog for that full provenance was given, and at the end it says, this picture is being sold in cooperation with the heirs of Rosenberg and Rosenbaum.

And finally, in case you think I've abandoned expressionism, which my colleagues were talking about and gone entirely at world masters, this is a painting which

we have for sale in London in two weeks' time. And this again was a product of some months of facilitation which I was involved in on behalf of Sotheby's with a current owner and with the heirs to a looted collection and their attorneys.

In this case the looted collection was a collection of Hugo Simon's, a well known banker from Berlin. And again, this was a complicated provenance where we knew that the picture had been sent by Hugo Simon when he fled from Berlin in 1933 to Amsterdam. He'd actually sent it to Jacques Goudstikker. Goudstikker then exhibited it and it remained in Goudstikker's stock after his business was Aryanized, after his death, and after it had been taken over by the Nazis. It somehow found its way back to the Dutch government at the end of the war. It was restituted to the Goudstikker family and they auctioned it in the late 1940s, and then the buyer of that sale sold it to Sotheby's current consigner.

Again, it was a very unclear provenance, the legal situation was unclear, but what we were able to do was to bring the two sides together and say, you're both innocent victims of the circumstance here. And basically, the lack of clarity of provenance and the lack of clarity in the legal situation can be priced into a settlement. So they reached an agreement, so again this will be sold in two weeks' time with a legend at the bottom saying: "This picture sold in cooperation with the heirs of Hugo Simon."

Well, that's the research which we do, and as I said it's all designed to minimize the risk of anything which we offer for sale may be looted in its past. It's not fool-proof, but essentially, that's what I do in my daily life. And that's how we try and avoid litigation with my esteemed colleagues. Thank you.

MS. JUDITH BRESLER: Thank you. I'd love to thank all of the panelists for wonderful presentations. We now have 10 minutes of general Q & A, and I know you've all been sitting patiently. So if anyone has any questions, please feel free to come up to the mic in the center and raise your questions so we can all hear. And lest anybody is bashful—all right, great. Charles.

MR. CHARLES GOLDSTEIN: Charles Goldstein, New York. This question is addressed to Mr. Frankel. At the Prague Conference two years ago, Stuart Eizenstat, a partner of Covington & Burling, argued effectively that Holocaust cases should be decided on the merits, and is responsible in large part for the incorporation of those very words in the Terezin Declaration. Stuart was representing the interests of the United States. Could you explain the ethical



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considerations considered by Covington in assisting a museum bringing an action in federal court against a claimant for the express purpose of precluding an independent judicial determination on the merits?

MR. FRANKEL: Well, there are a couple of layers there. When we initiated the action, Stuart Eizenstat had not traveled to the Prague Conference. As to your first point, Mr. Eizenstat was not speaking on behalf of the United States at that Conference. And if you look at the First Circuit's opinion, it specifically addresses that point, at least according to their opinion from October, Mr. Eizenstat was speaking in his personal capacity. That is, that statement did not represent the policy of the executive branch, we can debate that.

The court said, however, that the words of the Terezin Declaration that came out of the Prague Conference did not adequately indicate a policy of precluding the application of statutes of limitation on the merits. And if you look at the language of the Terezin Declaration, I think the court is right. And then you get to the second step of what the court looked at, which is even if it did, what would that mean for United States law.

And if you look at the argument made by Seger-Thomschitz in our case it's actually quite, to me, a little perplexing, because they stress the non-binding nature of the Terezin Declaration as a reason that the United States court should find that it is pre-emptive of Massachusetts law, which I don't think follows as a matter of precedent. You are raising a larger question of whether the propriety of museums invoking statutes of limitations and, by your words, of the acts of the lawyers who represent them.

And I think one thing that you haven't seen aired much, but which people have considered, and there's actually a student note that I just discovered in recent weeks on this very subject, is that museums have fiduciary duties to protect their collections. And if the museums have engaged, as the MFA did, in an extensive and expensive investigation to understand exactly what happened to the works, and they've concluded that those who were in the best position to decide whether the original sale should be invalidated chose not to seek to do so, I think there is at least a very strong argument that museums have a duty to protect the trust assets that they're required to protect and to seek to retain them.

Now your point is, well, you can litigate to retain them but you ought to litigate on the merits, and that's easy for you to say, but it may require another \$500,000, \$750,000 or more expense for the museum. And so I think there is at least a strong argument that having made a determination that a claim is not a strong one, it's appropriate for the museum to take appropriate steps in that direction. And that actually happens to be the conclusion of the student note that I mentioned out of is Boston College School of Law.

MS. JUDITH BRESLER: The museum acquired the Kokoschka in 1973, exactly when did it conduct its provenance research?

MR. SIMON FRANKEL: Well there was some collection of provenance information in 1973, it actually came in 1973, Sarah Blodgett had died in 1972. And then subsequent to the Washington Principles, they conducted additional research, all of which was put up on the web about the history of the painting and they had some documents indicating a transaction, apparently a sale by Reichel to Kallir. And then after receipt of this claim, they did this extremely thorough research that ultimately located the correspondence of Raimund Reichel.

MS. JUDITH BRESLER: All right, we have comments actually from the panelists. We have Don followed by Howard.

MR. DON BURRIS: Just briefly, I'm the guy that started this two hours ago, nice to see you all, great audience. Simon is a wonderful and bright human being and I have great respect for him as a colleague.

MR. SIMON FRANKEL: But—

MR. DON BURRIS: In response to Charles' pointed question, I think what you are seeing is a real split with regard to—if you want to call it moral authority, you can, if you want to call it practical authority, you can, if you want to call it something as an alternative to the legal authority—I have been around, because this is a small fraternity and sorority of us who do work in this area. I've been around other lawyers who represent a number of museums who at least pay lip service to the idea that we shouldn't decide these cases on the heels of technical defenses, such as the statute of limitations. And it's not the proper forum for it right now, but I can give you arguments which go to what happens. This is not a normal statute of limitations case, these are Holocaust victims who for many years, they didn't want to think about their paintings. They were thinking about a new life, and they were thinking about sublimating it, and whatever else happens in post-Holocaust trauma. I want to let Howard comment also, but would say that there's that aspect of it which is somewhat apathetical to what my honorable colleague has just said.

MS. JUDITH BRESLER: Simon, you can have a very brief response, followed by Howard.

MR. SIMON FRANKEL: Why doesn't he go first and then I'll—

MS. JUDITH BRESLER: Okay, Howard.

MR. HOWARD SPIEGLER: I just wanted to add that it concerns me when museums—and it's certainly not only the museum which Simon represents—who said this recently: "We are all for a determination of these cases on

the merits, and would rather not assert the statute of limitations except in those cases where we have determined that the actions are meritless."

I think that, in deference to the respect that should be accorded to the trustees of the museum, if one is concerned about the cost of a litigation, if one did not spend the—what is often enormous amounts of time and money arguing the defense of statute of limitations and technical defenses, but instead subjected the claim to an examination of the merits. I would suggest that if the museum is correct and that the case is clearly meritless, it probably won't take that much time and money to establish that in court. The fact is that these cases are not easily resolved. There is in many cases a real question of the merits. And it gives me great pause to hear the museum saying, "well we're the judge and jury and we determine that it's meritless so it's perfectly appropriate for us in those cases to assert a defense of statute of limitations which otherwise might not be appropriate."

MS. JUDITH BRESLER: All right, Ray.

MR. RAY DOWD: In the summer of 1938 Adolf Eichmann arrived in Austria. He sent up in Vienna an office called the Zentralstelle, and Eichmann bragged either before, during, or after, I don't remember when it was in relation to his trial, that he was famous for setting up a conveyor belt where you put a Jew and all their property on one end, and at the other end they had a passport and 10 Reichsmarks to get the hell out of the Reich. And this was called the Vienna Model for Expropriation. So Eichmann got there the summer of 1938 and the transaction in question took place in February of 1939, the Reichel Kallir transaction. That is a transaction that ought to be really scrutinized by historians very carefully, not in the context of a museum suing Jews and their heirs.

MS. JUDITH BRESLER: Simon, you have two minutes or less than that to respond, then our time is up.

MR. SIMON FRANKEL: Like I said, it's a little chilly in New York. Just three quick points, the first is I do think there is an interest that needs to be considered in terms of museums' fiduciary duties in terms of proving assets. And I don't think Howard's observations quite account for that.

In this case, in the original counterclaims, Seger-Thomschitz's counsel asserted that the heirs of Oskar Reichel, Raimund and Hans, had had no knowledge of this painting, they hadn't ever known their father had owned it, that they had no way of figuring that out after the war, that they could never have discovered the whereabouts of this work or that their father had owned it. Every one of those turned out not to be true. I agree with Don that this is not a typical statute of limitations, but what's unusual in our case is it was not a typical Nazi-era art statute of limitations case in the sense that the facts had been out

in the open for decades and there had not been barriers Raimund Reichel had sought to recover.

Now, I understand Howard's point that if the museum believes all this they should go to the trouble and expense of going through nine months or 12 months of discovery on two continents and litigate it to the end, but I don't think that necessarily accords with the museum's fiduciary duty.

And I just want to make one observation that I think people who criticize museums' conduct in bringing these kind of actions often ignore, in fact, always ignore, which is that the number of times that museums have either on their own through their own research approached the heirs of former owners to discuss restitution of works or responded to requests by heirs by ultimately restituting the work voluntarily are—the number that I'm aware of, I did a list about a year ago and there's about I don't know, there's multiples of six or seven times as many restitution cases that are publicly known as there are these declaratory judgment actions by museums. And every declaratory judgment action by a museum is going to be a matter of public record, but not all of these restitutions are. And so I think museums are in fact taking these steps in many many instances when they have determined this to give the works back. And it's in the instances where they have very good reasons to think that's not appropriate, that they have sought to retain the works.

MS. JUDITH BRESLER: To be continued. Thank you.

MR. DON BURRIS: Those of you who won't be at the cocktail party, I just want to mention two things. We don't have any place to go in the cold, so if you'd like to ask some questions in the back or anything else like that. And any of us, you can get our email addresses. Write us, or call us, or whatever if you have a question in this area. We're just trying to help in some ways. My email you can never forget, it's Don@bslaw.net.

WHOSE LIFE IS IT ANYWAY?—LIFE STORIES IN MEDIA

MS. DIANE KRAUSZ: Welcome to the second half. This is the panel—if you look at the outline in the beginning of the books, if you turn over the page, there is an outline for *Whose Life Is It Anyway?—Life Stories In Media*. And Steve Rodner is going to be our moderator, who is an expert actually in this field also. Steve is a Partner at Pryor Cashman who has been there for almost over three decades, and also before that worked in the legal de-



Diane Krausz

partments for Paramount and Columbia Pictures, and is extremely experienced in this area as well as other areas of the entertainment practice.

He actually helped us in terms of putting the panel together as well as being one of my Co-Programming Chairs. One of his clients is also on the panel, who I'm going to speak about in a little while, because he happened to have been his attorney way back when.

The second speaker is Tom Ferber, he's one of the litigation partners at Pryor Cashman, and his specialties are copyright infringement, trademark, trade dress, false advertising, all types of other areas of risk evaluation in these areas and strategies. And he's going to talk about two of the seminal cases in this area, which were the *Rogers v. Grimaldi* case⁹ and the *Seale v. Gramercy Pictures*.¹⁰

And then we have Richie Roberts, who was an assistant prosecutor in Essex County and now in private practice, and was the person that Russell Crowe portrayed in *American Gangster*. And in his bio, I'll quote just part of it, saying that he "was the one who pursued, tried, and convicted the notorious Frank Lucas, played by Denzel Washington, thereby ending the reign of the largest dealer of heroin in the United States." And he'll be talking a little bit more about his experiences with having his life story depicted in a film.

And then we have Robert Harris, who is also one of the leading experts in this area. He is one of the founding partners of the firm Lazarus & Harris, and has been working in this area for also over three decades. Has represented, and is representing, among other people, the heirs of both Ernest Hemingway and F. Scott Fitzgerald, John Irving, the writer, John Kander and the late Fred Ebb.

And last but not least, we have from the William Morris Business Affairs Department, Eric Zone, who I think has—who are his students? Did any of his students show up today? Okay, so he's also a teacher, an adjunct professor of the New York Law School, where he's teaching an advanced course in transactional entertainment law. In addition to his daily interaction with agents, lawyers, and buyers, he has significant client contact and is asked to unravel and solve complex rights problems and explain them, and understand terms in an uncomplicated detail. So hopefully that will be one of the things he does for us today. And his clients listed also in his bio include the *Princess Diaries*, *Gossip Girl*, *The A List*, I'm just pointing out ones that—Tim Burton's exhibit in the Museum of Modern Art. So again, we were talking about a very experienced crew. And I'm going to turn it over to Steve Rodner.

MR. STEVE RODNER: Thank you. I'm not going to say much, I'm just going to be acting as task master, lion tamer, whatever you want to call it, and do the timing



Steve Rodner

here for these people. I just want to say this is really an honor being the moderator to this panel for a couple of reasons. Number one, three out of the four people I have known for over 25 years and I consider friends of mine. And also it's an area that's dear to my heart, that I have been practicing law in for over 30 years when I was a relatively young attorney.

One of my clients was a television producer, you may have remembered or heard of, called Herbert Brodtkin, and he was one of the pioneers in docudramas and real life stories, and I got involved in this area early on. And just as one short anecdote before I let these guys take over that I like to tell people is when Herb Brodtkin got an offer from HBO to do a bio of Nelson Mandela, who at that point was still in jail, it was publicized. I got a very detailed cease and desist letter from an attorney in California whom I knew. He told me we had no right to do this because he had exclusive rights and had gotten an option on the book by Winnie Mandela about her life with Nelson Mandela. I responded to him very briefly by saying, "you can do what you want, you know that we can make any life story of Nelson Mandela. We'll try and avoid using anything that you have in that book, and be my guest." Never heard from him again. Our client made his movie, this gentleman's client did not, and that was my first foray into this area.

The first speaker is going to be my partner Tom Ferber, who is going to talk about a couple of the seminal cases which again I neglected to tell you he litigated himself. And I'll let Tom take over.

MR. TOM FERBER: Thank you, good afternoon. Actually I'm going to discuss those cases in a larger context.



Tom Ferber

And by way of background I thought I'd talk about a case that some of you may have heard about in the news over the last eight or 10 months, even though there's been no adjudication of any sort on the merits in the case yet. A couple of months ago it was in the news again. It was filed in New Jersey Federal Court last spring. I think it was in December, the judge there,

without making any judgment ruling on the merits decided to transfer the case to California. And at least as far as I can tell this morning from the docket there's still an open decision on the merits in any respect. But it concerns

the film the *Hurt Locker*—won the Academy Award a year ago. And as probably most of you know, was based on fact, was based on a bomb disposal unit in Iraq.

Now, the screen writer Mark Boal, who is a defendant, among the many defendants in this action, had been assigned by *Playboy* to be embedded with the troops in Iraq and to write an article about this bomb disposal unit. His article, when it came out in *Playboy*, featured the man who is the plaintiff in this case—Master Sgt. Jeffrey Sarver, who claims in this action, even though he made no complaint about the *Playboy* article who specifically named him—that once the film came out, that the protagonist in the film is him. And he has among the many claims he has alleged, claimed that the film violates his right of publicity and constitutes a false light invasion of privacy. Notwithstanding the fact that between the article which didn't give his name and the film, the name was changed, and many details were changed so that the protagonist in the film is Will James, not Jeffrey Sarver. Nonetheless, he claims it tells his personal story, casts him in a negative light, that it's obviously him because it was obviously based on the *Playboy* article, so he brings this suit.

So the question is, what does the precedent in the area of publicity and false light invasion of privacy claims tell us about what might happen in the *Sarver* case? Well, as many of you probably know, the right of publicity concerns—it's deemed usually in discussion of choice of law principles, it's described as a property right of a public person, a historical figure, a celebrity, etc. And it involves the misappropriation without that person's consent of their name, likeness, photograph, and in some jurisdictions, their voice, for purposes of trade or advertising. And that last qualifier is very very important here because of how it has been interpreted.

A false light invasion of privacy claim, which I'll discuss in a few minutes, concerns portraying or depicting a person in a false light before the public in a manner which a reasonable person would deem to be highly offensive. Now, Bob Harris is going to talk about defamation later on.

False light and defamation claims have a fuzzy boundary line, and both Bob and I have found it to be a little uncomfortable, because some times you never know which side of that line a claim should be. For lack of a more precise term, "I would frankly tell you that when a plaintiff says, I don't like the way that portrayed me, it makes me look bad," but can't specifically point to why, they'll usually go with what I regard as the fuzzier cause of action, which is false light, or they'll plead both in the alternative.

A few of the differences you might keep in mind, though, is you would have a viable, a legally cognizable defamation claim for saying something false and defama-

tory to just one other person, that doesn't do it with a false light claim. You really have to have a wide dissemination of the allegedly offensive material to the public.

In addition, there's a requirement of the depiction, if you will, the false light being highly offensive to a reasonable person. And in some states, I think California would say that false light is a broader and again fuzzier claim because it covers false implications, whereas defamation claims are limited to false and defamatory statements of fact.

Now, focusing initially on publicity claims, which again are similar to one branch of the invasion of privacy tort, which is misappropriation of name or likeness for purposes of trade or advertising but of a private person. In New York law, both of those claims, there's no common law right of either invasion of privacy or the right of publicity—both are found in Section 51 of the New York Civil Rights Law. This statute and the statutes in common law in this area of other jurisdictions all have to keep in mind the First Amendment limitations on that key qualifier for purposes of trade or advertising. It's no surprise because it goes back to the late 40s early 50s, the Supreme Court decided that the First Amendment guarantees free speech and free press, applies just as much to movies and television programs as it does to books and other printed media.

The Supreme Court has recognized that this constitutes a sort of propaganda through fiction saying that what is one man's amusement teaches another's doctrine. And consistent with that the court will have to consider whether the trade or advertising requirement has been met because of course you don't want to impinge upon those rights.

Some of the earliest, and I think best, examples of this concern two cases, one in 1969, the second in 1975 brought by the same plaintiff. The plaintiff was the assignee of the right of publicity and life story rights of Howard Hughes.

In the first case, *Rosemount Enterprises v. Random House*,¹¹ the complaint concerned an unauthorized biography. There, the problem was it was unauthorized and the court was not much interested whether it was authorized or not, consistent with what Steve Rodner said a few minutes ago, because there was no monopoly on one's life story rights. The court said that just as a public figure's right to privacy must yield to the public interest, so too must the right of publicity bow, where such conflicts with the free dissemination of thoughts, etc., including matters of public interest.

The second case wasn't so much just a question of being unauthorized. The focus there in addition to being unauthorized, it was Clifford Irving's *Autobiography of Howard Hughes*, which was fictional. And once again, the

court found that there was no viable claim saying that Hughes was no different from any other person and that he simply had no monopoly on his life story rights. Sure he had the right to portray himself and authorize others to, but couldn't control that right in any sort of exclusive way.

I want to interject here. It's important to know that in New York there is no postmortem right of publicity. And originally in California there wasn't either, that came to exist by statute, I think, in the late 1980s at a time where New York law was not clear because there were questions whether there might be both a common law and a statutory right of publicity in New York.

The case came to the court concerning Norman Mailer's unauthorized biography, which had fiction in it, supposedly about Marilyn Monroe. The executor of the Monroe estate sued and was rebuffed by the court, which stated, "we think it does not matter whether the book is properly described as a biography, a fictional biography, or any other kind of literary work, it is not for a court to pass judgment on literary categories or literary judgment. It is enough that the book is a literary work and not simply a disguised commercial advertisement for the sale of goods or services."¹²

Now, that's all well and good, but a note of caution, a caveat must be stated here. In I think it was 1980 or '81, the federal court in New Jersey addressed the following situation.¹³ It was a concert called The Big L Show. It was not in the context of a story, there was no independent creative expression involved. It was simply an Elvis Presley impersonator doing the Elvis act. And the court found that in that case it was nothing more than an exploitation of Elvis Presley's persona. And while the court noted that it would only be the rare case in which a publicity claim would be legally cognizable and would not be protected by the First Amendment because it would only be the rare case that there would no independent creative expression or ideas, thoughts, propaganda through fiction if you will, that would be part of the presentation. This was such a case, and with that important note, the court did find for the plaintiff in that case.

Let's talk for a minute about what happens when you depict real people in fiction. There's been a clear evolution of the law here. Because it's been a slow evolution I'm just going to draw a boundary line, I'll call it the earlier era which concerns these two cases, and then the more modern era.

At one point with respect to a publicity claim or a misappropriation privacy claim, some courts held that fictionalizing the events being depicted invalidated the First Amendment privilege. One of those cases is the *Yousoupoff* case,¹⁴ which involved a television film about the murder of Rasputin. The plaintiff Yousoupoff was actually a member of the Russian Royal Family. He had

long since admitted to being part of the plot, the conspiracy to murder Rasputin, there was no question of his involvement. But the film was fictionalized and he sued on that basis. There the court held that there were problems with the First Amendment right because you were only protected under the First Amendment if you were giving a more or less historically accurate portrayal of the events and this wasn't, so the court held it there. It could be a viable Section 51 claim.

Similarly, in the well-known, but now I think largely discredited Warren Spahn case,¹⁵ there was a biography about Warren Spahn intended for really the very young adult male audience. We're talking late elementary school, early teens, and it was a biography of Spahn, which was in no way offensive. In fact the problem to Spahn was it made everything over the top, way too good, way too positive, the embellishment was he thought ridiculous. He sued, and ultimately the New York Court of Appeals held that because of the amount of fictionalization that had taken place there, that work was not protected by the First Amendment from a Section 51 claim. However, before long these precedents were largely ignored.

In *Hicks v. Casablanca*,¹⁶ which I believe is a 1978 case from the Southern District, was later on the Second Circuit, was at the time in the District Court. The court talked about *Spahn*, and frankly there's some confusion. The court talks about false light claims when it's really a publicity claim. And I wouldn't cite to it for that proposition. But what's interesting about it is one of the first cases in what I would call the modern era, because the film *Agatha*, starring Vanessa Redgrave and Dustin Hoffman, starts with this premise. We know that she was a great mystery. We know that at one point in her life she disappeared without explanation for 11 days. Let's hypothesize about what might have happened during the 11 days she was missing. So it was sold to the public as a work of fiction, as conjecture. The executor of the Christie Estate sued. The court rejected the claims against both the film and the book *Agatha*, even though the premise was entirely fictional finding in this case, come on, it was clearly depicted as fictional, which is unlike *Youssoupoff* and *Spahn*, and where that's the case, we don't have a problem. There's no issue about the audience being misled, and it is protected artistic expression.

Moving further into the modern era, it's one of what I think is maybe the best written and most inspiring decisions about First Amendment protections and I would encourage you all to read it, is a concurring opinion of the California Supreme Court in *Guglielmi v. Spelling-Goldberg Productions*.¹⁷ It concerned an unauthorized



fictionalized television film about Rudolph Valentino. Now the official opinion of the court, which I think was per curiam and probably was about a page long, was based on a decision the same day in *Lugosi*, which said at the time California had no postmortem right of publicity therefore, the Estate of Valentino could have no claim. Then, however, Chief Justice Rose Bird

wrote a concurring opinion with an alternate majority of the court. It was a wonderful decision, it talks a great deal about the practical effect on our popular culture, historians, novelists, whoever it might be, if the First Amendment protections were not recognized in connection with works of fiction in the realm of entertainment. The court said that the range of free expression would be meaningfully reduced if prominent persons in the present and recent past were forbidden topics for the imagination of authors of fiction. Noting that Valentino's life and career are part of the cultural history of an era, the court said that the case was properly dismissed. And in doing so again, the court noted the important distinction between expressive works, which this film clearly was, and collateral commercial products, finding that this was protected even though the use of Valentino's name was used to advertise the film. The advertising was deemed to be part and parcel of the same project, the expressive work that was the film.

A similar case came a few years earlier with the Illinois Supreme Court. We've all heard of the Leopold and Loeb murder case. *Compulsion* was a play and then a movie, which was a slightly fictionalized version of the Leopold and Loeb murder case. The names were changed in the play and film; however, Leopold and Loeb's names were used in the advertising to promote the play and film.

Leopold, the murderer, the admitted murderer, asserted a claim saying that because it was fictionalized he had a viable cause of action. The Illinois Supreme Court rejected that, said there was no waiver of First Amendment protection, and agreed that summary judgment should be granted.¹⁸

A much smaller case in the realm of this jurisprudence, but an interesting one I think, and it's only a footnote in the outline I've provided you, is *Wojtowicz v. Delacorte Press*.¹⁹ I don't know if you all remember *Dog Day Afternoon*, Al Pacino's film from the mid '70s? It was based on an actual bank robbery that occurred in August of 1972, however, like the *Compulsion* case, the names of the characters were changed even though the client was quite well recognizable.

After the film came out, the wife of the character that Al Pacino was portraying sued under Section 51, saying “you portrayed me, that’s the wife, everybody knows that that’s the crime, everybody knows that that’s me.” The court said that there was no viable claim under Section 51 of the New York Civil Rights Law because it wasn’t her likeness and her name was never used. That kind of tells me a lot about how, from at least my perspective, the *Sarver* case ought to be decided, at least from a publicity and misappropriation and privacy point of view.

There’s some other cases that have been decided since very much along the same lines. There was a case involving portrayal of the Temptations called “Ruffin and Steinbach” in the Sixth Circuit, and a case about the movie *A Perfect Storm*, which had fictionalized names, but the real disaster about the fishing boat in New England. Both of those went in the same direction and they were unsuccessful.

Now, one of my favorite cases because it became a similar case and something I’ll describe later on—is a case I litigated. Ginger Rogers sued on the Federico Fellini film *Ginger and Fred*, which actually was not about Ginger Rogers and Fred Astaire at all. It was clearly a fictional work. It was a satirical look, typically Felliniesque and quite loony, about television and our entertainment culture. The premise of the film was that there was a television special being done in Italy with various nostalgia and novelty acts. The two title characters if you will, they were known. Their real names in the story were Pico and Amelia, but they had long ago entertained in Italian cabarets all over Italy, and because they had imitated Rogers and Astaire they had been known to their countrymen as Ginger and Fred. Ginger Rogers sued under various claims, a false light claim that was so skimpy that frankly it was just given the back of the hand, and a right of publicity claim and a Lanham Act claim, which I’ll come to later. In terms of the right of publicity claim, the district court dismissed that claim agreeing with and citing *Guglielmi* on the notion that Rogers and Astaire are a part of the cultural history of an era, and of course, Fellini had the right to do a film where they were the central premise. The court said it was not merchandise, but a protected work of artistic expression by one of the world’s greatest film makers. So the court said the film enjoyed the full protection of the First Amendment.

Fellini was of course entitled to create a satire of modern television built around the bittersweet reunion of two somewhat tattered retired hoofers who once earned the nicknames Ginger and Fred by imitating America’s dancing legends, one of whom is the plaintiff here. Equally protected is the title of the film, an integral part of the work’s artistic expression, which is a reference to its central characters.

Another one of my cases which was mentioned earlier on from the late ‘90s was *Seale vs. Gramercy Pictures*.

Bobby Seal, who with his friend Huey Newton founded the Black Panther Party in Oakland in the late 1960s, sued because this film was a fictionalized version of the early years of the Black Panther Party in Oakland. His motivation was freely stated. It was that he had formed his own production company with which he hoped to do his own movie about the early genesis of the Black Panther Party, and he felt well, who’s going to buy it now, he’s been pre-empted. Frankly, I didn’t think that was my client’s problem and the court agreed.

The publicity claim was dismissed on summary judgment with the court noting that those who are voluntarily in the public eye, such as celebrities and politicians, clearly have less privacy than others, at least as to legitimate reporting of facts reasonably relevant to their public activities.

It was unclear what the common law of Pennsylvania was, the court cited to the Restatement, which basically parallels Section 51 of the New York Civil Rights Law and the jurisprudence in terms of actual malice, which Bob will be talking about under *New York Times v. Sullivan*²⁰ and its progeny and throughout on summary judgment of that claim.

I want to talk just a little bit about false light to which I eluded earlier, because when you are doing docudramas and when something’s a historical event either because you couldn’t possibly have the time to portray everything that everyone might find of historical interest in a one and a half, two, two and a half hour film, or because you’re trying to make a point, again that propaganda through fiction, you’re going to fictionalize things. Or because the actors, the people, the historical figures are no longer available, or if available have no interest in helping you, you have to make up dialogue, you have to telescope events, and this happens all the time. The question is, in what circumstances should the producers of such a work of entertainment be subject to a false light claim?

As I said, I described what constitutes a false light plan before, what the requirements were. In the most brief description, a docudrama has been described by Professor McCarthy as a dramatic recreation or adaptation of actual events.

One very interesting case, because of how long ago when the case came about, the events depicted had occurred was *Street v. NBC*,²¹ a Sixth Circuit case from 1981. We’ve all heard of the Scottsboro rape trial from the 1930s, I actually think there were several trials. The producers of this television film, *Judge Horton and the Scottsboro Boys*, decided to use the recorded perspective of one of the judges involved in one of those trials, Judge Horton, who clearly had reservations about the truth of the accusers and the guilt of the Scottsboro Boys. The plaintiff, Street, had been one of the accusers in one of the trials, she was mistakenly believed to be dead and was depicted

unfavorably. The unfavorable depiction was apparently deemed not to be much of a problem to those vetting it because of the erroneous belief she was dead. False light claim, like a defamation claim, does not survive death, unlike publicity claims in certain states. So suddenly they had a very live plaintiff who clearly had been unfairly depicted and the question was, was that actionable or not? The first question was whether she was a public figure. The court found that because this was one of probably the single most famous rape case of the 20th century, that even four or five decades later she did indeed remain a public figure. So reckless disregard of the truth was essential to prevail in that claim. And because the filmmakers had in fact based the perspective through which they told that story based on Judge Horton's actual recorded notes and impressions, was found to be there was no reckless disregard of the truth.

I'll skip the *Missing* case,²² because Bob Harris will talk about that and in fact, it was really a defamation case not a false light case. And talk for a minute about the second opinion in *Seale v. Gramercy Pictures*.

As I said earlier, the publicity claim was dismissed on summary judgment before a trial. Bobby Seale also alleged that a variety of scenes depicted him in a false light. When I deposed him there was something like 30 scenes. Two weeks before trial he reduced it to five. The day trial started he reduced it to three. And as he was actually putting in his evidence he complained about two scenes having depicted him in a false light.

Even though at the end of the day the judge, and it was a bench trial, concluded that one scene depicted him of false light not because of what was shown, but a scene that showed him after the assassination of Martin Luther King. The judge said, "this didn't depict him in the light he deserved, hence it depicted him in a false light." Then turned to the next question. And this is very important to counsel who might be advising a filmmaker. The court found that there was no reckless disregard in portraying the subject matter of the film or Bobby Seale in particular because the filmmakers had hired two consultants. One was a history professor from either Stanford or Berkeley who had been asked to review the screenplay and had given it her approval. And another was a woman who'd been the first female member of the Black Panther Party in Oakland in the 1960s and she was an on-set consultant. She saw everything that was being done and being filmed, and she gave it the thumbs up. So in fact, even if Seale was right that certain things incorrectly portrayed him, there was no reckless disregard of the truth.

One interesting note, Steve had mentioned Herb Brodtkin, his partner was Buzz Berger, who had actually done the Mandela film. We use Buzz Berger as an expert because Buzz had probably done more docudramas than anybody else. And he said that in terms of what industry practice would be in terms of vetting and trying to ensure

a substantial accuracy of a docudrama, the makers of the Panther film had done everything that was appropriate. We'll stop there. Thank you very much.

MR. STEVE RODNER: Thanks Tom. Next up is Rich Roberts. And he's going to give you a more practical view of life story rights, since his life story, or at least a portion of it, was actually portrayed in a major motion picture. And he's going to give you that perspective.

I just want to clear up any confusion if there was anybody who thought based on what Diane said that I was once Richie's client, since he's a criminal defense attorney, I just want to state that that's not accurate (LAUGHTER). Anyway, Rich.



Rich Roberts

MR. RICH ROBERTS: Let me first thank you, Steve, very much for inviting me here, it's a pleasure. But I would be remiss if I didn't mention your lovely wife, who I've known for many, many years, longer than Steve, who is a terrific medical malpractice attorney in New Jersey. So if anybody has any referrals, please call Judy.

I am not going to cite any caselaw for you because in your discipline I know no caselaw. However, if you kill somebody, conspire to kill somebody, sell drugs, rob, whatever, then call me up and I can help you out. Otherwise, call up Steve and these people up here.

What I can give to you today hopefully is an idea from a lay person's standpoint, which really I am here, what it's like to have a movie made about you, the process that led up to it, and the feelings people have who are involved in these processes.

I guess I have to start by giving you a little background about myself. Back in the late 60s I think it was early 70s, I was a very happy Essex County Prosecutors Detective involved in the area of organized crime. We were investigating the Genovese and Lucasi families in New Jersey, and I was working undercover. We were making cases, and at one point we came upon a homicide, actually it was a double homicide, that was about to take place, and we had to blow my cover in order to stop these killings.

From that point on I started testifying in court cases because now they obviously knew who I was. And aside from my three prior wives, I made the biggest mistake of my life listening to these lawyers and thinking hey, I can do that, they're just asking silly questions, and witnesses are giving sillier answers, I could do that just as well as

they can. So I attended Seton Hall Law School in the evenings while I remained a Detective in organized crime.

In those days we noticed, even in organized crime, that there was a tremendous amount of very pure heroin hitting the streets in New Jersey, and New York, Newark, BedSty, Harlem, all over, of such purity that it was killing people. I don't know how much you people know about drugs, but when drugs are cut and sold on the street, the purity in those days prior to the advent of Frank Lucas and Nicky Barnes was about one, two, or three percent heroin. Suddenly it became 10 percent because it was coming from Vietnam where the soldiers were using it and people were dying.

I finally finished my law school and became a member of the Bar. And as an aside I was making \$17,000 a year as a Detective, I became a lawyer, they cut me to \$13,000. At which point my lovely wife who some of you may know, Sharon Levine was her name then, she became Sharon Elghanayan, and now she's Sharon Corzine, she married the former Governor of New Jersey. She's a real sweetheart though, but she didn't like the idea of losing \$4,000 and so we split.

But the Prosecutor was asked by the U.S. Attorney in New Jersey and by the U.S. Attorney in Washington if they would name somebody to head up a special task force to make major narcotic cases and specifically to try and find out where this high-powered heroin was coming from. So given my detective background, Joe Lordi, who was my boss, asked me if I would be interested in doing that. And obviously I was and became head of the BON.

Cutting out all of the particulars, we were able to indict the entire Lucas organization from top to bottom in New Jersey and all the main people in New York. Frank's brothers each were in charge of a borough, and we got all of those, and Frank, and all the underlings. Forty-three people were involved in the indictment. It was—actually when I was first approached about this project I thought it was going to be a movie about the trial because it was a wonderful trial from a trial lawyer's standpoint. It was one of those cases where everything that could happen happened. From jury tampering, to contracts on my life, to wonderful witnesses, Joe Louis appeared as a witness for Frank Lucas, it was terrific. But that's what I thought it was going to be about. But obviously if you saw the movie it kind of skipped over that. But we had a great trial.

Let me just give you—I don't know how many are trial lawyers here, but I'll give you one anecdote from that trial. Our judge was a guy named Ralph Fusco, who was totally, I'm serious, insane. We used to call him a mad genius. But he used to hand out questions to prosecutors, because he's a former prosecutor, during trials, during small trials, and insist that you ask these questions. If you didn't, you'd be in trouble in his court. So he was doing

this to me in this case. Now, there were actually about nine defendants who went to trial, the courtroom was packed with press, with celebrities, and I wasn't about to ask these questions, I didn't want to blow any chance of winning this case and losing it on appeal. So finally his court man came to me and said, "Rich, if you don't ask this question, you are finished in his court, you are never going to get adjournments, you're never going to win any motions, he's really angry, ask this question." I looked at it and it was truly innocuous, it was objectionable, it didn't mean anything to the case. So I said, okay, I'll ask this one question. So I asked the question, and Judge Fusco took his gavel, smashed it down on his bench and said, Mr. Prosecutor, how could you be so stupid and impertinent to ask this stupid question"? Yelled at me for five minutes in front of all these people for asking the question he wanted me to ask. He was getting even with me for not asking the other questions, embarrassed the hell out of me. But we were lucky, we got a conviction on the case, and I thought that was it.

I left the Prosecutor's Office shortly thereafter, opened up my own practice in Newark and forgot about it. I shouldn't say forgot about it, I left out an important part, Frank Lucas flipped. He—for those of you who don't know the vernacular, he turned states evidence, he started working for the government. Turning in—not like the movie depicted, only bad cops, but every person that he ever did a dime deal with, including his brothers. He flipped on everybody literally in the world, because there were people in Vietnam and Cambodia in the army who were working for him as well. And when you work with somebody as a cop informant situation you do become friendly. And Frank Lucas was a very charming guy, believe it or not, he would have been a great con man. And over the years, making a lot of cases, most of them with Sterling Johnson who is now a judge in the Eastern District, we did get to be friends, I admit that with some trepidation, but we did.

So now after about two years of working with him—that's when he went to jail, went into witness relocation after a while and we lost touch, I would say, I don't remember the exact year but maybe three, four years, or five years after he was in witness relocation I got a call, it was Frank. He said, "Rich, meet me at such and such place, I want to talk to you about you representing me." I said, "I thought you were in witness relocation?" He said, "I voluntarily left." Now I knew personally at least 10 people who wanted to kill Frank and I didn't want to get caught in the crossfire. I said, "Frank come to my office if you want to, but I'm not meeting you anywhere." He came to my office, and he said that "some guy name Nick Pileggi called him and met with him and wanted him to make a story about his life, would you represent me?" I said, "Sure I'll represent you, I don't know much about the field. What's going on?" He said that Nick

sought him out and liked the idea of making a movie about him and wanted me to represent him, so I said, sure.

So we had a meeting with Nick who, I don't know if anybody knows him, but a super, super guy, really a nice guy. He used to be the criminal beat reporter for *The Daily News*. And he wanted to push the story about Frank Lucas and the Black Mafia and how things were back in the day with he and Nicky Barnes. And I said, look I'll hang out, I'll see what we can do, and I'll try to help.

So we had a couple meetings and they really didn't amount to much. The people we spoke to from different film industries said, look we just made a movie about a black gangster, I don't think it's time for another one, so the answer is no. So Nick and Frank got Mark Jacobson involved, and Mark was the writer for *New York Magazine*. And I'm listening to these meetings and I'm starting to think this is a waste of time, and then I realized the way things were going, and I said to myself, if I hang around long enough maybe I'll get in this movie in some regard.

So it was Nick who came to me and said, look we're changing up, we're going to make this the drug dealer, the black bad guy, the white prosecutor hero, how that came to be, and how you guys came to be friends, and how—and I am, I'm godfather to his youngest child who is a terrific kid. Trying to get him to be anything but Frank Lucas. And they thought this would create interest.

So to get it going—I didn't realize at the time that was the purpose, but Mark Jacobson was to write a story in *New York Magazine* and it was called—I think you had a flyer on it—

MR. STEVE RODNER: It's in the book. It's called *The Return of Superfly*.

MR. RICH ROBERTS: Right. And Mark took a while to write that, and it was all about Frank Lucas and very little about me. And Nick was furious, because that's not what he wanted Mark to write; however, it worked. It was picked up by people in Imagine Films, and they liked the idea, and they wanted to meet Frank and me.

So we all went out to California and Nick pitched his story. And Frank was charming and beautiful, and he met Denzel, and I met Benicio Del Toro, who was supposed to play my role initially. And it took a long time, but it finally worked. And I was given a contract to look at concerning Frank, and Mark, and myself, because I'm a lawyer, I'm supposed to know this stuff. I looked at it, a very large long contract with a lot of long words that I didn't know the words of. I said, "I got to call Steve Rodner because I'm lost in this stuff." And Steve was good



enough to counsel us and we signed the contract. And interestingly enough, sitting here I think, I learned I might have a cause of action against Imagine and *American Gangster* in that light, what kind of light is that?

MR. STEVE RODNER: False light.

MR. RICH ROBERTS: Bright light, whatever. Because of some of the things that they said about me,

seriously. When you're sitting in the seat of a person who is going to be a part of a movie or whose life is going to be depicted it's a weird, it's a surreal feeling, it truly is. And I actually didn't have a lot to say about what they wanted to do. Like I indicated, I thought it was going to be about the trial. It was about the investigative work that led up to the trial. They combine characters, they combine or hook up events that were really separate. And you don't have much to say about it, you don't even understand what's going on until you see the film or parts of the film.

The only time that they really listened to me was they had a—they actually shot it when I was in the squad room and I took a marijuana cigarette, I have nothing against marijuana, it should be legalized. But I took a cigarette and smoked it, and passed it around to my detectives. And they said to me, "Wow this is great stuff, where did you get it?" And I said, "Well I stole it from Third Precinct." And they said, "Can you get some more?" And I said, "Sure." Now that was filmed, and when I saw that—there was a lot of stuff that was filmed that I didn't like, but when I saw that I went nuts. I ran up to Ridley Scott who was the Director, and I said, you just accused me of possessing drugs, selling drugs, stealing drugs, misconduct in office. Either you cut this out or I'm going to *Star Magazine* and I'm going to blow this whole movie up. That was the only time they listened to me.

Stuff that was in the film, such as the end when we raided the cutting operation of Lucas, and as an assistant prosecutor I had my sawed-off shotgun and I leapt over a table and I counted four or five people that I killed myself. Obviously that didn't happen, although I got to admit when people ask me, I say "yeah, that's just the way it was, you got to do what you got to do."

But it was from a legal standpoint you are truly, truly lost and you simply are going along with the flow and listening to people who have other agendas. They don't—and I got to say this all candor, you never met a more egocentric bunch of people than the movie people. They love you for the moment and that's it. And I don't know how it is in your business, but if you have clients, you have to clue them in on just what they're facing in these situations.

I got to tell you a Josh Brolin story, he's great. Josh is fantastic. He called me up and wanted to get some insight into his character in the film, he played the dirty cop. So I—I don't know why, I was in a silly mood. I said to him, "I'll be glad to help you, but I got to admit something to you," he's married to Diane Lane, by the way. I said, "I'm madly in love with your wife, and if that's okay with you, I'll help you." He didn't skip a beat, he said, "I've seen your photograph, I'm not worried." And Diane, by the way, is even prettier in person than she is on the screen and sweet as hell, a really nice lady.

Denzel was a total professional. Denzel you really couldn't fool around with. He assumed the role of Frank Lucas. Like an athlete, you couldn't talk to him before the scene was being shot. He would kind of stand there and take a deep breath and look up, he became Frank Lucas. Russell used to come in about 5:00, 6:00 in the morning and stagger into his dressing room and come out about—I may be saying something I shouldn't but I don't care. He came out 10 or 15 minutes later really revved up—ready to go. And as a joke I asked his speech counselor "whatever he's taking, can I have some of that as well," and she looked at me very seriously and said, "no you don't want to take what he's taking." So I don't know what it was.

But the making of the film, as I said, could be a very frustrating experience for the person who is the subject of the film and it was for me. I didn't like some of the things that how I was depicted. Frank didn't like the way some of the things were going the way he was depicted. But we sign our life rights, I still don't quite understand what that is, but we sign that away and they do what they want to do. And I think that's about all I can tell you today. Maybe if you have some questions later on, I'll be glad to answer them.

MR. STEVE RODNER: I think later on Eric will probably address the issue of what you're signing when you sign away a life rights contract which Rich did, and hopefully I explained it to him properly.

As a proper segue after the Russell Crowe story, Bob Paris is going to talk about defamation and other subjects related to it.

MR. BOB HARRIS: Good afternoon. I think it's more of a wet blanket than a segue, and sorry to have to do that to you, but this is really the flip side of what of what Tom was speaking about, because in addition to privacy and publicity, you have to worry about defamation. I think the difference is though that Tom is a litigator, I'm an entertainment lawyer, a transactional lawyer, so I look at it from the



Bob Harris

other end of the periscope, I don't want to be there—and what we have to advise a client to try to stay out of court. But to do that of course we're going to have to review some court decisions.

If you look in the outline that I gave you, a skeletal outline, I have a definition of defamation. It is not an official definition. I created it myself for a law school class, but I think it covers all of the issues that are involved in determining whether something is defamatory or not. The other definition I gave you is the definition between liable and slander, written versus oral.

The policy issue dealing with defamation is one that is attention that will always be there. The Book of Ecclesiastes in the Bible, Chapter 7 verse 1, says that "a good name is more precious than oil." And that is the view of the person who allegedly has been defamed. The public, or the defendant's point of view, is that the public is entitled to open and robust public discourse and the public's need to know and have the right to comment in order to understand.

Now, woven into that is the malice standard, which you've heard mentioned, where public officials and public figures must prove actual malice—which doesn't mean that you're mean, it means that you've made a statement with knowledge that it is false or with reckless disregard as to whether it's true or false. This is based on two Supreme Court decisions, *New York Times v. Sullivan* in 1964 and *Curtis Publishing v. Butts* in 1967.²³ The reason why that factors in is because of the importance of the subject matter to the public and also the right of the individuals who have access to the press and to the public to be able to defend themselves.

One further introductory note is that defamation deals with statements of fact, not opinion. But you have to bear in mind, as the Supreme Court mentioned in the *Milkovich v. Lorain Journal* case in 1990,²⁴ where it rejected the view that labeling statement as opinion, just saying its opinion, did not automatically shield it with First Amendment protection. In a particular context, such an "opinion" could readily convey and imply a false factual assertion to the reader or the listener.

Now, I'd like to move into the area of docudramas, which should have been mentioned already. It's particularly relevant here in the entertainment context. Docudramas, also sometimes referred to as biopics, use fictionalization to help dramatize the story being told, and make it more attractive as an entertainment property. Producers maintain that literary license and elaboration are necessary to make these productions marketable to the general public or they won't watch them, thus the need for fictional episodes and dialogue to create greater drama and to make the narrative more interesting.

So the issue here is not identification. Here it's based on a true story. The issue is whether the "fictionalization" is defamatory. Interestingly, there is arguably knowledge of falsity here, and yet the malice standard has been stretched more forgivingly in the docudrama cases. There are no clear guidelines, but you can sense a certain tolerance by the court here.

I'm going to start discussing some of the cases. Having taught law school for 10 years, I'm working under the assumption that nobody read any of the cases. Did anybody read any of the cases? No, okay. I will do it briefly.

Partington v. Bugliosi case,²⁵ briefly by way of background, a couple is on a boat and they get stranded in the Pacific Island of Palmira and their boat is, I guess, totally wrecked and they can't get out of there. Shortly thereafter, another couple comes on a boat and then the next thing is the original couple sails and gets back to Hawaii and the second couple disappears. Seven years later they find their bones on the Island. Needless to say the first couple is indicted. One of them named Buck Walker is defended by Partington, and Bugliosi defends Stephanie Stearns. The male is convicted and Bugliosi, who was a famous legal personality known for prosecuting Charles Manson and writing the best seller *Helter Skelter*, represents the female and she is acquitted. He then writes a book called *And The Sea Will Tell*, and in this book he tells you why he won and why the other lawyer lost, because he was a better lawyer and the other lawyer didn't do as well. And he points out things that he would have done that the other lawyer didn't. Well, the other lawyer, Partington, did not take kindly to it, and when it was produced into a docudrama he sued for defamation. And the court basically said that judgment calls about another lawyer's performance in this case were protected by the First Amendment, it was not defamatory. It was protected opinion, the public has a right to hear this opinion and to discuss how it was handled, how it shouldn't have been handled. And the filmmaker here was entitled to breathing space to criticize and to point all of these differences out.

But of particular interest, the court said, although the made-for-television movie represents a distinct type of forum, "we conclude that the general tenor of the docudrama also tends to negate the impression that the statements involved represented a false assertion of objected fact. Docudramas, as their name suggests, often rely heavily upon dramatic interpretation of events, and dialog filled with rhetorical flourishes in order to capture and maintain the interest of the audience. We believe the viewers in this case would be sufficiently familiar with the genre to avoid assuming that all statements within them represent assertions of verifiable facts."

To the contrary, most of them are aware by now that parts of such programs are more fiction than fact. Whether that is objectively true is highly questionable, but it's a good decision for people in the entertainment industry.

One caveat about the case is you should beware of criticizing lawyers. Lawyers are highly litigious and will sue for defamation and for other imagined wrongs rather rapidly more so the general public.

The *Davis v. Costa-Gavras* case, the court dismissed the complaint of Davis, who was commander of the U.S. military coup and Chief of the U.S. Mission to Chile at that time in 1973. He brought a suit against the film director, the studio, alleging that he was defamed as portrayed in the film *Missing*. As he ostensibly ordered or approved a Chilean order to kill an American during the coup. The court found no actual malice here. They found that there were composite characters. There was telescoping of events. This was not a non-fictional documentary. It was not aimed at the plaintiff, the character had a different name. He was a composite, and basically again emphasized that this was a docudrama, a dramatization. Without quoting all of it for you, setting out very strong language as to why docudramas need a lot of breathing room and that the public will understand what is going on, and that liberal license is necessary.

But one other aspect of the case is very important, I believe, for practitioners. There was an emphasis here that the filmmakers relied on a prior published book. The book was written by a lawyer who had served as a judicial clerk in the chambers of a federal judge and who would work for a prestigious Wall Street firm. He had interviewed the plaintiff as well as many other officials, and no legal action had been taken against his book. The director and others on the production had actually met this author, had discussed issues with him. And the court was very impressed that there was a reliance on actually reliable sources. So that checking sources or having experts or others is very very helpful in this genre.

Now, getting away from some of the cases that I gave you, it's also interesting that—just the political climate itself can sort of act as a sensor in this area.

Back in September of 2006, ABC presented a dramatic miniseries called *The Path to 911*. In response to pre-airing complaints from former members of the Clinton Administration and their supporters, ABC edited several scenes in the film that critics said suggested that Clinton officials had been negligent in their efforts to stop Osama Bin Laden in the years leading up to the attacks, including allegedly historically inaccurate scenes that they had said had been made up.

A scene was cut where the White House terrorism expert Richard Clark indicated that President Clinton would not be willing to go after Bin Laden because of the impeachment fight over his relationship with Monica Lewinsky. And another scene in which the National Security Advisor hung up the telephone on George Tenet, then Director of the CIA, as he was seeking permission

to attack Bin Laden. Obviously highly sensitive types of comments.

ABC promoted the film as being based on the official report of the September 11 Commission, then changed that promotion to say it was based on a number of sources, and then addressed a disclaimer that ran at least three times during the broadcast reading, “for dramatic and narrative purposes, the movie contains fictionalized scenes, composite and representative characters, and dialogue, as well as time compression.”

Now, it was unlikely here that Bill Clinton or any of these public officials would have sued, but enough political and public pressure was brought to the fore that it effectively got the results that they wanted.

In 2003, CBS dropped plans to show the Reagan miniseries after protests from Republicans and conservative groups about Reagan’s portrayal as forgetful and unsympathetic to AIDS victims. Eventually Showtime, however, did air the series.

There was an HBO film in 2008 about the 2000 election *Bush v. Gore*, in which Warren Christopher, head of the Gore team, was shown to be a weak strategist and unable to counter the more aggressive tactics of James Baker, chief Republican advisor; he claimed the film pure fiction. However, that film was aired.

Just recently—you may have read that the HBO network was planning to air a mini-series on the Kennedy family. They encountered a lot of criticism and effort was made to quash the film. And some filmmaker managed to garner 50,000 signatures complaining about the film and criticizing it. And Ted Sorenson had condemned the film. And there was apparently maybe corporate pressure as well. There was no allegation of anything particular that would be defamatory, Kennedy is dead obviously. But the History Channel decided that this was not a type of production that it felt comfortable with.

So far from what I’ve read nobody else has picked it up yet, but it’s interesting again how events that go on before a production, can act as a filter as well.²⁶

Lastly in this area I just wanted to mention the *Levin v. McPhee* case dealing with conjecture.²⁷ This was a book about Russian artists and one of them was a dissident who had been killed in a fire. And in this chapter the author interviewed a number, I think, five people. Each one had a different theory of what might have happened at that fire, two of which would have made the plaintiff in this case look bad—either he didn’t sufficiently help to rescue this dissident or he was secretly working for the KGB. He sues for defamation and the court basically said that the language of the book made very clear that this was conjecture, hypothesis, and theory. And the wording in the book said that there are different theories, there are different versions, we don’t know what if any of them

are true. And the court said by describing it that way it becomes opinion and conjecture, which is permitted, and it’s not defamatory.

Which sort of also leads into the issue of whether disclaimers are or are not effective in this area and those of you who may be trademark lawyers also face this issue. Sometimes cases say they work, sometimes cases say they don’t work.

But the manner of presentation, conveying to the reader or viewer that we are dealing with speculation, hypothesis, or conjecture, as opposed to presentation of actual fact can make a big difference in a defamation case.

Now we turn from works that were presented as true stories to what are labeled as fictional works in which the plaintiff claims that he is nonetheless identifiable and defamed. In other words, a work of fiction is really real but unreal stuff is added and therefore it’s defamatory, if that makes any sense to you.

The first case that’s in your packet is *Bindrim v. Mitchell*,²⁸ which created a sensation at the time. It was 1979 and basically the case warned that merely

labeling a book a novel does not ipso facto insulate it, insulate the author or the publisher against the claim of defamation. I mean, apropos of disclaimer is when you call something a novel you’re saying it’s not true.

Nonetheless, this case, which dealt with a therapist who engaged in nude encounter sessions, unfortunately, unlike Tom I don’t have any visual materials. But in this case the author had attended one of these sessions with the real therapist and she completely disguised the look of the doctor and the therapist. One was fat and jolly, the other was thin and not, and the statements that are ascribed to this doctor deal with to “grab somebody by the certain parts and drag her here,” and “pressing,” “clutching,” and “whipping” a patient’s cheeks, and stabbing against the pubic bone referring to a female patient saying to “drop it bitch.” This type of language was highly unflattering, needless to say.

The real therapist sues and says, “everybody knows it’s me.” And the court agreed that there was enough evidence here that it could have been this doctor and refused to dismiss the complaint. Interestingly enough the hardcover publisher here was exonerated because the court



felt there was no reason to know if you're given a work that's ostensibly fiction that it was not fiction. However, the soft cover publisher was in more hot water because after the book came out and there were complaints, the soft cover publisher was now aware of there being challenges to the book and was treated differently than the hard cover publisher.

But as you can see here, and as well as the *Batra* case,²⁹ which I'll mention in a moment, one might conclude that if the character being portrayed is rather unique and there is not a large universe of people who would engage in similar conduct, like running a nude encounter therapy session in California, that a trier of fact may be more disposed to finding that it really is of and concerning the plaintiff here and could be defamatory.

Muzikowski case³⁰ and the *Carter-Clark* case,³¹ cases which found that there was no defamation because, basically under the rubric that as long as there is some possibility it's not the plaintiff, that's enough to overcome a defamation case.

The *Batra* case in this area was very interesting, because it dealt with *Law and Order*, and it was the first time in 25 years that a court refused to dismiss a case involving a fictional work and a claim of defamation. But here, there were only I think six Indian lawyers who had the first name of Ravi, and this was after a scandal had been reported in the New York papers. And then the episode came out right after that. And the court said, there's enough here that everybody watching this knows who the lawyer is that this was based on.

Therefore again, the emphasis here is distinguishing elements. Change names sufficiently, local, gender, race, plot details, the more you change, the safer you are to avoid a claim that your plaintiff is identifiable.

A brief note on libel tourism. There's now a federal statute as well as state statutes which prevent libel judgments made in jurisdictions abroad that don't have the same protections as we do from being enforced in the United States. Plaintiffs were going to other countries, such as England, which are much more favorable to plaintiffs in defamation acts, defamation actions, and getting judgments there, and trying to therefore threaten the author in this country.

One caveat about that is that it would not help the defendant if the defendant has a presence in the foreign country. If you are film company and you have a major office or a book publisher and you have an office in England you can be sued there as well, and the libel tourism statute wouldn't help you. I think in your outline I gave you something from the *Times* about five years ago in Clinton's biography, where you can see changes that were made in the British edition to tone down some of the rhetoric to avoid acclaim of defamation there.

All right. Protecting your client which is what I wanted to get to. To being proactive as a transactional lawyer. The first thing is vetting. Reviewing a manuscript to make sure the stuff is substantiated. And in a case of *Goldblatt v. Seaman* involved a police officer and a book about the last days about John Lennon, who claimed that he was defamed in the book. The defendants were able to establish that the publisher's lawyer had read the book, had sought additional information to verify the statements that were made. And the court felt that because of this very careful vetting and substantiation, even if in fact some of the statements were not true, that there was no malice here. And remember a police officer is a public official. And therefore, that the most important first line is to review the material and to raise questions with your client.

Also I tell clients frequently, put yourself in the position of the person you are talking about. How do you feel—how would you feel if somebody said that about you? If you feel uncomfortable with it, then you know that this is a sensitive issue and it has to be backed up.

Also when you're vetting remember to look for multiple fields not just for defamation, but you have to look for possible publicity or privacy issues. Look for copyright and trademark—you know, issues don't necessarily walk around with labels on them, you have to be able to be broadly scanned for everything. There are many script clearance services, by the way, that will help pick up things that you may not have noticed. It will check for names, identifications.

I got a call from another attorney about a month or two ago about a client who had written a short story. I think it was on the Internet about growing up in a high school where he was bullied. And he names a character in there, uses the name of somebody else who grew up in that high school, and he just happened to remember the name—it was a Polish name—it was distinctive and he used that name as the name of the bully. Nobody else would have known. Meanwhile, that person is called in by his employer where he is working, somehow the employer had seen this material or read it and says, what kind of person of you to work here, you're a bully, you have no job being in this company. And he obviously had a very difficult time and he threatened a lawsuit against this individual for defamation by using his name. Now that's kind of hard to pick up on vetting, but you have to ask your client, are all of the names fictional as well?

Releases, what about getting releases? Problem is the bad guys don't like to give you releases because they don't want to be portrayed that way. And also you have to be careful how the releases are written. There was a case involving the movie *Borat* where the release was not exactly clear as to what could be put in or not.

When I was a very young lawyer, I had a case, a lawsuit brought by Madonna against a porn film that she had

appeared in as she was becoming famous, or just before she became famous. The release in that case released everything but didn't include her name. And the lawsuit was, well you can't use her name it's not in the release. Eventually we won that case because there was New York case law that said you didn't have to have it in a release. The public was entitled to know, but even—be careful that a release might not do what you need it to do in the case.

Errors and Omissions insurance is also often needed for production. The problem with Errors and Omissions insurance is that you have to fill out an application. The application would ask you, did you get releases from identifiable people? If you say no, they'll exclude it from the insurance. So that doesn't help you much there.

Finally, I just wanted to mention the small male organ rule. It's a trick used by authors who have defamed someone to discourage lawsuits on the premise that no male is going to come forward and say, "that character with the small blank is me." Now, the *New York Times* reported in 2006 that a character in Michael Crichton's novel *Next* about the perils of biotechnology included a character whose name was almost identical to that of a Washington political reporter who had written an unflattering article about Crichton earlier in the year. His character appears on two pages. He's described as a 30-year-old Washington based columnist who was visiting his sister in law when he experienced an overwhelming urge to have anal sex with her young son still in diapers. He's further described as a wealthy spoiled Yale graduate with a small male organ that nonetheless caused significant damage to the toddler. Needless to say, the person didn't come forward.

Also, other people tend to shun the limelight. Did anybody see the film, *All Good Things*, that recently came out? The movie is okay. It dealt with the disappearance of the Dearst family, where the son's wife disappears and there's a possibility that he did away with her. He's eventually tried and acquitted. But if you look at the film, you watch the film, it certainly tends to indicate that he probably killed her. But this is the situation where families like this will not come forward and complain because it actually puts them on trial again after an acquittal.

Finally, last point, you might be fortunate enough to have a libel-proof defendant. One case involved a defendant who was implicated in a Donny Brasco book. He had had 9,000 convictions as a Mafioso but he claimed that this one wasn't true. And the court said, you know what, nobody could possibly lower you any lower than you were, you are judgment proof. If you're lucky enough to get that, maybe Osama bin Laden, Adolf Hitler, maybe Bernie Madoff, I don't know who else would qualify. Thank you.

MR. STEVE RODNER: Eric.

MR. ERIC ZOHN: I'm going to give you a perspective on transactional laws that goes with these issues when we try to make deals to avoid this litigation and get people paid in advance instead of through judgments.

A lot of what I'm going to talk about is not black letter law, it's anecdotal. It falls sometimes more into the business side. You're also going to hear me—I've spent my career at an agency. I say I wasn't raised by wolves, but I was raised by agents, and it's close. I look at things—he knows who I work with.

MR. STEVE RODNER: It's true.

MR. ZOHN: You'll see perspective of representing individuals, whether it's the people whose life story rights you're trying to sell or the people who help them who are very often writers.

The issue for you guys is basically when you as a lawyer get involved and which side of the equation you're on. All right, you are in practice and this is someone who's been approached to sell their life story rights. Perhaps it's someone with a story and they want to sell their life story rights. You might be on the buyer side, on the producer side. And I think it's important to understand sort of who these clients are, what you're dealing with, because it really is very much outside the usual realm of transactional entertainment law where we're representing writers, and actors, and fill in the blank with people who want to be famous and want to be in the entertainment business, and doing things for credit in their career, as opposed to people where fate just sort of happened upon them in a way that someone wants to tell that story.

I'm going to talk broadly about three separate areas, the clients, the materials, and the type of deals we look at. The client, again if you're representing the individual or you are an agency, managing the client I find is a very big part of dealing with life story rights because these people are not celebrities, they're not people who are used to dealing with studios, or networks. You'll be surprised at how many people have preconceived notions from stories they've read. And it's hard to manage someone's expectations when they're walking into a transaction where even with





representation that the deal they're going to get is not going to be fair.

I think it's important as their attorney to explain to them what to expect as far as the grant of rights goes, what they'll be able to approve or not approve, I'll get into more of that in a little bit. What rights they retain and don't retain, things like approval. Also things about what a contract looks like, and what to expect, because to a lay person an option agreement or a life story agreement with all these absolute and broad legal terms is really very frightening. And I've had multiple situations where we go pretty far down the path in the deal, only for the client to see the contract and really lose their mind.

A lot of these people, some of them have good stories to tell, and a lot of them have sad stories to tell, and there's a lot of emotion involved. And you know very often that trumps reason and your experience.

Also sometimes you end up representing writers because writers very often are the vehicle to get a story out and I'll talk about the types of material we go out with to do life story deals and issues that come up with writers.

When you're doing a life story deal sometimes you have nothing to sell other than the story. And other times you have a book or an article, or have an opportunity for a book or an article. From an agent's perspective, we like at least to be able to sell something tangible, because we find that even though we tell our clients if you can get the story from the news you don't really need releases or rights, producers like to buy things, and when they buy things they tend to form—a book option agreement is a license ultimately, and you reserve certain rights and you grant certain rights. When you walk in off the street with your life story, most producers' feeling is because you haven't exploited it previously they want to take everything, which includes the whole time frame, book rights, sequel rights. And from a deal perspective, it's easier to be selling an article or a book.

When you have a book or an article though, there are a lot of issues to be aware of. Rights issues, some-

times there's an issue whether your subject is going to cooperate with a book or an article or not. Sometimes it's beneficial to have that arm's length, where the book or the article is really like an investigative journalism piece, where the client can't exercise any control.

Although I think the best or worst example from your perspective on that deal is the Jeffrey MacDonald Green Beret doctor case where he was in jail for a long time, he was accused of murdering his family. There were people who fell on both sides of the argument. And Joe McGinniss, who was a respected writer, believed that he was innocent, started to interview him and work with him to tell his story. There was nothing in writing between them. But over the course of their collaboration Joe McGinniss decided this guy is not innocent, he's guilty, he wrote the book that said that, got sued. And ultimately it was a First Amendment right and he was not liable for anything. But for Jeffrey MacDonald, it certainly didn't help his cause, if that's your client.

There's also a situation with Sammy the Bull, who was convicted of crimes—organized crime, and he did a deal with Peter Moss, who is a respected journalist, who wrote a book that was being sold as if it was an arm's length transaction where he interviewed Sammy but he wasn't being paid. Sammy didn't have any approval and when it turned out that there was a secret deal between them it sort of killed the interest in the book because it went from being a true portrayal of the story to basically Sammy the Bull's version, which was not quite as interesting to producers.

I also want to talk about some deal issues to keep in mind. Writers will often ask us, "You know I'm working on this project, and am I allowed to say this?" Or "Am I allowed to do this?" "Can I use their real names?" From our perspective, because this is not something where the manuscript—maybe it's sold, maybe it's not, maybe there's an outlet for it, maybe not—our advice is generally, let your creative juices flow, write the article or the book that you want to write, and then we'll deal with the publisher's lawyer as far as what you can and cannot say. Of course, the caveat I will give you is that make sure you don't let that out to the general public, because what can be their private notes or their private version can become a publication, and can open your client up to liability.

Another thing that happens with a lot of writers is that they don't want to get clearances. If you're interviewing a lot of people for a book or an article and you're going to sit down with them, and they're going to tell you their story, there are very simple, very clean one page releases that you can take out and have the subject sign. I know a lot of writers don't want to do that, they feel it sort of hampers their process and it kind of kills the free flow of conversation. But if you want to not get sued later, and you want to sort of remind people that you are

writing this book and you do intend to use it, I strongly suggest you have your client have a release signed.

I don't know the fact pattern of the *Hurt Locker* case, but it's possible that these guys cooperated with the writer for the *Playboy* article and then when the movie got made, and cynically I say money started popping into people's heads, all of a sudden it was, "that's not what I agreed to," or "I did not want it to be depicted that way," or "I didn't like the way I was depicted." And those are issues that come up more frequently than we would prefer.

Deals in general, timing is very important. The time frame of the grant is very important—when you go out with a grant. I know there are a lot of things that are in the news that are very timely and there's sort of an impulse to sell it right away. But of course selling it right away means it has to be developed at the network. And they need to find a writer, and they need to form a story, whereas it takes longer to have an article or a book written, but it may give your client more input into how the story is being told.

Something to keep in mind also is something that is very topical today, may not be in a year from now. And if you sell it to a producer who may not be able to get the project going by the time your option expires or the rights become available, again, it might be unmarketable and you won't be able to find another buyer.

Something to keep in mind as a lawyer when a client comes to you with interest in their story, and this is not a plug for agents in general, but sometimes it helps to go and see if there's other interest in the market. Just because one buyer has shown interest doesn't mean they're the only buyer or the best buyer. You may be in a position to do that, you may not be in a position to do that, you may want to find an agent who can help you sort of suss out the market and see if there's other interest in the story.

Things I mentioned before about managing your clients expectations, things that they have to deal with in options are representations and warranties, that the statements they're making are accurate, that they may not infringe on the rights of third parties. Sometimes they want your client to clear the rights of third parties, or there may be a condition precedent in the deal where they don't get paid or the option doesn't start running until they're able to clear third parties which is not a good position for your client to be in because sometimes those are open ended and may never be satisfied.

Cynically, sometimes there are parties who have multiple stories under option and occasionally want to keep your story under option because they're developing something else which probably gives rise to other claims,

but ultimately not good for anybody involved on our side.

We talked about the approvals. There's also, I think, most important for a lot of the cases that we heard about today is the waiver issue. It's important for your client to know that their story is going to be interpreted for the screen. That the credit will ultimately "be based on" or "inspired by a true story," and they're going to waive their right to sue the producer. But that doesn't mean of course that they won't, but it means that they're not likely to prevail.

Someone mentioned the *Borat* case, actually I liked the *Borat* release. If you haven't seen it, you can find it all over the Internet. It's a very simple one-page document that talks about a documentary-style film. And everybody who challenged the release who had signed it had their cases thrown out. So you can't overestimate the value of a release.

So I think the important things in dealing with clients who are trying to sell their life story rights is to know the law, know how to protect your client first from themselves and from others. Get the deal done and try not to get sued. Thanks.

MR. STEVE RODNER: Thank you all very much. I've left a little time here for questions if anybody has any. And I want to thank everybody here on the panel, and Diane, and everybody who helped put it together. Hopefully we imparted some wisdom to you in the area.

I just want to kind of elaborate for two seconds on what Eric said about talking to clients. One thing you have to make clear, and Richie will confirm this, that when somebody signs life story rights away that you make it clear to them that they really have no control over what happens after that unless it's clearly defamatory. What happens with scripts, nobody is going to give your client control or approvals over what goes on and this is a very important to explain to clients. Diane.

MS. DIANE KRAUSZ: I wanted to thank the panel. And Elissa Hecker has asked me to tell you that EASL's most recent book that we've put out, *Counseling Content Providers in the Digital Age*, is on sale, and covers the topics discussed here in great detail, and other topics also.

MR. STEVE RODNER: Are there any questions? Mary Ann.

MS. MARY ANN ZIMMER: I'm Mary Ann Zimmer. A couple of us were talking about releases and with respect to the *Playboy* case. And since the fellow who was depicted in the article has an action pending right now, whether anybody thought that he had signed a release in connection with the *Playboy* article?

MR. STEVE RODNER: Tom, do you know that?

MR. TOM FERBER: The complaint doesn't refer to this having—I've only read the complaint in the *Sarver* action. It talks about him being specifically identified and being cooperative. In fact, there are separate claims for breach of contract, which I find kind of convoluted, because supposedly there was an agreement made with the Defense Department before Mark Boal, the writer, was embedded with the troops. And there's some kind of fraud argument. But as I recall there's no allegation that complained about his having given any consent specifically to the *Playboy* article.

MS. MARY ANN ZIMMER: Because to my knowledge it's not common for journalists who are writing factual articles for publications to get releases. At least in my experience that's not the case, and I don't know if you've found otherwise.



Mary Ann Zimmer

MR. STEVE RODNER: Rich, did they get releases from you and Frank when they did the *New York Magazine* article? No?

MR. RICH ROBERTS: No.

MR. STEVE RODNER: No.

MS. MARY ANN ZIMMER: Okay, thanks.

MR. RICH ROBERTS: Certainly not from me.

MS. JUDITH PROWDA: Well, I hope you've enjoyed today's program. Thank you very much for attending. I just have a couple of announcements before we conclude. I've received some very good news, late notice, that Lexis Nexis has sponsored this program very generously. Thank you very much to LexisNexis.

Thank you very much and see you at the same time next year. Thank you so much.

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License v. Sale: The Impact on Royalties, Music Downloads, and the Music Industry

By Jacklyn A. Serpico

Introduction

How much do artists and record labels receive when music is downloaded from Internet music distributors such as iTunes? The answer depends on whether music downloads are categorized as a “license” or a “sale.” If downloading music and content from the Internet constitutes a “sale,” then artists and record labels receive a smaller percentage royalty. The standard artist royalty for sales is approximately 15 percent after recoupable costs, but that percentage also depends on the artist’s specific contract.¹ These percentages are retail-based royalties, also known as net sales, which means they are based on the amount of records sold, and not returned, at a suggested retail list price.² On the other hand, if music downloads constitute a “license” then the royalty percentage received is much larger.³ From a consumers’ perspective, one would likely contend that purchasing and downloading a song from the Internet is similar to buying an album in a store, and thus would constitute a “sale.”⁴ However, it could be argued that downloading music instead involves granting a “license,” because a simple download does not encompass the same production, packaging costs, physical goods, warehousing costs, or shipping costs as is necessary with an in-store purchase.⁵ The royalty rates received from third-party licenses, such as film, television, and advertising, are approximately 50 percent, which is much higher than that from sales.⁶ Therefore, distinguishing between these terms has a crucial impact on the revenues received by all the parties involved.

Peer-to-peer file sharing technology⁷ has substantially increased due to the ease and convenience of transferring music files over the Internet.⁸ To avoid illegal sharing and downloading, companies have developed websites and programs to allow the licensed distribution of music files through a similar and monitored medium.⁹ These services have been launched by well-known companies, such as Wal-Mart and Apple with its iTunes software. “These pay-per-download services attempt to replace free file sharing networks to allow the online flow of copyrighted music while ensuring that the copyright holders of the music downloaded are compensated for the material taken.”¹⁰

As more channels to share and download music are emerging, distinguishing between a license and a sale is important to the future of the music industry and its revenue streams. Recently, the distinction between a license and a sale has been clarified by the Ninth Circuit in two significant decisions. In *Vernor v. Autodesk, Inc.*,¹¹ the court focused on software, and in *F.B.T. Productions v. Aftermath*

Records,¹² the court examined music downloading. Interestingly, because many music contracts among artists, record labels, and production companies were entered into and originated prior to the age of music on the Internet, courts have been forced to interpret these agreements in the modern era in order to determine the appropriate royalties paid in the context of software and downloads.

Part I of this article will distinguish between licenses and sales in the context of musical works and sound recordings. Part II will discuss what ramifications, if any, may result from the first sale doctrine in downloading music. Part III will begin analyzing the evolution of how artists and record labels traditionally gained revenue prior to the emergence of digital downloads. Part IV will focus on the current royalties received from music downloads and examine how this framework impacts the music industry. This part will illustrate the significance of many contracts failing to anticipate the evolution of music sharing through downloads. In addition, it will specifically discuss the difference between a license and a sale, and focus on the two recent Ninth Circuit decisions distinguishing these two concepts. Finally, Part V will frame these recent decisions and present how the future of received royalties will be affected.

I. Licensing Versus Sale

Copyright law must be examined in order to distinguish between a license and a sale. Copyright is commonly conceived as “a bundle of discrete exclusive rights,” each of which may be transferred or retained separately by the copyright owner.¹³ Section 106 of the Copyright Act of 1976 enumerates the exclusive rights granted to an author of a creative work and the rights associated with the use of that work.¹⁴ The applicable rights to musical works are the right “to reproduce the copyrighted work in copies or phonorecords, 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, to perform the copyrighted work publicly, and to perform the copyrighted work publicly by means of a digital audio transmission.”¹⁵ In addition, “there are rights in two different aspects of each piece of recorded music.”¹⁶ First, there is a copyright in the composition, which includes the notes, lyrics, and arrangement of the musical work.¹⁷ This copyright is owned by the songwriters, composers, and publishers of a song. Second, there is a copyright in a sound recording of a musical work, which belongs to the recording studio or artist that records a song.¹⁸

It is important to note that these rights provided under the Copyright Act are subject to limitations. The framers of the Constitution were conscious of the fact that these intellectual property rights could “interfere with other interests more than is necessary.”¹⁹ As a result, there are specific instances outside the reach of copyright law where a copyright owner’s right to control the uses of a work is inapplicable.²⁰ These instances prevent against a right granted by the Copyright Act from being unreasonably extended beyond its intended scope. For example, “fair uses” are outside the reach of copyright law.²¹ “Fair uses,” enumerated in the Copyright Act, include using the copyrighted work for research, criticism, news reporting, or for teaching and learning purposes in the classroom.²² Therefore, “[f]or each technology that makes use of musical works, it must be determined what rights are affected and thus what licenses must be obtained to make legal use of the works.”²³

A. Licenses

A license is defined as the authorization to enable another party to make use of a copyrighted work or to use the work in a particular manner or for particular purposes that would otherwise be the exclusive right of the copyright owner.²⁴ One of the most important aspects of a license, and to separate its attributes from that of a sale, is that granting a license does not transfer title in the copyrighted works involved.

The rights of the Copyright Act, with particular relevance to music downloads, include the exclusive right to *reproduce* the copyrighted work and the right to *distribute* copies of the copyrighted work to the public.²⁵ These rights are often assigned to music publishers and record companies, which then can license the rights individually under a variety of frameworks.

First, the right to *reproduce* a sound recording of the copyrighted work, also known as the “master use license,” must be negotiated directly with the copyright holders.²⁶ These copyright owners are under no obligation to grant a license to reproduce their works, and thus, this type of license is often referred to as a voluntary or direct license. As the decision and the power to grant the license rest with the copyright holder, along with the fee to be charged for the use, arranging this right can be uncertain and expensive.²⁷

Fortunately, the right to *distribute* copies of the copyrighted musical works, also known as the “mechanical use right,” is governed by the statutory mechanical licensing scheme managed by the Harry Fox Agency.²⁸ In 1927, the National Music Publishers’ Association established the Harry Fox Agency to act as an information source and monitoring service for licensing musical copyrights.²⁹ The Harry Fox Agency also collects and distributes royalties on behalf of musical copyright owners, “thus relieving the copyright owners from having to deal with the licens-

ing process themselves.” These ‘mechanical licenses’ arranged through the Harry Fox Agency allow licensees to use copyrighted works on CDs, records, tapes, and certain digital configurations, including digital downloads.³⁰ The distribution right is covered by a compulsory license under the Copyright Act, rather than a voluntary license like the “master use license.”³¹ This means that anyone who pays the statutory fee may distribute copies of the work to the public under the provisions of the statute.³² Because the licensing of this right is subject to a statutory rate, it is fairly easy to manage.³³

To apply this to the context of music downloads, it is clear that both the “master use license” to reproduce a sound recording and the “mechanical use license” to distribute copies are implicated when dealing with an Internet music distributor such as iTunes. This is because a download *reproduces* a new copy of the sound recording and the underlying musical work on a computer.³⁴ The music file is *distributed* when it is offered for downloading and places copies in the hands of the general public.³⁵ Therefore, download providers must license the reproduction and distribution rights in the musical works and sound recordings they offer.³⁶

In sum, if a user pays for the mechanical license *and* is able to negotiate the reproduction right for the sound recording, then the user can *reproduce and distribute* digital copies of a copyrighted musical work.³⁷

B. Sales of Albums

Conversely, a sale is defined as a transfer of property, a transfer of title, or a transfer of all exclusive intellectual property rights in a work.³⁸ The sale of a CD or an album is similar to any other in-store purchase of goods, in that once the item is paid for, it is owned.

An album falls within the Copyright Act’s expansive definition of compilation.³⁹ It is a collection of preexisting materials (the songs) that are arranged in a way that results in an original work of authorship (the album).⁴⁰ Unlike downloading a song or an album on the Internet, an in-store album sale involves production costs, packaging costs, physical goods, warehousing costs, and shipping costs.⁴¹ Digital distribution and transmission over the Internet revolutionizes the traditional format of music and eliminates all of the manufacturing and distribution costs.⁴² As a result, purchasing and downloading a song or album over the Internet is less expensive than purchasing the same product in a store, because the in-store retail price incorporates manufacturing and distribution costs.⁴³

Due to the manufacturing and distribution costs associated with physical album sales, as opposed to digital sales, wholesale distributors work to secure a market position for the album that is likely to generate high sales.⁴⁴ High sales are needed to break even because the record company has already expended significant income on the

promotion and distribution of the product.⁴⁵ For example, “[n]et sales often must exceed 100,000 units before the company receives any profit. The record company often does not reap a significant income from album sales unless a product reaches platinum status. As a result, the album’s distribution must be on a grand scale.”⁴⁶

Wholesale distribution to chain stores, such as Best Buy and Circuit City, constitutes a key method of distributing music.⁴⁷ Therefore, the distribution process of albums for in-store availability involves wholesale distributors moving the product directly from the warehouse to the chain store, and then eventually to the store’s retail outlet.⁴⁸ “Chain stores often bombard patrons with artist posters, cardboard displays, and other paraphernalia that promote album sales.”⁴⁹ Chain stores also allow “the wholesale distributor to ship large quantities of new releases because, unlike smaller stores, mass product returns are uncommon with these outlets given their ability to store units over an extended period.”⁵⁰

From a consumer’s perspective, it seems more appealing to download a song or an album from the Internet and avoid the manufacturing and distribution costs associated with purchasing the same product at retail price in a store. Similarly, the ease and convenience associated with sitting at a computer and purchasing these products, instead of traveling to a store, is also a factor that is contributing to the decline of album sales and the rise of digital purchases and downloads.

II. The First Sale Doctrine

The distinction between a sale and a license impacts the well-established first sale doctrine. The concept of the first sale doctrine is that once a copyrighted work is purchased, the purchaser has the unqualified right to transfer a copy of that work to anyone, with one caveat: additional copies cannot be made and sold as well. However, there is the general freedom to resell anything that is *purchased*.⁵¹ Therefore, it seems that the first sale doctrine would certainly apply if a single or an album was purchased at a retail store.

The Supreme Court articulated the first sale doctrine in 1908. In *Bobbs-Merrill Co. v. Straus*, the Court held that a copyright owner’s exclusive distribution right is exhausted after the owner’s first sale of a particular copy of the copyrighted work.⁵² In that case, the plaintiff, a copyright owner of a book, sold his book with a printed notice stating that any retailer who sold the book for less than one dollar was responsible for copyright infringement.⁵³ The plaintiff sought injunctive relief against the defendant booksellers who failed to comply with the printed notice and price restriction.⁵⁴ The Court rejected the plaintiff’s claim and held that its exclusive distribution right applied only to first sales of copies of the work and did not permit the plaintiff to dictate that subsequent sales of the work below a particular price constituted copyright infringement.

ment.⁵⁵ The Court noted that its decision applied solely to the rights of a copyright owner that distributed its work without a license agreement, thus indicating that the first sale doctrine only applies to the *sale* and *purchase* of copyrighted works, rather than those that are *licensed*.⁵⁶

Congress codified the first sale doctrine the following year.⁵⁷ In its existing form, the first sale doctrine allows the “owner of a particular copy” of a copyrighted work to sell or discard that copy without the copyright owner’s authorization.⁵⁸ The doctrine does not apply to a person who possesses a copy of the copyrighted work *without* owning it, such as a licensee.⁵⁹ Therefore, determining whether a product or a work is licensed or sold impacts the available defenses for those accused of copyright infringement.

III. “Then...”: The Evolution

Before the digital age, recorded music was distributed and reached the public through “phonorecords,” which is a term the Copyright Act uses to refer to fixed copies, such as CDs.⁶⁰ Recorded music also reached the general community through in-person public performances or by the transmission over airwaves, primarily through radio broadcasts.⁶¹

Prior to the payments received from digital sales, record companies traditionally received revenue from record sales, as well as through licensing the rights to use the music in movies, television, or advertisements.⁶² The performers or artists themselves also used to be limited in the income they received. They normally “have received their income from record companies based on a percentage of the sales income after the company has recouped its investment in the artist,” known as royalties.⁶³ In addition, performers and artists have received income from touring and merchandising, which is still prevalent today.

Musicians made very little money from each in-store album sold. To make matters worse, according to retail data collected by tracking firm Nielsen SoundScan, total album sales fell 12.7 percent to 373.9 million units in 2009.⁶⁴ These “[s]ales have plummeted 52 percent from the industry’s high-water mark of 785.1 million units in 2000, largely because of Internet piracy and competition from other forms of entertainment such as video games.”⁶⁵ In addition, U.S. album sales were 588.2 million units in 2006, which is a five percent decrease from the 619 million copies in 2005.⁶⁶ This was the first time since 1993 that the sales figure in the U.S. had fallen below 600 million.⁶⁷ Therefore, due to the rise of digital downloads and the decrease of albums sold, the royalties and profits received by artists have been greatly affected.

As digital sales continue to increase, the controversy surrounding how record company and artist royalties are distributed increases as well. Although there are numerous digital download services available throughout the

world, the most prominent seems to be Apple's iTunes, which is offered via both PC and Mac computers. By September 2006, iTunes reported a total of 1.5 billion downloads sold.⁶⁸ In 2009, "[d]igital track sales rose 8.3 percent to a record 1.16 billion...but that was proportionally far less than a 27 percent increase in 2008 and a 45 percent leap in 2007."⁶⁹ In addition, "[d]igital album sales rose 16.1 percent to 76.4 million units, also a record, after jumps of 32 percent in 2008 and 53 percent in 2007."⁷⁰ The arrival of digital distribution eliminated costs associated with the physical delivery of music through CDs and cassettes, because when downloading music from the Internet, there is no need for middlemen to physically transfer the item from the artist to the buyer. Rather, the consumer may select a song that has been posted on the Internet and has the option of previewing the single before it is purchased.⁷¹ The user can choose to download the song instantly onto a computer hard drive, and "[t]he downloaded version of the song can then be burned onto a CD and used at the consumer's discretion."⁷²

As a result of the current technology and digital marketing available, artists have been trying to reform the recording industry in order to receive greater royalty rates. This has included the potential to receive a larger amount of royalties when a song is *licensed* for use in a commercial, movie, or television show.⁷³ Recent Ninth Circuit decisions have also addressed these issues and may provide a breakthrough for the musicians struggling with decreased album sales.

IV. "... And Now": Recent Cases

The Ninth Circuit decided *F.B.T. Productions v. Aftermath Records* on September 3, 2010, and then filed its decision in *Vernor v. Autodesk, Inc.* on September 10, 2010. Both cases greatly impact licensed content and the music industry as it transitions into the digital age.

A. *F.B.T. Productions v. Aftermath Records*⁷⁴

Recently, the Ninth Circuit in *F.B.T. Productions v. Aftermath Records* was faced with the issue of interpreting the terms "license" and "sale" in the context of music downloads and in accordance with the provisions of the contract between F.B.T Productions, LLC (FBT) and Aftermath Records (Aftermath). This issue of distinguishing between a "license" and a "sale" directly impacted the amount of royalties that the artist and the production company received for digital sales and downloads.

In 1995, FBT, a production company, signed well-known rapper Eminem, gaining exclusive rights to his recordings.⁷⁵ Three years later, FBT signed an agreement transferring Eminem's exclusive recording services to Aftermath.⁷⁶ The plaintiffs, F.B.T. and Em2M, LLC (collectively, F.B.T.), brought suit and moved for summary judgment that the contract set forth the royalty rate for sales of Eminem's records in the form of permanent downloads

and mastertones.⁷⁷ The plaintiffs argued that they were entitled to the higher royalty rate based on the contract and the nature of music downloads and mastertones.⁷⁸ After the jury returned a verdict in favor of Aftermath and the district court awarded Aftermath attorneys' fees of over \$2.4 million, F.B.T. appealed the district court's final judgment and award.⁷⁹

The two relevant contract provisions in this case were the "Masters Licensed" provision and the "Records Sold" provision. The contract defined "masters" as a sound recording "used or useful in the recording, production or manufacture of records."⁸⁰ The "Records Sold" provision of the agreement provided that F.B.T. was to receive between 12 and 20 percent of the adjusted retail price of all "full price records sold in the United States...through normal retail channels," while the "Masters Licensed" provision stated that F.B.T. was to receive 50 percent for music that is licensed to others.⁸¹

The Ninth Circuit reversed the Federal District Court for the Central District of California's judgment and ruled in favor of Eminem's production company and producers.⁸² The court said that the district court should have granted F.B.T.'s motion for summary judgment because the language was unambiguous as a matter of law. The court ultimately held that the plaintiffs were entitled to a higher royalty rate of 50 percent associated with the "Masters Licensed," as opposed to the 12 to 20 percent rate for "Records Sold."⁸³

The court's reasoning behind its decision was based on the language of the provisions and the definitions of "license" and "sale." The "Masters Licensed" provision clearly states that it "applies to (1) masters (2) that are licensed to third parties for the manufacture of records 'or for any other uses,' (3) 'notwithstanding' the Record Sold provision."⁸⁴ Further, the term "sale" is defined as the transfer of title or the transfer of exclusive rights, and as the Ninth Circuit stated:

[t]here is no dispute that Aftermath was at all relevant times the owner of the copyrights to the Eminem recordings at issue in this case, having obtained those rights through the recording contracts in exchange for specified royalty payments. Pursuant to its agreements with Apple and other third parties, however, Aftermath did not "sell" anything to the download distributors. The download distributors did not obtain title to the digital files. The ownership of those files remained with Aftermath, Aftermath reserved the right to regain possession of the files at any time, and Aftermath obtained recurring benefits in the form of payments based on the volume of down-

loads... Under our case law interpreting and applying the Copyright Act, too, it is well settled that where a copyright owner transfers a copy of copyrighted material, retains title, limits the uses to which the material may be put, and is compensated periodically based on the transferee's exploitation of the material, the transaction is a license.⁸⁵

The court thus interpreted the agreement and presented a complementary analysis of the distinction between a license and a sale under the Copyright Act. Soon after, the Ninth Circuit followed this approach in another revolutionary case.

B. *Vernor v. Autodesk, Inc.*⁸⁶

One week after the court filed its decision in *F.B.T.*, the Ninth Circuit decided *Vernor v. Autodesk, Inc.* In *Vernor*, the plaintiff, Vernor, purchased several used copies of the Defendant's copyrighted software from one of the Defendant's direct customers.⁸⁷ Subsequently, Vernor re-sold his purchased copies on eBay.⁸⁸ The plaintiff brought the declaratory judgment action to establish that his re-sales did not constitute copyright infringement.⁸⁹

The distinction between a license and a sale in this case became essential to determine whether the first sale doctrine applied. To recall, if the Defendant Autodesk sold its software to its customers, then the subsequent sale by the direct customer to the plaintiff would be non-infringing under the first sale doctrine.⁹⁰ However, if the product was only *licensed* to the customers, then the subsequent sale to Vernor resulted in the infringement of the Defendant's exclusive distribution right.⁹¹

In its holding, the court derived a test to distinguish between a license and a sale. The court stated that "a software user is a licensee rather than an owner of a copy of the software where the copyright owner (1) specifies that the use is granted a license; (2) significantly restricts the user's ability to transfer the software; and (3) imposes notable use restrictions."⁹² In applying this test, the court reasoned that Autodesk's software was accompanied by a software license agreement, which customers must accept before installing the software.⁹³ Furthermore, Autodesk retained title to the software and imposed significant transfer restrictions.⁹⁴ These restrictions included "that the license is nontransferable, the software could not be transferred or leased without Autodesk's written consent, and the software could not be transferred outside the Western Hemisphere."⁹⁵

As a result, the Ninth Circuit vacated a September 30, 2009 Order by the Federal District Court in the Western District of Washington and held that the Defendant Autodesk licensed, rather than sold, its software under its standard licensing agreement. Vernor did not receive

title to the copies from the direct customer, and accordingly, could not pass ownership on to others.⁹⁶ Both the direct customer's and Vernor's sales infringed Autodesk's exclusive right to distribute copies of its work.⁹⁷ Similarly, because the direct customer was a licensee, rather than an owner of copies, the first sale doctrine could also not be used as a defense. In other words, ownership was not conveyed to the direct customer for Vernor to purchase the software from him, and Vernor could not invoke the first sale doctrine to protect against claims of copyright infringement for his eBay sale of the software copies.

V. Looking Forward

The recent decisions of the Ninth Circuit should have a lasting impact on the royalties, as well as the authorized uses, derived from music downloads. This is potentially a dramatic change from how the recorded music industry traditionally operated. These new rulings now represent that digital copies of music are *licensed* content, which commands a much higher royalty share than single or album sales do.⁹⁸ "When consumers purchase a download from iTunes, they are actually 'licensing' the song for playback within certain boundaries."⁹⁹

In addition, these decisions affect the digital world collectively, as content is now shared and licensed for use on e-readers and other devices and programs. This differs from when books, newspapers, and albums were physically sold and purchased. A significant message to grasp from these Ninth Circuit decisions is that if one purchases a book or a record from a store, the copy can be re-sold without infringement. However, once the same product is downloaded and digitally purchased, the user is a licensee and subject to the provisions outlined in the specific license agreement, which would restrict the use of that work and the ability to transfer that work to anyone else.

Similarly, the Ninth Circuit in *Vernor* recognized that the decision raised "significant policy considerations" on both sides.¹⁰⁰ First, Autodesk contended that ruling in its favor would reduce piracy by allowing copyright owners to bring infringement actions against unauthorized resellers.¹⁰¹ As a result, it could be inferred that anti-piracy advocates and those opposed to unauthorized software re-sale were relieved by the Ninth Circuit's decision in this case.

Conversely, Vernor, eBay, and the American Library Association (ALA) argued that Autodesk intended to *sell* its software program because the copyright owner did not expect to have the software returned, but rather permanently released software copies into the stream of commerce.¹⁰² In addition, Vernor contended that "judicial enforcement of software license agreements, which are often contracts of adhesion, could eliminate the software resale market" and "require used computer sellers to delete legitimate software prior to sale...."¹⁰³ Finally, the

ALA feared that this practice could be adopted by other copyright owners, including book publishers, record labels, and movie studios.¹⁰⁴ Although the court recognized these considerations in the opinion, it is clear that it left to Congress to consider the policy repercussions of inhibiting free trade of copyrighted works.

Currently, the Defendants in *F.B.T. Productions* seem to be downplaying the Ninth Circuit's ruling and arguing that the decision is unique to Eminem's contract only.¹⁰⁵ As one can imagine, the decision will be opposed by the music and publishing industries, and public statements will reiterate that the decision should be limited to the facts of each particular case.¹⁰⁶ While it is true that the ultimate determination of whether license royalties, as opposed to sale royalties, are paid is based on the language of the specific contract at issue, many artists and record companies could interpret these decisions as authorization to challenge their current royalty percentages received under contract.

These two Ninth Circuit decisions seem to emphasize nonetheless that licensed content prevails in our electronic era and throughout the expansion of the music industry. While it may be true that many contracts were drafted prior to the explosion of music downloads, and therefore did not include specific provisions outlining the royalties in this context, courts have interpreted such contracts to apply in the digital era. Specifically, the Ninth Circuit noted that there was "no indication that the parties intended to confine the contract to the state of the industry in 1998."¹⁰⁷ As a result, if provisions are challenged, outdated music contracts are not exempt from being applied to the expanding music industry. However, the rapid growth rate of the music industry might also mean that more recent contracts, which do include provisions recognizing the current state of the music industry, may quickly become outdated. Then, perhaps, today's contracts could subsequently be interpreted to apply to the future framework of the music industry and potentially new avenues of music consumption.

Conclusion

While the music industry used to be limited to in-store album sales, public performances, and broadcast transmissions, the emergence and expansion of the Internet forever changed how the general public purchases and is exposed to music. In addition, the contracts among recording artists, production companies, and record labels are evolving due to the extensive nature of music downloads and downloading programs; and as a result, the royalty percentages that are distributed and received are severely affected. However, even if the language of a contract fails to incorporate digital downloading and electronic programs, courts can interpret outdated contracts to apply in the digital age.

In this digital era, it appears that *licensed* content is more prevalent. It also seems that copyrighted works for *sale* are limited to in-store, physical records, CDs, and books. This division between certain types of content may be viewed as illogical because the method by which one purchases content, whether digitally or physically, seems to be determinative of whether the product has been sold or licensed. Then, whether the product has been sold or licensed, impacts the royalty percentages and the music industry as a whole.

Our digital era is not limited to the rise of downloading music over the Internet. There is evidence that the general public is more regularly using Pandora, a leading online radio station, in order to listen to music.¹⁰⁸ Similarly, there has been a rise in the percentage of consumers claiming to listen to music on social networks.¹⁰⁹ These shifts in how the general public consumes music may further impact the music industry and the percentage of royalties received by artists, production companies, and record labels. Over time, we will see the change and impact that the digital age and the increase in licensed content has on the music industry, as well as other industries that are being affected by downloads and digital transmissions.

Endnotes

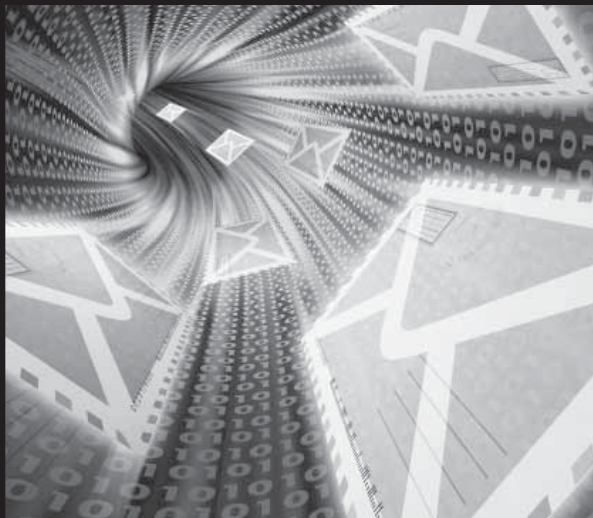
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There's No "I" in Team Sports

Does being a team player compromise individual free-speech rights?

By Ethan Bordman

"Can't you use a lewd term in America if you want?"¹

John Rocker, the famously outspoken former Major League Baseball (MLB) pitcher, has become a central figure in an ongoing debate about freedom of speech and expression in sports. He asked this question as a challenge to a disciplinary action taken against Chicago White Sox manager Ozzie Guillen by baseball commissioner Bud Selig. In June 2006, during a pre-game interview, Guillen used a derogatory homosexual remark to describe *Chicago Sun-Times* columnist Jay Mariotti. Selig ordered Guillen to attend sensitivity training and pay a fine of an undisclosed amount. Several years earlier, Rocker was similarly fined following comments he made during a 1999 interview with *Sports Illustrated*, in which he was asked how he would feel about playing for a baseball team in New York. His response is infamous:

I would retire first. It's the most hectic, nerve-racking city. Imagine having to take the [Number] 7 train to the ballpark, looking like you're [riding through] Beirut next to some kid with purple hair next to some queer with AIDS right next to some dude who just got out of jail for the fourth time right next to some 20-year-old mom with four kids. It's depressing.²

Rocker also offered his thoughts about New York City in general:

The biggest thing I don't like about New York are the foreigners. I'm not a very big fan of foreigners. You can walk an entire block in Times Square and not hear anybody speaking English. Asians and Koreans and Vietnamese and Indians and Russians and Spanish people and everything up there. How the hell did they get in this country?³

Upon learning of Rocker's remarks, Selig took action, emphasizing in his response that sports occupies a serious role in American society and is therefore accompanied by significant social responsibility.⁴ Rocker was subsequently suspended for 73 days, ordered to pay \$20,000 to a minority-interest organization, and told to enroll in a diversity-training course to be completed during his suspension. Yet what about John Rocker's freedom of speech? Does not an individual have the right to speak his mind and express his feelings?

Freedom of speech and expression in sports have gone hand in hand throughout the history of organized sporting events. Rooting for a team and its players—or showing disdain for the opposing side—is an element of live competition that makes the sporting event more enjoyable, and certainly more exciting than watching at home. In some instances however, this freedom is taken to levels beyond what fans, coaches, athletes, and—in particular—courts and governing bodies that regulate sports believe are appropriate. The question remains: When—if at all—has the line of free speech and inappropriate behavior been crossed?

With the laws of free speech, governing bodies must consider a balance in their decisions. They must take into account not only the words used by the person(s) involved in the controversy, but how future speakers and other individuals will be affected. For a hypothetical example, consider the way an athlete might address a referee during a game regarding a penalty call the athlete believes is unjustified. This interaction affects the athletes of both the home and visiting teams, the coaches, each team's management, and the fans observing it. All of these individuals may be hesitant to speak about their thoughts on the matter, for fear of being punished. The courts and governing bodies must make their decisions clear so that individuals involved in sport understand the limitations of their speech and the reasons why such limitations exist. Doing so makes clear the balance between the rights of the individual and the best interests of sport. Most importantly, the deciding bodies must ensure that their application of these rules, once established, is consistent.

Freedom of Speech and Expression: The Law Limitations on Free Speech

Before looking to the laws that give citizens the "freedom" relating to freedom of speech and expression, it must be noted this "freedom" is not absolute. It is generally known that one cannot yell "FIRE!" in a crowded theater. Shouting the word itself is not illegal, nor is saying the word in a movie or stage theater. The issue is concern for the safety of the crowd—preventing the inevitable stampede as people rush to escape a situation they perceive to be dangerous. This idea is based on the principle that speech may only be restricted if it causes direct and imminent harm to an important societal interest.⁵ The emphasis here is on the word "imminent." If a reaction to the situation does not take place NOW, or is not likely to take place NOW, then speech is most likely protected. As an

example of this concept, if a sports fan shouted, “Kill the coach!” during a sporting event—resulting in the *immediate* killing of the coach—only then would the fan be held responsible for his or her speech.

The case that established this precedent is *Brandenburg v. Ohio*.⁶ In this 1969 case, the United States Supreme Court established limitations on the freedom of speech and expression. Clarence Brandenburg, a leader of a Ku Klux Klan (KKK) group, was convicted under an Ohio statute after organizing a rally held at a farm in Hamilton County, Ohio. The leader was charged with “advocat[ing]...the duty, necessity, or propriety of crime, sabotage, violence, or unlawful methods of terrorism as a means of accomplishing industrial or political reform” and for “assemblage of persons formed to teach or advocate the doctrines of criminal syndicalism.”⁷ The prosecution presented film, taped by a news reporter and cameraman, which had been broadcast on a national network. The film showed KKK members, wearing hoods and carrying firearms, gathered around a burning wooden cross while one member made a speech.

In reaching its decision, the Court looked to several cases, including *Dennis v. United States*,⁸ in which leaders of the Communist party in the U.S. were indicted under section 3 of the Smith Act for organizing and teaching the overthrow of the government of the United States by force and violence. There, the Court stated convictions based upon speech “as evidence of violation may be sustained only when the speech or publication created a ‘clear and present’ danger of attempting or accomplishing the prohibited crime.”⁹

From this the *Brandenburg* Court stated the principle that:

the constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of force or of law violation except where such advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.¹⁰

The Athlete’s Freedom of Speech and Expression Eligibility to Compete

Eligibility for an athlete to compete is paramount; if the athlete cannot play, his or her speech is of no concern in the sports realm. In 1979 in *Kriss v. Brown*,¹¹ Richard Kriss was in his third year of eligibility to play for the North Judson high school varsity basketball team. After finishing the school year, he moved from his mother’s home, within the school district, to the home of Mr. and Mrs. Adrian Richie in the neighboring town of Anderson, hoping to play varsity basketball for Anderson Highland

High School. The Indiana High School Athletic Association charged that Kriss was not eligible to play for Anderson Highland as he had violated rules of recruitment. The Association’s position was that Kriss had moved for the sole purpose of playing for Anderson’s team—not to further his education. In response, Kriss filed suit against Ward E. Brown, the Commissioner of the athletic association, for numerous violations including hindering his freedom of speech. He stated that this freedom was violated per Rule 20 of the organization’s regulations, which stated in part “[t]he use of undue influence by any person or persons to secure or to retain a student...as residents, may cause the student to be ineligible for high school athletics....” Kriss also sued the Anderson Highland School District itself for free speech violations, asserting that the district did not support his eligibility after it had spent time recruiting him. The court stated that the association’s rule only precluded Kriss’ right of free speech regarding unethical recruitment tactics, emphasizing:

[i]f Rule 20 proscribed all communication between student and coach or prohibited a coach from ever providing a student transportation, Kriss might have reason to be concerned about his constitutional rights. Instead, the rule forbids only such actions when they serve as inducements to retain or change residence for athletic reasons.¹²

Kriss further asserted that the association hindered his free speech by not allowing him to appear at the athletic association hearing to explain his actions. The Court responded that per association rules, allowing his legal representation to attend—to make objections during the proceeding to preserve the legal record—was sufficient to protect the player’s due process rights.

The Internet: An Influential Recruiting Tool

The National Collegiate Athletic Association (NCAA) has also taken action against individuals for recruiting violations, especially in the information age. In April 2009, Taylor Moseley, a North Carolina State freshman, received a cease and desist letter from the school’s compliance director, Michelle Lee. The letter referred to a Facebook group Moseley created named “John Wall PLEASE Come to NC State!!!!”¹³ The group, which had more than 700 members, was designed to encourage John Wall, the nation’s number one basketball recruit, to play at the school in the fall.

According to an NCAA rule, websites like this one—aimed at recruiting athletes—violate recruiting rules.¹⁴ The rule states that “[a]ll electronically transmitted correspondence including, but not limited to, text messaging, Instant Messenger, chat rooms or message boards... within a social networking Web site or through other services or applications remain impermissible.”¹⁵ Lee

warned Moseley of “further action” if he failed to comply with the letter. In response, Adam Kissell, director of the Individual Rights Defense Program at the Foundation for Individual Rights in Education, explained that the NCAA can impose rules on member colleges; however, enforcement depends on whether the institution is private or public.¹⁶ Public universities, like North Carolina State, are unable to enforce the rules if it means punishing a student for expressing an opinion, and therefore violating the student’s right to free speech.

After the warning, Moseley renamed the group “Bring a national title back to NC State!” The page featured a picture of Wall. NCAA spokesman Erik Christianson said that the concern regards “intrusions into a high school student’s life when they’re trying to decide where to go to college.”¹⁷ Regarding this matter, Aden Fine of the American Civil Liberties Union (ACLU) clarified that the NCAA—a private entity—could pursue actions against a student, such as denying access to NCAA-run events. However, the ACLU’s concern was that the letter and threatened sanction came from the university, not the NCAA. “The school is potentially finding themselves in a tricky situation, because of the NCAA rules, but that doesn’t mean public universities can censor lawful speech.”¹⁸

Soon after the Moseley incident, Jimmy Mueller, a sophomore at the University of Akron—and a diehard Duke University Blue Devil fan—received a message on his “John Wall, come to DUKE!!” Facebook page, which had about 100 members.¹⁹ The message was from Todd Meisbov, Duke’s Assistant Athletic Director/Director of Athletic Compliance, in which he requested that Mueller “cease and desist all efforts to recruit John Wall or any other prospective student-athlete to Duke” and to “update or take down the Facebook page so as to ensure compliance with NCAA regulations.”²⁰ Mueller modified the player’s name to read “Wohn Jall, come to school in Durham.” He updated the group’s description and used the intentional misspelling of John Wall’s name to protect Duke from trouble with the NCAA. Mueller then apologized and said he did not want to hurt the Duke University sports program about which he cared so much. The NCAA broadly defines “representative of the institution’s athletic interests” to include fans and supporters who make pitches to recruits.²¹ If he had been uncooperative, Mueller could have been denied access to events at Duke or even “disassociated” from the school, though the latter measure would have had little effect since he was not a student there. According to the Duke Athletics Compliance Office, 10,000 pamphlets are distributed annually to educate boosters and fans about allowable versus violative athlete-recruitment activities.

Sometimes speech related to recruiting can be used to discourage a player from attending the school. In May 2009, Vander Blue, a high school junior who had a

non-binding oral commitment to play basketball for the University of Wisconsin, changed his mind after negative comments were posted about him on a Wisconsin fan message board.²² Blue’s concerns arose when a story was released about his alleged academic problems. People posted comments questioning his attitude, character, and intelligence. Statements such as, “Let’s make him feel like the worst person in Madison right now”²³ upset the 16-year-old. Blue chose to withdraw his commitment, though he did not eliminate the school from his list of potential colleges; he stated he felt like “1,000 people [are] throwing you under the bus.”²⁴

When Athletes Speak Publicly, Loyalty Matters

In an effort to discourage players from publicly criticizing teammates, the Cincinnati Bengals football team added a “loyalty clause” to its contracts beginning in 2000.²⁵ Under this clause, players agree to pay back part of their signing bonuses if they publicly criticize teammates, team management, or coaching staff. The rule was instituted by the team as a result of an incident during the previous season, when wide receiver Carl Pickens publicly criticized coach Bruce Coslet. The comments pertained to Pickens’ amazement that the team would bring Coslet back for another season based on his coaching performance. Bengals owner and president Mike Brown relayed the remarks to the corporate world, stating “we didn’t feel like what (Pickens) did was something that any company would have accepted.”²⁶ He went on to assert that the club did not want any more incidents like this and would expect loyalty from players, since they are employees of the club. Brown emphasized that players “are free to talk internally, and they know that...[a]nd I would tell you that we aren’t looking to restrict players’ conversations unreasonably.”²⁷ There was a concern about interaction with the media, since players might be hesitant to answer reporters’ questions for fear of losing some of their signing bonus. Agents for players chosen in the draft were upset with the clause, which was not part of the contracts they signed when they were chosen. The NFL Players Collective Bargaining Agreement (CBA) section concerning Club Discipline²⁸ states that the club may fine a player a maximum of one week’s salary and/or suspend a player without pay for a period not to exceed four weeks following conduct considered detrimental to the club.

In response, the players’ union counsel Richard Berthelsen said the Bengals’ loyalty clause was an attempt to impose greater discipline than was allowed by the NFL’s CBA.²⁹ Berthelsen stated that the CBA superseded anything a team could do, because it was the “master agreement” in the sport.³⁰ The NFL, in response, stated that it believed the loyalty clause did not contradict the CBA. Bengals’ president Mike Brown asserted that comments like those made by Pickens “undermine the team’s ability to win games.”³¹ The NFL CBA section on Public Statements states:

The NFLPA and the Management Council agree that each will use its best efforts to curtail public comments by Club personnel or players which express criticism of any club, its coach, or its operation and policy, or which tend to cast discredit upon a Club, a player, or any other person involved in the operation of a Club, the NFL, the Management Council, or the NFLPA.³²

An interesting twist to the Bengals' rule is that the clause can actually work against the team and for the benefit of the player. If, after signing a contract, a player wants to be released, he could undertake a campaign to publicly attack the team and coaching staff.³³ This conduct would be considered a clear breach of the loyalty clause and the club could choose to let the player go. By doing so, the team is penalized. Under the NFL salary cap,³⁴ removing a player from the roster requires the team to accelerate any unamortized signing bonus, which would normally be spread out over the years of the player's contract, and apply that amount toward the salary cap for the current year. This could cost the team an opportunity to bring in new players, because financial latitude is restricted. In January 2001, an arbitrator upheld the clause.³⁵

Free Agency Helps Free Speech

Basketball player Oscar Robertson knows how free speech infringement can affect his on-the-field performance. In 1975, Robertson successfully sued the National Basketball Association³⁶ (NBA), challenging the legality of the "option" in contracts by stating that it represented a competitive restraint of labor. The "option" or "reserve" clause allowed the team to keep the player on after his contract had expired—unless the team chose to "release" the player. By eliminating this option, "free agency" was created; this allows players to shop themselves around after the expiration of their contracts. Robertson had an accomplished career. While in high school, he was named Indiana's Mr. Basketball, one of the most prestigious high school awards in the country.³⁷ While a sophomore at the University of Cincinnati, he was College Player of the Year, and helped to desegregate the basketball team. Once he was drafted by the Cincinnati Royals to play professional basketball, he negotiated unprecedented contract advantages—including guaranteeing himself a percentage of ticket sales as well as the right to refuse a trade without his express consent. He served as President of the NBA Players Union and appeared on the cover of *Time* when the featured article spoke about improving the game. Once "free agency" was created, players who were afraid to speak their mind could now do so without any fear of repercussions. According to Robertson, if he had ever made statements that upset team owners, "My career would be over; it was that simple."³⁸ The creation of new

concepts, such as "free agency," has dramatically affected free speech in sport.

Trouble Outside the Sports Arena

In February 2010, Scotty Lago, a bronze medal snowboarder for the United States, ended his Olympic experience on a controversial note.³⁹ He appeared in a picture, taken at a non-Olympic sanctioned party, wearing a "Team USA" T-shirt and his bronze medal, hanging just below his waist. A woman positioned on her knees was kissing the medal. U.S. Olympics CEO Scott Blackmun said Lago's decision to go home came before the federation took action.⁴⁰ U.S. Ski and Snowboard Association (USSA) President and CEO Bill Marolt said in an e-mail, "Scotty Lago is a great athlete, but with that comes a responsibility of proper conduct, and his involvement in this situation is not acceptable."⁴¹ Lago was allowed to keep his medal.

Canada's women's hockey team celebrated its gold medal victory in the Winter 2010 Olympics by drinking beer and smoking cigars on the ice rink.⁴² Following an apology from the team, Michael Chambers, president of the Canadian Olympic Committee, declared the matter to be closed, considering the incident nothing more than an error in judgment during an exciting time.⁴³ Photographs showed team members with beers and cigars in hand, and their gold medals around their necks, standing in front of official Olympic logos. Marie-Philip Poulin, age 18, was pictured with a beer in her hand. The legal drinking age in British Columbia, site of the 2010 Olympics, is 19; in Poulin's hometown of Quebec, it is 18. No disciplinary action was taken against the team. The decisions made by the Olympic Committee to discipline athletes as a result of their activities were so inconsistent that one athlete, an American giant slalom snowboarder, joked "we were thinking about what we could do to rival them"⁴⁴ and get away with it.

Do Real Patriots Stand?

Freedom of speech and expression encompasses the right to speak and act, as well as the right not to. In July 2008, Josh Howard of the Dallas Mavericks basketball team attended a charity flag football game sponsored by Allen Iverson, a fellow NBA player.⁴⁵ During the performance of the national anthem, a video taken on a camera phone captured each player's recitation of the anthem. As the camera focused on Howard, he said: "The Star-Spangled Banner is going on. I don't celebrate this shit."⁴⁶ The Mavericks' owner Mark Cuban said that as a result of this incident, Howard would attend "advanced communication-skill sessions" at training camp.⁴⁷ Howard later apologized.

In 2003 Toni Smith, a women's basketball player for New York's Manhattanville College team, turned her back on the flag during the national anthem.⁴⁸ Ms. Smith, then

a 21-year-old senior guard, stated that she took this action as a response to America's involvement in Iraq.⁴⁹ The response from spectators at games following this episode ranged from "We Love Toni!" to "You're a disgrace!" The college's president, Richard A. Berman, declared his support for Smith's right to express her opinion, because she did it in a quiet, dignified way. Berman said, "It is healthy to have kids on college campuses expressing their views. That's where the energy comes from."⁵⁰

Coaches Have a Word

The statement "coaches have a word" is very conservative. In fact, coaches have many words—some might say too many. Their words are sometimes used to encourage players, sometimes to coddle them, and frequently to express frustration at what they are doing wrong. Though the words may be extreme at times, they are always meant to inspire the team to win. However, sometimes problems arise when a coach's words go too far.

Comments on the Game

Fisher DeBerry, the former head coach of the United States Air Force Academy football team, gave a simple explanation of why his team lost to Texas Christian University (TCU) in 2005: TCU "had a lot more Afro-American players than we did, and they ran a lot faster than we did."⁵¹ He clarified this statement saying, "[t]hat doesn't mean that Caucasian kids and other descents can't run, but it's very obvious to me that they run extremely well."⁵² That was not the only time when DeBerry's words proved controversial. A few months earlier, the Air Force Academy sanctioned him for giving religious advice to his team. "Go to church," he told his players.⁵³ The next day he posted a banner in the locker room displaying the "Competitor's Creed," part of which reads: "I am a Christian first and last...I am a member of the Team Jesus Christ. I wear the colors of the cross." Players of all faiths complained that this constituted religious harassment. Hans Mueh, the Air Force Academy's athletic director, responded by saying that there is "a zero-tolerance policy for any racial or ethnic discrimination or discrimination of any kind."⁵⁴ However, he went on to say that Coach DeBerry would not lose his job. DeBerry retired in December 2006, after serving for 23 years as coach for the Air Force Academy, and more than a year after the incident took place.

In the 1997 case of *Brayton v. Monson Public Schools*,⁵⁵ a Massachusetts court addressed the issue of free speech relating to a coach's comments about his team's performance. After the Monson High School varsity soccer team lost a match, a reporter asked the team's coach for a single word to describe the team's poor performance. Gerald Brayton, the team's head coach, responded with "coward." Upon publication of this interview, Brayton was suspended by the Monson Public School District; his

comment was viewed as an embarrassment to the school and the players. His suspension lasted for the season, and Brayton was told that his return the following year would be under consideration. During his suspension, he was prohibited from speaking to other coaches, players, and the public about the soccer program. As a result of these restrictions, Brayton filed suit against the school district, citing infringement of his freedom of expression, and contending that his dismissal violated his due process rights.

Regarding the First Amendment, the court stated that the comment did not rise to protected speech because the comment was not one of "public concern," or information necessary for citizens to make informed decisions about government operations. Regarding due process allegations, the court asserted "[as] a threshold matter, it is doubtful that plaintiff possessed any constitutionally protected right in his position as an extra-curricular soccer coach."⁵⁶ It further noted that the plaintiff's termination as coach did not affect his status as a teacher and that he had no contract with the school system to perform as a coach. As a soccer coach, he had no reasonable basis for an expectation of continued employment; the court could not find a constitutionally protected liberty or property interest to exist.

Athlete Recruitment: The Coach's Perspective

New talent is the lifeblood of success for a sports team. If it is unable to bring it in, a team has no chance to succeed in the long term. In *Holy Cross College, Inc. v. Louisiana High School Athletic Association*,⁵⁷ a coach brought suit against the sports governing body, stating that restrictions on athletic recruitment infringed on his freedom of speech. In the case of *Kriss*, discussed previously, the court addressed a player's right to speak with a coach regarding recruitment; this case addressed the coach's side in recruiting the player. To curtail athletic recruitment abuses, the Louisiana High School Athletic Association enacted a regulation to prohibit member schools from using undue influence over prospective students. It stated that "[n]o player shall receive remuneration of any kind." "Remuneration" in this case consisted of any privileges or consideration not accorded to other students, whether athletes or non-athletes.⁵⁸ Among the examples of undue influence were: free room and board, allowance for transportation, and the promise of help in securing college scholarships. During the fall recruitment season, Holy Cross High School sent Henry Rando, a teacher and coach, to local schools to speak to students about scholastic and academic programs. Based on statements alleged to have been made to prospective players during the presentation, charges were filed in violation of the "undue influence" rule. On appeal, Rando claimed that the rule was an infringement of his free speech, unconstitutionally vague, and therefore unconstitutional as applied to the case. Though the issue was remanded to the district court for review, the appeals court found that the claim of free speech violation was *not* meritless or frivolous.

Fans Speak Out

During one 2004 basketball game, every time Duke University guard J.J. Redick stepped onto the foul line, students from the University of Maryland shouted “(Expletive) you J.J.,”⁵⁹ hoping these words would detract from his performance. These obscenities occurred when games were aired on national television. Maryland athletic officials maintained that they could not eject students from the game because the school was a public institution; therefore, the game is played in a public facility and was bound by the First Amendment.⁶⁰

Particularly for college students, the fun in attending a live game—compared to watching it on television—lies in vocalizing support for or opposition to a team. The question is: Where do sporting organizations draw the line between fans’ enthusiasm and deliberate interruption of an athlete’s performance?

ProFANity

Schools have taken action against individuals who engage in throwing objects and public drunkenness, but fans are rarely expelled from sporting events for using profane language. Universities typically request—before the event—that fans refrain from using foul language; signs are placed at the entrance of the event venue, and public-address announcements may even be made, but these measures never seem effective. In 2003, Maryland State University attempted to address this issue in a new way, and initiated a campus-wide “sportsmanship” campaign that cost more than \$30,000.⁶¹ Many schools will not permit their teams to compete at certain university venues well known for frequent instances of abusive and inappropriate language. In an effort to set expectations of proper behavior, the Big Ten universities adopted a measure that bans students from using bad language to single out an individual player.

“Cheering speech” occurs in a variety of ways. It can be directed at players, coaches, officials, executives, administrators, or other fans, and can be supportive or critical of either the home or opposing team. Kermit Hall, former president of Utah State University, explained that free speech at universities is “at once the most obvious and the most paradoxical of constitutional principles.”⁶² Open expression is essential to academic freedom, but is paradoxical because it must be balanced against imperatives for civility and respect. According to Hall, there are two controlling factors to process at any athletic event.⁶³ First, admission to the event is a license that is freely revocable. After you are admitted, you may be asked to leave for any reason and at any time. The public university has not only a right to eject student who is using vulgar language, said Hall, but a responsibility to do so as a measure of consideration for others in attendance who may find that language offensive. Second, there is an exemption to free speech for “fighting words” that are

used to incite or intimidate, as stated previously in the *Brandenburg* case.

The case that addressed freedom of speech regarding the use of obscenities was *Cohen v. California*,⁶⁴ which involved an individual’s view on military drafts. In 1968, Paul Robert Cohen appeared in the corridor of a California courthouse—in the presence of women and children—wearing a jacket that bore the words “FUCK the draft.” The obscene word was fully spelled out on Cohen’s jacket. Cohen was convicted and sentenced to 30 days’ imprisonment for violating California Penal Code § 415, which prohibited “maliciously and willfully disturb[ing] the peace of any neighborhood or person... by...offensive conduct....” Although he was found guilty, the lower court noted, “[t]he defendant did not engage in, nor threaten to engage in, nor did anyone as the result of his conduct in fact commit or threaten to commit any act of violence.”⁶⁵ The decision was subsequently overturned by the U.S. Supreme Court, which declared that the statement itself could not plausibly conjure up sufficient stimulation to provoke a confrontation with Cohen; therefore, the words on the jacket were considered protected speech.

Regarding the issue of free speech at a game, a primary concern is that a fan is captive to the vocal audience around him; it is difficult—but possible—to *immediately* leave the event. Traditionally, courts have held that there are four places considered “captive” areas: an individual’s own home, an individual’s workplace, public elementary and secondary schools, and the inside of and area surrounding a reproductive health facility.⁶⁶ These are considered places where a person is “forced” to be present—though a reasonable level of choice in the matter is involved. The idea of a captive audience becomes a problem at sporting events. A fan upset by words “taunting” a team or player has three choices: to stay in his seat and endure the comments, to move to another area of the arena, or to leave altogether. However, the “captive audience” principle is difficult to apply to public places of recreation and entertainment because fans are not forced to attend events. Individuals who choose to attend must understand that by doing so, they choose to accept the activities of other patrons at that game. The alternative is to watch the game at home. Howard Wasserman, associate professor of law at Florida International University School of Law, explains:

[b]ecause word choice and communicative manner are essential components of free speech, it becomes impossible to enforce any fan-conduct code in a uniform, non-arbitrary way. The state cannot neutrally define what words or manner are offensive, nor can it establish any meaningful standard to measure offensiveness.⁶⁷

Private universities are in a different situation than public schools. Saint Joseph's University in Philadelphia has ejected students for using profane language. "If you can't say it in the classroom, the library, or the chapel, you can't say it in the gym," declared athletics director Don DiJulia, continuing: "You're electing to come to school here, and this is part of what you're buying into."⁶⁸ One proposed solution for schools has been to disband the student sections of the stadium. Jim Delany, the Big Ten commissioner, came up with a three-strike system designed to stop the taunting of opposing players. The first violation of the rule results in a private warning for the school. The second violation elicits a public warning. After the third violation, the school is required to disband the student section. According to Delany, this is *not* a free speech issue, because "no one has a constitutional right to attend a basketball game."⁶⁹

Sometimes, fans' speech is not obscene, but simply unsportsmanlike. In November 2010, after his school's basketball team prevailed against Utah State, a student employee for Brigham Young University's (BYU) information technology center decided to rub salt in the losing team's wounds.⁷⁰ He displayed the following message on the scoreboard at the Marriott Center: "Dear UT St.: Enjoy the LOSS! (Love), Your Big Brother BYU!" BYU's athletic director Tom Holmoe apologized to Scott Barnes, Utah State's athletic director, for the inappropriate message, stating that it did not reflect the sentiment of BYU Athletics or the university. The student also apologized for what he thought was a humorous message. Later in the day, a message was posted on the BYU basketball team's Facebook page that read: "Thanks to Utah State for a great game. As fans, we need to remember that anything we do off the court should not take away from how great our respective athletes perform on the court. We are sorry for the message that appeared on the video board post game."⁷¹

Freedom Is Silence as Well

Free speech also involves the choice not to speak. Silence can powerfully affect fan speech as well as a team's performance. At Indiana's Taylor University, on the Friday before fall final exam week students uphold the tradition of remaining silent until its men's basketball team scores the tenth point of the game.⁷² Once this occurs, a celebration erupts. The "Silent Night" tradition was created by a former assistant coach more than 20 years ago—it is now the athletic department's biggest event of the year, based on attendance and student interest. At the end of the game—if the team wins—the crowd sings "Silent Night" in unison.

Fans Against Fans: Be Careful Where You Sit

Sometimes fans turn against each other. In July 2010, a Cleveland Indians baseball fan wore Miami Heat basketball player LeBron James' jersey to an Indians game.⁷³

Due to James' infamous decision not to continue playing for the Cleveland Cavaliers at the end of the previous season, this man's decision to wear the basketball star's jersey did not go over well. Fans in the surrounding seats shouted obscenities, and chanted "Kick him out!"⁷⁴ In an effort to avoid an escalating problem, police escorted the man outside the stadium. The man never spoke to the crowd; he simply chose a shirt that offended fans seated around him.

A Gesture Is Worth a Thousand Words

At a sporting event, gestures are often more incendiary than words. Gestures may be exchanged between athletes; in 2010, New York Islanders defenseman James Wisniewski was suspended for two games for using an obscene gesture during a game against the New York Rangers.⁷⁵ Wisniewski used his hand and mouth to gesture at Rangers forward Sean Avery after the two were separated by officials for arguing. Wisniewski was considered a repeat offender under the CBA because of a previous incident; he paid a fine of \$79,268.30.

Sometimes gestures may be made by athletes to the crowd; in 2010, Detroit Lions safety Louis Delmas gave Minnesota Vikings fans the middle finger.⁷⁶ Although Delmas did not receive an NFL fine, the Lions fined him \$5,000 for unsportsmanlike conduct. There have also been instances where team management has employed this gesture; Chuck Cecil, the Tennessee Titans defensive coordinator, was fined \$40,000 by the NFL after he extended his middle finger to game officials.⁷⁷ Cameras caught Cecil's gesture, made in protest of a penalty call against his team.

Team owners and head coaches have displayed gestures as well. In 2009, Bud Adams, the 86-year-old owner of the Tennessee Titans, used both middle fingers to indicate his disdain for Buffalo Bills fans during the game; this resulted in a \$250,000 fine by the NFL.⁷⁸ He later apologized, explaining that he was caught up in the excitement of the day. Yet when Rex Ryan, head coach of the New York Jets, was photographed displaying the offensive gesture to a fan at an event in Florida, the NFL did not fine him.⁷⁹ The Jets fined Ryan \$50,000 and the NFL was satisfied with this action. Ryan apologized the next day.

There have also been instances where a non-profane act can be found objectionable, even when it is intended to promote team spirit. Nike's Pro Combat clothing line is a big hit with teams, but not with the NCAA. Its "Vapor Jet" gloves are specially designed to feature "premium Magnigrip CL technology." The thumb and middle finger are of the glove are black, and the other three fingers are white. When the wearer's hands are brought together with palms facing outward, the colors on the fingers are designed to form the letter "O." Jim Tressel, Ohio State's coach, showed the team how to form the "O" when the

gloves were first distributed. In the fall of 2010, Ohio State receiver DeVier Posy displayed this “O,” in honor of his school, after completing a touchdown pass in a game against the University of Michigan.⁸⁰ Referees flagged him with a 15-yard penalty for taunting, deemed to be unsportsmanlike conduct. During the next quarter of the game, left tackle Mike Adams repeated the sign after his teammate Daniel Herron scored. The team was again given a 15-yard penalty for what Herron thought “was just teammates having fun....”⁸¹ Two other Ohio State players, Dane Sanzenbacher and Jordan Hill, also made the “O” sign earlier in the game after scoring the first two touchdowns—but neither was penalized.

Fans and Signage: Your Banner Is Banned

The case of *Aubrey v. City of Cincinnati*⁸² addressed the issue of fans bringing non-profane banners to support their team. During the 1990 World Series, Cincinnati Reds management sought to enforce its regular-season stadium banner policy. According to this policy: “[B]allpark patrons are permitted to bring signs and banners to the Stadium. They must be in good taste (as determined by Reds management) or the banner will be removed....”⁸³ The policy went on to specify that “Reds management reserves the right to remove any banner or sign that is viewed to be in bad taste or is causing an obstruction.”⁸⁴ The only restriction was that the signs would not be permitted to interfere with the line of sight of players or officials, or with fans’ general enjoyment of the game.

At the second World Series game, Reverend Guy Anthony Aubrey brought a sign bearing the words “Go Reds, John 3:16.” In the Bible, John 3:16 states: “[F]or God loved the world so much that he gave his only Son so that anyone who believes in him shall not perish but have eternal life.” Upon discovering the two foot by three foot sign, stadium security informed Aubrey of the banner policy; they subsequently confiscated the sign and he filed suit. He maintained that he had previously carried religious signs showing similar messages to nationally televised football, hockey and basketball games without incident.

At trial, the Reds’ management asserted that its policy was intended to include signs that must be related to the game at hand. The court decided that the stadium’s policy of “good taste” was vague; no fan could know which terms or phrases would be considered acceptable and which would not. Moreover, the regulation was deemed overbroad because it gave exclusive discretion for Cincinnati officials to determine, without any standards for decision-making, what speech is and is not permissible or related to the game. It was demonstrated that in games past “God Loves The Cincinnati Reds” was found to be acceptable, as were signs favoring the Iraq war—neither of which had anything to do with baseball or sports.

To make the case a state action in denying his constitutional rights, Aubrey had to demonstrate an affirmative

link between the stadium and the city as a government municipality. Aubrey contended that the city made an affirmative decision to support the regulations; both on-duty police officers and off-duty officers, acting as private security, spoke to him about his sign. He was also questioned in the stadium’s police room. The court accordingly agreed that enforcement of the banner policy by Cincinnati’s police was a valid connection to the allegation that Aubrey’s constitutional rights had been violated. The court denied summary judgment for the city and the Reds, and allowed partial summary judgment regarding the Reds’ banner policy, holding that it was substantially vague and overbroad.

In contrast to *Aubrey*, there have been instances affecting specific content on signs displayed at games. George Steinbrenner, the late owner of the New York Yankees, directed that banners critical of him be confiscated. These banners displayed statements including “George Must Go” and “George, YOU Are The Problem.”⁸⁵ In response, the ACLU sent a letter to Steinbrenner warning him that using his personal preferences to determine an acceptable viewpoint was discriminatory and violated free speech laws. Two weeks later, Steinbrenner announced “Banner Night” at Yankee Stadium. During this event, he allowed the display of some critical banners, but he confiscated those with religiously based criticism, such as “Forgive him, Father, for he knows not what he does.”⁸⁶ A spokesperson for Steinbrenner asserted that the content of such signs was “blasphemous.”

Calls Can Be Costly

Professional Referee Associations Speak Out

Though it may seem outlandish that a sports official would take a threat from a spectator seriously—given that fans always yell at referees—evidence shows otherwise. In 2002, the National Association of Sports Officials (NASO) issued a report entitled “Officials Under Assault.”⁸⁷ Over the years, officials have been spat upon, punched in the face, and even threatened with firearms as fans voice objections to their calls.⁸⁸ As a result, many states have created laws to address sports-related assaults. Florida’s “Sports Official” bill states that anyone who commits an assault or battery against a referee, umpire, or linesman during a school athletic game will have the charge “reclassified” as an offense one degree higher than the customary charge.⁸⁹ Under this law, for example, a battery misdemeanor of the second degree would move up to a first-degree misdemeanor. New Jersey places assaults against sports officials in the same category as an assault of a police officer, public servant, or fireman.⁹⁰

Defamation Against the Referee

Phil Luckett, the head referee, was the center of attention from the beginning of a 1998 NFL game between the Detroit Lions and the Pittsburgh Steelers.⁹¹ Both teams’

captains came to the center of the field for the customary coin toss to determine which team would kick off the ball. Under NFL rules, the initial choice is irrevocable. The Pittsburgh captain hesitated during the toss, and his call sounded like “Heh-uh-TAILS.” Lockett decided the choice of “heads” would prevail. After Pittsburgh lost the game, many blamed the loss on his coin toss call. In the words of one reporter, by not honoring tails the referee was calling the team’s captain a liar; another said that even his 5-year-old daughter knows the difference between heads and tails.⁹² The issue here is whether a referee can sue for defamation or if words spoken to a referee are simply part of the events that occur during a game.

Regarding defamation of a sports official, the key issue is whether the official is a “public figure” or a “private individual.” If the individual is a public figure, then the statement against him or her must be of a malicious nature, and made “with knowledge that it was false or with reckless disregard of whether it was false or not.”⁹³ In contrast, a private individual must prove the statement was made negligently—with the reasonable degree of care under the circumstances.

One could argue that a sports official is both a public figure and a private individual. Though, in general, officials have not achieved “pervasive fame or notoriety” and are not individuals whose faces will be recognized on the street, they become public figures by being at the center of a public controversy.⁹⁴ In the case of *Chuy v. Philadelphia Eagles Football Club*,⁹⁵ the court decided that an individual is considered a public figure among sports fans, having “...chosen (court’s emphasis) to engage in a profession which draws him regularly into regional and national view....” The court further noted that, as shown by “Nielsen (broadcast) ratings, the American public is fascinated by professional sports,”⁹⁶ and with individuals involved in them.

Comments About the Referee

Since they have the most at stake, players often find it hard not to comment on referees’ calls. Rasheed Wallace, a forward for the Boston Celtics, was fined \$35,000 after criticizing game officials in his comments to the media on April 19, 2010 regarding Game 1 of the Eastern Conference Finals.⁹⁷ Wallace said, “I know that certain referees were trying to bait me to get a tech (technical foul).” He added, “I just don’t like to be cheated. Bottom line.”⁹⁸ This was the third time during the season that he received a fine for commenting about officials.

On the day of Wallace’s third incident, NBA Commissioner David Stern—who is also an attorney—stated in a press conference that the “corrosive” comments about referees upset him, and that he would begin suspending coaches and players for postseason games if the criticism continued.⁹⁹ He remarked that “referees go out there and

knock themselves out to do the best job they can,” and added that negative comments about referees “erode fan confidence and then you get some of the situations that we have.”¹⁰⁰

Sporting Organizations Have Concerns

Developing a set of consistent free-speech regulations begins with an analysis of the rules created by the sports’ governing bodies. The player, by choosing to participate in a sport, is forced to accept the rules in the player’s code of conduct or he or she cannot compete. The dilemma for sports organizations is when to consider taking action against inappropriate speech, and what, if any, penalties should be imposed.

Upholding Professional Standards When Speech Is Not Related to Sport

In 2000, NBA player Allen Iverson—performing as his rap music persona “Jewelz”—released “40 Bars,” a song from his album *Non-Fiction*. The lyrics, which discussed murder and used derogatory terms to refer to women, shocked the professional basketball community. Iverson, voted the league’s Most Valuable Player in 2001 and co-captain of the U.S. Olympic Basketball Team in 2004, was widely criticized by the media, gay and lesbian groups, civil rights groups, and NBA Commissioner Stern, who made the following statement:¹⁰¹

The NBA is a private organization. Whatever constitutional right of free speech an individual may have, there is no constitutional right to participate in the NBA and I have the power...to disqualify players who engage in offensive conduct—including inappropriate speech.¹⁰²

Stern acknowledged his ability to sanction Iverson regarding the song’s lyrics even though Iverson’s rap performance did not interfere with his role as a professional athlete and his lyrics did not pertain in any way to basketball or sports. Iverson later agreed to change some of the song’s lyrics.¹⁰³

The commissioner of each professional sports league has the authority to act, provided the action is in the “best interest” of the sport. Although the Iverson incident was not directly related to his sport, as an athlete he is a public figure and a representative of the NBA. The commissioner has historically had “control over ‘whatever and whoever’ had to do with”¹⁰⁴ the sport; Stern exerted his influence because Iverson’s performance of a song with offensive content reflected poorly on the basketball community.

Courts are hesitant to interfere when it comes to private organizations and associations. As established in *Rewolinski v. Fisher*,¹⁰⁵ the processes of an internal asso-

ciation “were subject to judicial intervention and reversal only if: 1) the association’s action adversely affects ‘substantial property, contract, or other economic rights’ and the association’s own internal procedures were inadequate or unfair; or 2) the association acted maliciously or in bad faith.” The rationale here is that an organization—especially one related to sports—knows more about itself than the courts do. The governing body of any given sport appoints a commissioner to exercise discretion and sound judgment.

The boxer Muhammad Ali was involved in one of the best-known cases in which the courts intervened after sanctions were handed down by a sporting organization. Ali maintained that his religious beliefs as a practicing Muslim prohibited him from serving in the Vietnam War. He was drafted, but refused—four times—to report to the National Selective Service (draft) board. The World Boxing Association took action, suspending him and revoking his world championship title, stating that his refusal to serve in the military was detrimental to the best interests of boxing. The New York State Athletic Commission revoked Ali’s boxing license and he filed suit¹⁰⁶ in federal court. Ali’s position was that the Commission acted impulsively in revoking the license; he pointed out that other boxers had committed heinous crimes, yet they were permitted to continue competing. The U.S. District Court of New York determined that he had a case under private association law, because the New York State Athletic Commission was a private organization. His boxing license was accordingly reinstated. Though the case primarily addressed freedom of religion, it also dealt directly with Ali’s right to vocally oppose the war—a world event unrelated to boxing.

Looks Matter: Regulating the Appearance of Athletes

Beginning in November 2005, the NBA enacted a players’ dress code.¹⁰⁷ The policy states that players are expected to wear “business casual” attire when they appear in team or league activities, arrive at and leave games, conduct interviews, and make promotional or public appearances. The guidelines are general, listing collared shirts, dress slacks, and sport jackets as appropriate attire for players sitting on the bench, but they also address concerns about athletes serving as role models to young people. Banned items include visible chains, pendants, and medallions; sunglasses worn while indoors; headgear; and musical headphones worn while sitting on the bench during games.

In April 2010, the NCAA football association passed a rule that cracked down on “eye black” messages worn by players.¹⁰⁸ The NCAA Playing Rules Oversight Panel approved the rule, starting in the 2010 season, that players will no longer be allowed to wear eye black that contains any message, word, or number on it. Dave Parry, the national coordinator of officials for the NCAA, stated, “There were people fearful that something uncompli-

mentary or provocative might be written, which could promote ill will, so the idea is to make it solid black.”¹⁰⁹

Controlled Celebrations

Along with the eye-black regulation, the NCAA simultaneously passed harsher punishments regarding taunting—designed to curb excessive on-field celebrations—set to begin during the 2011 season. The NCAA section on Unsportsmanlike Conduct Fouls¹¹⁰ prohibits “[a]ny delayed, excessive, prolonged or choreographed act by which a player (or players) attempts to focus attention upon himself (or themselves).” Historically, excessive celebration resulted in a dead-ball foul; the team is penalized with the ensuing kickoff or the extra-point try—but the touchdown counts. Under the new rule, “if a player starts to taunt, flaunt, point, or high-step before reaching the end zone, the touchdown will be wiped out, and the team will be penalized 15 yards from the spot of the infraction.”¹¹¹ Parry said the infraction should be “‘clear and obvious, where an official would say there was no choice because (the act) was premeditated and excessive.’”¹¹²

What are the guidelines for “obvious” or “excessive”? In October 2009, A.J. Green, a receiver for Georgia, was fined 15 yards for excessive celebration in a game against Louisiana State University.¹¹³ After he caught the ball, Green fell down, got up and chest-bumped his teammate, a fellow receiver—after which his teammates ran over to congratulate him. The entire display took 20 seconds. A spokesperson for the Southeastern Conference (SEC) stated that “following a brief team celebration, Green made a gesture to the crowd calling attention to himself.”¹¹⁴ Green was surprised by the referee’s call. The SEC later admitted it made the wrong call in penalizing Green, but this admission would not affect the final score. After watching the call on video, Rogers Redding, the SEC’s officials coordinator, said “we concluded that the video did not support the call.”¹¹⁵

The Collective Bargaining Agreement

In response to John Rocker’s statements, discussed earlier, the Major League Baseball Players Association took action, stating the Commissioner’s punishment was without cause.¹¹⁶ According to the CBA, created by both Players Association and team owner representatives, matters involving the league are subject to arbitration. Specifically, the Players Association argued to the arbitrator that “speech—even if offensive—should not be grounds for punishment.”¹¹⁷ Although the arbitrator agreed that the Commissioner had the authority to discipline the off-season, off-the-field speech-related conduct, it was decided that the punishment imposed was severe. Therefore, Rocker’s suspension was significantly reduced, from 73 days to 14, as was his fine—from \$20,000 to \$500.¹¹⁸

The issue of free speech is not restricted to the players' side of the owner-player unions. In 1993, Marge Schott, the former owner of the Cincinnati Reds baseball team, was suspended by the league for one year and fined \$25,000 for using "language that is racially and ethnically insensitive, offensive, and intolerable."¹¹⁹ Schott had referred to African-American players as "million dollar n*****s" and openly declared her opinion that Adolf Hitler was a good person. MLB's executive council stated that Schott "has brought substantial disrepute and embarrassment to the game—and is not in the best interest of baseball."¹²⁰ The ACLU defended Schott, stating that although the league had the right to punish her via a fine, abolishing her right to manage her team—essentially to control her own business—was overstepping her free speech rights. In response, the league maintained that the reason for the severe punishment was that racist remarks made by an owner had a significant impact on other team-related functions, such as hiring practices.¹²¹

Tweet Me, but AFTER the Game

With the growth of new technology designed to facilitate instantaneous communication, professional sporting organizations have instituted policies to stay current. In September 2009, the NBA announced its guidelines for new social media.¹²² The use of cell phones, personal digital assistants, and other electronic communication devices is prohibited for players, coaches, and other team personnel during games. This restriction limits access to interactive sites such as Twitter and Facebook. The league's definition of "during games" encompassed a 45-minute period before opening tip-off, halftime, and "after the postgame locker room is open to media and coaches, and players have first fulfilled their obligation to be available to media attending the game."¹²³

Coaches have their opinions about the tweeting policy. Stan Van Gundy, coach of the Orlando Magic, stated that tweeting facilitates certain comments that would never otherwise be made. "There's a lot of things said out of the court, and I'm sure in all sports in a very competitive environment...if people knew all of it they would find a lot...inappropriate," he stated.¹²⁴

In September 2009, the NFL announced a policy similar to that of the NBA's; players, coaches, and operations personnel would no longer be permitted to update their accounts or profiles on social-networking sites in the time before and after games.¹²⁵ The football league's rules ban all communication by an individual 90 minutes before kickoff, and extend to anyone representing him on his social media account. As with the NBA, teams are allowed to set more stringent rules. The Broncos, Patriots, Bills, Colts, Saints, and Lions all restrict use on practice fields; the Dolphins imposed restrictions on players, reporters, and spectators during training camp.

There are concerns with the NFL social media rules. In developing rules for players, the NFL also instituted

guidelines for how fans can use social media. Fans are encouraged to discuss teams, but are prohibited from posting play-by-play accounts of actual games.¹²⁶ Furthermore, fans in attendance at games are prohibited from posting lengthy self-made videos on sites like YouTube or Facebook, because the league sells exclusive broadcast rights to the games. Fans who violate the rule will first be warned by the league to stop posting; subsequent violations may result in a lawsuit.

The NFL "has no property right over fans' tweets," says Wendy Seltzer, a fellow at Harvard's Berkman Center for Internet and Society.¹²⁷ Professor Seltzer further notes that fans have the same First Amendment rights as any news organization, even in play-by-play form, to publish accounts of the game. One theoretical claim the NFL could pursue, explained Seltzer, would be violation of the league's trademarks by using team and player names, but this claim would be unlikely to hold up in court.¹²⁸ It could insert a clause on the back of tickets to inform fans that they are prohibited from using recording equipment in the stands, but enforcement would be difficult; however, Seltzer argues that the NFL would have no property right over the footage. It would have to prove to a court that the posted videos reduced the value of television broadcasts—doing so would be difficult. In the 1990s, when use of personal pagers was at its peak, the NBA sued Motorola to block the operating service that sent continuously updated sports scores and game information to customers.¹²⁹ The NBA stated that the service violated league copyright and misappropriated its commercial property. The court denied both claims.

On February 8, 2007, Professor Seltzer took a 35-second clip of an NFL game between the Indianapolis Colts and Chicago Bears from a few days prior and posted it on YouTube.¹³⁰ She also played the clip in her copyright class. The clip showed a portion of the game, including an announcement to viewers that had been made during the game, which informed them of the NFL's ownership of the broadcast rights. The first 10 seconds of the clip, which shows players and coaches, as well as the official logo of the NFL, declares: "This telecast is copyrighted by the NFL for the private use of our audience. Any other use of this telecast or of any pictures, descriptions, or accounts of the game without the NFL's consent is prohibited."¹³¹

In response to the posting on YouTube, to which the NFL did not consent, NFL spokesman Brian McCarthy stated that this was a violation of the organization's rights under the Digital Millennium Copyright Act (DMCA). He also commented on Seltzer's Fair Use defense, asserted in her blog, regarding copyright infringement:

We are entitled to disagree, in good faith, with her asserted defense, absent a court decision. [] We have valid grounds to disagree with the professor's fair use

argument. Had she simply used the clip in her classroom, before students, she might have had a stronger argument that the context was educational and entitled to fair use deference. But it was posted without any of this context, and in a manner available for anyone in the world to see, not just her students.¹³²

Sports agents have also used Twitter as a communication aid. Alvin Keels, Andre Smith's agent, used Twitter to assist his client in his negotiations with the Cincinnati Bengals.¹³³ Keels tweeted "[s]ent over what I thought was a very good and fair proposal today to the Bengals! Let[]s hope it does the trick. [I]f not back to square one!" Smith later signed a four-year deal with the Bengals.¹³⁴

What Is Offensive Expression in Sports?

It is said that "beauty is in the eye of the beholder." The same rationale can be applied when determining what type of expression is considered offensive, since individuals' backgrounds and values influence their interpretations of words and gestures. Though we want to respect the rights of the individual—to behave as individuals—steps must be taken so that everyone involved in sport, no matter their occupation, position, or popularity, follows the same rules of speech and expression.

The player, by choosing to participate in the sport, is forced to accept the rules in the player's code of conduct or choose not to compete. The dilemma for the organization when the speech rises to a certain level is when to consider taking action and what penalties to impose—if any. There have been numerous incidents where one athlete's conduct was sanctioned while another's was disregarded, often without a warning. Regardless of the speech or circumstances, people in all levels of sport must be treated equally, for one position is dependent on the other. The governing organization needs teams, teams need coaches, coaches need players, and players need fans. Eliminate one and the rest fail.

For free speech and expression to work in sports and their related fields, concrete rules must be established as to precisely what is and is not permitted. Free speech must be used to encourage communication from all who are involved in these activities. This debate is what makes sports what they were designed to be—fun.

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In The Arena

The EASL Section's Publications Committee is seeking authors for its upcoming book about sports law—*In The Arena*.

Chapters will focus on the following issues and topics: NCAA and college/university athletic rules; arena football; right of publicity and privacy of athletes; doping; eminent domain; Pete Rose/gambling and the Baseball Hall of Fame; Title IX; Insurance; and Medical safety issues (i.e., concussions and helmets). We are also accepting other suggestions regarding topics. Please note that this topic list is preliminary and subject to change. The target date for publication is 2013.

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Copyright and Modern Art: A Readymade Solution

By Glen Cheng

Introduction

All original artworks should be copyrightable. Yet in art, as in all areas of life, innovators and minorities face disparate treatment. By failing to protect the creative works of modern artists, current copyright law discourages innovation and frustrates copyright's purpose of "promot[ing] the creation and publication of free expression."¹ Copyright law should therefore seek to extend equal protection to modern artworks.

Modern art, especially modern painting and sculpture, presents unique difficulties for copyright law where it blurs the classical distinctions between "artworks" and "mere objects." Yves Klein's "Blue Monochrome,"² an example of abstract art, consists of a 6' 4 7/8" x 55 1/8" canvas whose surface is entirely covered in one shade of blue color.³ "Readymade" or "Found Art" includes works such as Marcel Duchamp's "In Advance of the Broken Arm (Duchamp's shovel),"⁴ a three-dimensional work consisting of an ordinary, unmodified snow shovel that Duchamp purchased from a utility store and hung it from a wire in his studio. Current copyright doctrine, with its requirements of originality and nonfunctionality, has considerable difficulty affording copyright protection to these works.

Though some might refuse to call modern artworks "art," this is an increasingly untenable position, given such works' widely accepted art status. In 2004, Duchamp's readymade work, "Fountain,"⁵ was voted "Most Influential Piece of Modern Art" by five hundred British artists, art critics, curators, and dealers.⁶ Duchamp has brought about a "Copernican revolution in aesthetics"⁷ that copyright law has thus far failed to appreciate.

The current copyright scheme must be modified to provide equal protection to modern artists. In exploring the limits of copyrightable subject matter, this article argues that the statutory framework is broad enough to warrant inclusion of modern art in the realm of copyright. However, current judicial precedent needs modification to encompass this shift. Furthermore, Congress should pass a statutory defense for functional uses of copyrighted artworks to preserve innovation and equitably limit the scope of protection afforded by copyright.

I. The Current Standard of Copyrightability

A. Statutory Scheme

Congress has the power under the Constitution "[t]o 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 Discover-

ies."⁸ The Copyright Act of 1976 (the 1976 Act)⁹ grants copyright protection to "original works of authorship fixed in any tangible medium of expression...from which they can be perceived, reproduced, or otherwise communicated...."¹⁰ By purposely leaving the phrase "original works of authorship" undefined, Congress intended to allow the courts to establish the standard for copyrightable subject matter.¹¹

The 1976 Act designated as copyrightable broad categories of "works of authorship" such as "pictorial, graphic, and sculptural works,"¹² which include "two-dimensional and three-dimensional works of fine, graphic, and applied art."¹³ The Act importantly limits copyright protection to works expressed in a "tangible medium"¹⁴ and the non-"utilitarian" aspects of works.¹⁵ Copyright may extend to a visual work's "form," but not to "mechanical or utilitarian aspects."¹⁶

The "tangible medium" requirement differentiates between conception and expression of artwork. Thus the 1976 Act excludes from protection "any idea, procedure, process, system, method of operation, concept, principle, or discovery."¹⁷ To be copyrightable, the work must be "sufficiently permanent or stable...to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."¹⁸

B. Judicial Precedent

1. Originality

"The *sine qua non* of copyright is originality."¹⁹ "Original" "means only that the work was independently created by the author...and that it possesses at least some minimal degree of creativity."²⁰ The Supreme Court explained that "the requisite level of creativity is extremely low; even a slight amount will suffice." The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be.²¹ The requirement of a "modicum of creativity," however, is not powerless.²² Originality requires something different than technical traits such as "'physical skill' or 'special training.'"²³ Instead, to establish originality, "[a] considerably *higher* degree of skill is required, true artistic skill."²⁴ Thus, in *Feist v. Rural*, the Supreme Court denied copyright protection to a telephone directory because the publisher's selection of listings—"name, town, and telephone number"—was obvious, and coordination and arrangement of names alphabetically included "nothing remotely creative."²⁵

2. Copyright Restrictions on Useful Articles

As copyright extends only to the non-“utilitarian” functions of works, courts have been forced to make fine distinctions between “copyrightable works of applied art and uncopyrightable works of industrial design.”²⁶ *Mazer v. Stein*²⁷ is the foundational case regarding copyrightability of functional works. In *Mazer*, the issue was whether statuettes used as bases for table lamps were copyrightable.²⁸ The Supreme Court held that the statuettes were copyrightable notwithstanding their intended functional use.²⁹

In the 1976 Act, Congress adopted *Mazer*’s extension of copyright to works of “applied art,” which “encompass[es] all original pictorial, graphic, and sculptural works that are intended to be or have been embodied in useful articles.”³⁰ A “useful article” is one “having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”³¹ Congress intended for “useful articles” to be copyrighted only if their “shape...contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article.”³² Moreover, copyright protection extends only to copyrightable elements, not the “over-all configuration,” of the article.³³ The Second Circuit, the most active court in the field of copyright law, subsequently developed the “conceptual separability test” enunciated in the 1976 Act through a series of notable cases.

In *Kieselstein-Cord v. Accessories by Pearl*³⁴ the Second Circuit considered the copyrightability of sculptured belt buckles cast in precious metals and titled the “Winchester” and “Vaquero.”³⁵ The court analogized the belt buckles to jewelry, which was previously held copyrightable.³⁶ After hearing expert testimony, the court further found that the buckles “[rose] to the level of creative art.”³⁷ Finding “conceptually separable sculptural elements” in the buckles, the court accorded copyright protection to those elements.³⁸

In *Brandir International v. Cascade Pacific Lumber Co.*,³⁹ the issue was whether “a bicycle rack made of bent tubing that is said to have originated from a wire sculpture” was protectable by copyright or as trade dress despite the rack’s functionality in holding bicycles.⁴⁰ The Second Circuit adopted a test for conceptual separability that required an examination of whether design elements reflect “a merger of aesthetic and functional considerations,” or whether they reveal “the designer’s artistic judgment exercised independently of functional influences.”⁴¹ If the aesthetic and functional considerations are merged, or the aesthetic design “is dictated by the functions to be performed,” copyright is denied.⁴² The court found several instances where the bike rack, purporting to be based on a copyrightable sculpture, changed the original sculpture’s design to allow higher functionality as a bike rack.⁴³ Finding that the style of bicycle rack was “influenced in

significant measure by utilitarian concerns,”⁴⁴ the court denied copyright protection.⁴⁵

In *Hart v. Dan Chase Taxidermy Supply Co.*,⁴⁶ the Second Circuit held that a fish mannequin designed to display taxidermists’ fish skins was copyrightable.⁴⁷ Distinguishing precedent holding uncopyrightable a human torso mannequin designed to display clothes,⁴⁸ the court focused on the intent of the viewers of the taxidermist mannequins to see “a complete ‘fish.’”⁴⁹ The mannequin dictated the active form in which the fish would be displayed, including the “shape, volume, and movement of the animal.” The mannequin was held copyrightable because its intended function was to “portray its own appearance,”⁵⁰ rather than to portray an incidental such as clothing.⁵¹

II. The Need for a Reformulated Standard of Originality

A. The Current Statutory Scheme Fails to Provide Parity for Modern Artists

Every artwork deserves equal treatment under the law. Yet the current copyright scheme cannot accommodate important modern contributions to the Artworld.⁵² Taking Duchamp’s shovel as an example, it is readily apparent that the current copyright scheme’s requirement of nonfunctionality bars the work. The prohibition on copyrighting ideas poses a similar problem for works of abstract art such as Kazimir Malevich’s “White on White.”⁵³ Malevich’s work, in the Suprematist conceptualist tradition, consists of a white square subtly imposed on a white 31¼” x 31¼” square canvas.⁵⁴ One author argues that this imposed white square is so similar in shade and shape to the original white canvas upon which the artist began work that the “originality” of the work consists mainly of an uncopyrightable idea.⁵⁵

The absolute bars on copyright of utilitarian and conceptual artwork in the current copyright scheme are at odds with copyright’s “primary objective” ...to promote “the creation and publication of free expression.”⁵⁶ Moreover, “[p]ersonality always contains something unique.... [A] very modest grade of art has in it something irreducible, which is one man’s alone. That something he may copyright *unless there is a restriction in the words of the act.*”⁵⁷

Professor Nimmer argues that “[i]f a work might arguably be regarded as a work of art by any meaningful segment of the population...then the work must be considered a work of art for copyright purposes.”⁵⁸ As Justice Holmes noted, “if [artworks] command the interest of any public, they have a commercial value—it would be bold to say that they have not an aesthetic and educational value—and the taste of any public is not to be treated with contempt.”⁵⁹

B. The Need for Greater Protection of Modern Artists' Rights

Other forms of intellectual property protection are similarly unlikely to afford protection to modern artists. Some consolation in the form of trademark⁶⁰ or trade dress⁶¹ protection might be afforded to the rare artist who becomes sufficiently famous that his or her modern artworks acquire secondary meaning.⁶² Since color can be trademarked if it "come[s] to indicate a product's origin,"⁶³ Malevich's "White on White"⁶⁴ could be trademarked if its two subtly different shades of white became famous enough to be his signature of sorts. Klein's "Blue Monochrome"⁶⁵ is perhaps the best example of this, having achieved fame as International Klein Blue.⁶⁶ Yet Duchamp's shovel, though famous, could not be so fortunate, as functionality is a bar to trademarkability.⁶⁷

C. The Need for Judicial Application of Modern Art Theory

Brancusi v. United States,⁶⁸ a rare case that required a court to directly decide whether or not an object was an artwork,⁶⁹ demonstrates that courts are willing to engage aesthetic theories to distinguish art from non-art.⁷⁰ In *Brancusi*, the customs court was required to explicitly declare whether a claimed sculpture was mere industrial pipe, on which a customs tax was due, or whether it was a work of art, free from customs taxes.⁷¹ As the metal three-dimensional work, titled "Bird in Flight," did not look like a bird, the court had considerable difficulty dealing with the question of whether it was art.⁷² To assist its decision, the court considered expert testimony on the nature of modern art and the art status of Brancusi's work.⁷³ The court finally held the object to be an artwork and declared it free of customs duty.⁷⁴ In emphasizing Brancusi's profession as a sculptor and the testimony of the art critics to reach its holding, the customs court implicitly adopted Institutional Theory to reach its holding that the work was art.⁷⁵

Fortunately, since *Feist* the "sweat of the brow doctrine" is no longer good law.⁷⁶ This paves the way for a standard of originality based on "artistic skill,"⁷⁷ independent of physical labor or manual precision. Courts should reformulate a standard of originality, consistent with copyright law's goals of promoting creativity and innovation, which does not discriminate against modern art.⁷⁸ Congress expressly reserved the standard of originality for judicial formulation,⁷⁹ noting that "[a]uthors are continually finding new ways of expressing themselves" and that "it is impossible to foresee the forms that these new expressive methods will take."⁸⁰ Congress specifically warned that the category of "pictorial, graphic, and sculptural works" not be limited by "artistic taste, aesthetic value, or intrinsic quality."⁸¹ If art status were dependent on judicial whims, "works of genius would be sure to miss appreciation," and works that by virtue

of their modesty failed to catch a judge's fancy would likewise be ignored.⁸²

III. Towards an Art-Theoretical Basis for Copyright Law

All art requires explanation to be perceived as art. A title often provides some interpretive guidance:⁸³ "In Advance of a Broken Arm" bestows upon an otherwise ordinary factory-made shovel the element of humor.⁸⁴ Yet often works that are unfamiliar to the audience will require a theory and a history in order to be understood. The major focus of the philosophy of art for the past two centuries has just been to provide such a theory of art.⁸⁵ While this article in no way claims to have arrived at a comprehensive definition of art, it does argue that law should be informed by aesthetic theory in making determinations of art-status.⁸⁶ Accordingly, this section explores the major theories of art with a view to attract the most congruent theory to the service of copyright law.

A. Theories of Art

1. Representationalism

The earliest known theories of art focused on imitation, or mimesis.⁸⁷ Imitation Theory had great explanatory power with regard to realistic sculptures like Michaelangelo's "David"⁸⁸ and stylized paintings such as da Vinci's "The Last Supper."⁸⁹ Representationalism expanded imitation theory in embracing art that symbolized or stood for a subject, without requiring imitation *per se*.⁹⁰ Thus were the Celtic High Crosses of Muirdeach⁹¹ and Moone⁹² works of art, representing divinity crucified as a perfect circle superimposed on a cross. Nonetheless, classic representationalism's requirements of imitation or symbolism still excluded absolute music such as Beethoven's "Symphony No. 9"⁹³ and abstract art such as Mark Rothko's "No. 5/No. 22"⁹⁴ and Klein's "Blue Monochrome,"⁹⁵ which consist of pure color.

Neorepresentationalism responded to these abstract examples by reformulating the "representativeness" requirement more loosely.⁹⁶ A work could be art as long as it contained "semantic content": a subject about which it made some comment or observation.⁹⁷ Yet neorepresentationalism was still underinclusive because it failed to account for many artworks that were not about anything, and were therefore beneath interpretation. Non-symbolic Christmas tree ornaments, for example, "are not *about* beauty; they are beautiful."⁹⁸

2. Expressionism

Expressionism regarded the expression and communication of emotion as the *sine qua non* of art. This theory explained much of Romantic and Impressionist art, which emphasized individual experience and emotion. For example, Van Gogh's "The Starry Night"⁹⁹ and Munch's "The Scream"¹⁰⁰ are not primarily representational but

rather emotive: they serve to display the artist's impression and perspective. Expressionism was also able to comprehend absolute music, whose abstract nature posed significant difficulties for representationalism.

However, expressionism came into question because not all artworks were intended to express emotion. For example, it is difficult to argue that the White House's architectural columns, or Andy Warhol's "Campbell's Soup Cans,"¹⁰¹ which consist of 32 identical paintings of Campbell's soup cans in an eight-by-four grid, are expressions of emotion. Thus, while emotive expression helps to explain a large portion of art, it cannot be a necessary condition of a comprehensive definition of art.

3. Formalism

Formalism claims that an object is a work of art if and only if it is designed primarily in order to display significant form.¹⁰² For visual art, form consists of the structure of the work, including arrangements of "lines, colors, shapes, spaces, [and] vectors" or musical structure.¹⁰³ This theory was able to contemplate abstract art such as Frank Stella's "Memantra"¹⁰⁴ that defied traditional representationalist and expressionist explanations, while retaining explanatory power with regard to classical representational works. However, formalism still could not appreciate Duchamp's shovel, for if that particular shovel was deemed to have significant form, it would be difficult to explain why any other shovel would be excluded from the artworld.

Neoformalism offered a more comprehensive definition of art by relating form to content.¹⁰⁵ Form is the mode of expression of the artwork, and content is its substance or meaning.¹⁰⁶ In this manner, neoformalism explained that readymades, such as Duchamp's shovel, are artworks by virtue of their economy. They communicate visually what would otherwise take a philosophical tome to express.¹⁰⁷ Nonetheless, neoformalism faced major difficulties in attempting to define "significant form." By setting the requirement of significant form sufficiently high to prevent everyday objects such as white picket fences or cobblestone walkways from becoming artworks, neoformalism excluded from the artworld minimalist art such as Kazimir Malevich's "Black Square"¹⁰⁸ and Ad Reinhardt's "Abstract Painting,"¹⁰⁹ which consist simply of black squares.

4. The Aesthetic Experience Theory

The Aesthetic Definition of Art asserts that what makes a work art is the artist's intention to transport his or her audience into a state of sympathetic and meditative introspection known as the "aesthetic experience."¹¹⁰ The aesthetic intent of an artist who exhibits precise calculations in his or her work's color, sound, structural arrangement, ornate decorativeness, and internal unity, is often facially obvious.¹¹¹ If an artist claims to be motivated by

a desire to present an aesthetic experience through his or her artwork, but actually produces a banality such as John Baldessari's "I Will Not Make Any More Boring Art,"¹¹² it will be difficult for a rational audience to believe the artist. This is because Baldessari's piece consists entirely of the words of its title, copied *ad nauseum* in horizontal lines down a 22" x 29" plain white sheet.

The Aesthetic Definition has been criticized because a viewer's response to an object is often dependent upon the art status of the work. For example, one could potentially regard Duchamp's shovel in a sympathetic and introspective manner once informed that it is an artwork. However, the fact that most people do not regard the shovels in their garages in a similar fashion demonstrates that definition conditions interpretation.

5. Neo-Wittgensteinianism

Neo-Wittgensteinianism (NW) asserts that "Art," itself, is an open concept" that must be capable of embracing radical change.¹¹³ Drawing from the linguistic philosophy of Ludwig Wittgenstein, the theory relies on "family resemblances" to define art.¹¹⁴ The family resemblance method classifies art according to the manner in which we naturally describe categories: "If one asks what a game is, we pick out sample games, describe these, and add, '[t]his and similar things are called 'games.'"¹¹⁵ Similarly, changes in art forms are accounted for by comparing resemblances between newly claimed artworks and established artworks.¹¹⁶

Yet the family resemblance method, though perhaps initially convincing, results in too open a concept for art.¹¹⁷ After declaring Duchamp's shovel to be a work of art, NW has no means of excluding any other snow shovel. By relying on "family" resemblances without meaningfully restricting the relevant resemblance criteria, NW finds itself declaring not only that any kind of thing *could be* an artwork, but that everything actually *is* an artwork.¹¹⁸ Thus it is necessary for subsequent theories to return to a definitional, condition-based approach to art theory.¹¹⁹

6. Institutional Theory of Art

The Institutional Theory (IT) of Art emphasizes the primacy of the role that "agents" of the artworld—its artists, art audiences, critics, curators, and philosophers—play in defining art. IT holds that a work is art if and only if an agent acting on behalf of the artworld puts forth the work for appreciation as art.¹²⁰ An agent of the artworld is someone who, by virtue of his knowledge, experience, and comprehension of the artworld and its history, has authority to act on its behalf.¹²¹ In allowing experts the freedom to welcome prophetic or *avant-garde* works into the artworld, IT eagerly accepts the challenges presented by readymades, abstract art, found sounds, and other revolutionary pieces that proved difficult for many prior art theories.

However, even well-trained and knowledgeable experts (perhaps especially experts) disagree. If there are no formal requirements on aesthetic judgment to inform expert decisions, the results will ultimately be arbitrary. IT offers insufficient bounds to prevent art judgments from becoming a popularity contest that confers art status based solely on the number and social prestige of experts that vouch for it. Furthermore, IT has no way to account for artworks created outside a social setting, such as solitary works.¹²²

7. The Historical Definition of Art

The Historical Definition (HD) of Art seeks to synthesize the major theories of art discussed above by understanding art with reference to historical context.¹²³ Much like judicial precedent, the well-established theories of Representationalism, Expressionism, Formalism, and Aesthetic Experience Theory described above, termed *art regards*, serve as precedents to establish the art status of a work of art.¹²⁴ HD is capable of adopting new works of art through the family resemblance method expounded by Wittgenstein.¹²⁵ Moreover, HD seeks to bar entrance of non-artworks into the artworld by requiring artists and curators, as in IT,¹²⁶ to explain how the new works closely resemble and incorporate elements in artworks of other art regards.

HD is congruent in many respects with existing copyright doctrine. It would recognize most family vacation photographs as art under Imitation Theory.¹²⁷ Copyright law, in according copyright protection to such photographs,¹²⁸ is here congruent with HD. HD would also allow for a manufacturer of speedboats to claim art status on his or her boats under aesthetic experience theory, assuming the manufacturer genuinely intends to make the boats visually pleasing. Again, Congress recognized the copyrightability of boat hull designs in 1998.¹²⁹

The most promising theory of art is that which synthesizes the explanatory power of other theories while insulating itself from their weaknesses. HD does this naturally, by borrowing from the successes of earlier theories and enabling a continuing dialogue with emerging art movements. HD is able to ground its determinations of art status in historical precedent yet embrace innovative art via its open concept approach, all the while encouraging a dynamic discourse between artists, art critics and audiences.

B. The Historical Definition of Art as a Guide for Judicial Decision Making

Judges should be explicit in engaging art theory and open in disclosing their aesthetic intuitions while making determinations of art status.¹³⁰ The Supreme Court has repeatedly warned judges not to act as art critics,¹³¹ and to refrain from denying artworks copyright protection according to narrow definitions of art.¹³² Therefore,

to ground their holdings in an objective and theoretical framework, judges should analyze claims to art status under the Historical Definition of Art. In appropriate cases where the art status of an object is in question, expert testimony from art curators or philosophers of art should be welcomed.¹³³

As *Brancusi* demonstrates, courts have already begun, albeit slowly, to analyze originality of modern artworks under art theories.¹³⁴ In fact, three circuit courts have applied a form of HD in determining the art status of a disputed object. The Second Circuit in *Kieselstein-Cord*¹³⁵ implicitly relied on HD for its holding.¹³⁶ The Ninth and D.C. Circuits more explicitly laid the framework for judicial recognition of HD, holding that “[a] thing is a work of art if it appears to be within the historical and ordinary conception of the term art.”¹³⁷

HD can also provide an analytical framework for judges in future cases that involve computer programs that self-create artworks. The United Kingdom’s 1988 Copyright, Designs, and Patents Act¹³⁸ extends copyright to works, including drawings and songs, that are generated by a programmed computer.¹³⁹ The U.S. has no statutory guidance directly on point, but HD would allow copyright protection for such artworks to be theoretically grounded.

Some may be concerned that basing copyrightability on theories that involve artists’ subjective intent opens the floodgates to the copyrighting of any object that an individual claims to be an artwork. In actuality, courts are well-equipped and experienced in finding intent, especially in criminal law. Intent can be inferred or established through credible testimony and supporting evidence. This focus on intent is also consistent with current case law that examines intended function in order to distinguish copyrightable applied art from non-copyrightable useful articles.¹⁴⁰

IV. The New Statutory Exception for Useful Articles

Reformulating the originality standard to grant equal protection to modern art raises significant concerns of stifling innovation.¹⁴¹ Copyright was not designed to afford protection to “mass-produced, commercial articles.”¹⁴² Indeed, if copyright were extended to readymade artworks, artists would have the statutory rights to exclude others from “reproduc[ing] the copyrighted work in copies,”¹⁴³ from “distributing copies,”¹⁴⁴ and from “prepar[ing] derivative works based upon the copyrighted work.”¹⁴⁵

Copyright law must not only afford equal rights to all artists, but it must do so in a manner that continues to encourage innovation for public benefit.¹⁴⁶ Since readymades are art adaptations of existing works, the copyright on a readymade artwork should never work economic unfairness on the original creator of the commercial

good. Accordingly, copyrights on works not created or substantially modified by the author of the work should not include any right to prohibit the manufacture, sale or purchase of the original products.

In light of the greater protection of modern art envisioned by the new standard of originality, Congress should pass a statutory exemption¹⁴⁷ that shields and encourages innovation. The new statutory exception, which could be located in a new section 123 of 17 U.S.C., would in such cases grant compulsory license of the designs of such artworks to the original manufacturer of the physical object.¹⁴⁸ This system of compulsory license would operate similarly to the statutory compulsory license systems for nondramatic musical works¹⁴⁹ and cable retransmissions.¹⁵⁰

Nonetheless, artists have a legitimate interest in protecting the economic value of their artworks.¹⁵¹ The reformulated originality standard allows a contemporary artist the exclusive rights to publicly display his or her work in an art gallery, and to preclude other artists from copying the work for purposes of public display or distribution in art galleries, print or online publications. The right of a retailer or a news reporter to display the copyrighted work for commercial advertisement or news purposes would remain protected by Section 113 of The 1976 Act.¹⁵²

Conclusion

Art is a constantly evolving, reflexive field in which artists and philosophers continually challenge the status quo. The American legal system is unable to continue avoiding the question of art versus non-art.

Copyright protection is intended to encourage and reward creative work.¹⁵³ However, judges have often been loath to make decisions about art status, perhaps viewing art as unfit for judicial determination.¹⁵⁴ Yet questions of copyrightability often hinge on art status. Judges would therefore benefit from the objectivity provided by aesthetic theories, aided by expert testimony when needed. A new statutory exception for reproducing and distributing “useful articles” under copyright protection would further serve the purpose of copyright to “promot[e] broad public availability of literature, music, and the other arts.”¹⁵⁵

Endnotes

1. See *Eldred v. Ashcroft*, 537 U.S. 186, 212, 219 (2003) (emphasis removed).
2. Yves Klein, *Blue Monochrome* (1961).
3. The Museum of Modern Art, Yves Klein, *Blue Monochrome* (1961), http://www.moma.org/collection/object.php?object_id=80103.
4. Marcel Duchamp, *In Advance of the Broken Arm* (1915); The Museum of Modern Art, Marcel Duchamp, *In Advance of the Broken Arm* (1915), http://www.moma.org/modernteachers/ref_pages/set_scene_pics/mai8_img2.html.

5. Marcel Duchamp, *Fountain*, 1917; R. Mutt, *Fountain: The Exhibit Refused by the Independents*, 2 *The Blind Man* 4 (photo. reprint 1917), available at <http://sdr.lib.uiowa.edu/dada/blindman/2/04.htm>.
6. Dennis Dutton, *The Art Instinct: Beauty, Pleasure, & Human Evolution* 193–94 (2009) (noting that the survey was commissioned “in order to identify key art pieces to help the public understand about the inspiration and creative process.”).
7. Yakov Rabinovich, *Duchamp: To Say the Least*, <http://www.invisiblebooks.com/Duchamp.htm>.
8. U.S. CONST. art. I, § 8, cl. 8.
9. 17 U.S.C. §§ 101–810 (2010).
10. *Id.* § 102(a).
11. See H.R. REP. NO. 94-1476, at 51 (1976) [hereinafter House Report].
12. 17 U.S.C. § 102(a)(5).
13. *Id.* § 101.
14. *Id.* § 102(a).
15. See *id.* § 101.
16. See *id.*
17. 17 U.S.C. § 102(b).
18. HOUSE REPORT, *supra* note 11, at 52.
19. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991).
20. *Id.* (citing 1 MELVILLE NIMMER & DAVID NIMMER, COPYRIGHT §§ 2.01[A], [B] (1990)).
21. *Feist*, 499 U.S. at 345.
22. *Id.* at 346.
23. See *id.*
24. See *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 491 (2d Cir. 1976) (Oakes, J.), *cert. denied*, 429 U.S. 857 (1976) (emphasis in original).
25. *Id.*; cf. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250 (1903) (“The least pretentious picture has more originality in it than directories and the like, which may be copyrighted.”).
26. See HOUSE REPORT, *supra* note 11, at 55.
27. 347 U.S. 201 (1954).
28. *Id.* at 202.
29. *Id.* at 218. The availability of design patent protection did not diminish the statuettes’ claim to copyright. *Id.* at 217.
30. HOUSE REPORT, *supra* note 11, at 54.
31. 17 U.S.C. § 101.
32. HOUSE REPORT, *supra* note 11, at 55; see 17 U.S.C. § 101.
33. HOUSE REPORT, *supra* note 11, at 55.
34. 632 F.2d 989 (2d Cir. 1980).
35. *Id.* at 990.
36. *Id.*
37. *Id.* at 994.
38. *Id.* at 993–994.
39. 834 F.2d 1142 (2d Cir. 1987) (Oakes, J.).
40. See *id.*
41. See *id.* at 1145 (citing Robert C. Denicola, *Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 67 MINN. L. REV. 707, 741–742 (1983)).
42. See *Brandir*, 834 F.2d at 1145.
43. Such changes included the “widening [of] the upper loops to permit parking under as well as over the rack’s curves,” “straightened vertical elements that allow in- and above-ground installation,” and “the heavy-gauged tubular construction of rustproof galvanized steel.” *Id.* at 1147.

44. See *id.* at 1147.
45. See *id.* at 1146-1147. Noting the difference in functionality between the standards for determining functionality in trademark and copyright law, the court remanded for a determination of whether the bike rack could be protected as trade dress. *Id.* at 1148; compare discussion *supra* Part I.B.2 (describing standard for determining functionality for copyright protection) with *infra* note 61 (describing standard for determining functionality for trade dress protection).
46. 86 F.3d 320 (2d Cir. 1996) (Calabresi, J.).
47. *Id.* at 321.
48. See *id.* at 323 (distinguishing *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411, 418-19 (2d Cir. 1985)).
49. See *Hart*, 86 F.3d at 323.
50. See definition of “useful article” in 17 U.S.C. § 101.
51. See *Hart*, 86 F.3d at 323.
52. See generally Arthur C. Danto, *The Artworld*, 61 J. Phil. 571 (1964) (first describing the concept of “the artworld”).
53. Kazimir Malevich, *White on White* (1918).
54. See Museum of Modern Art, Kazimir Malevich, *Suprematist Composition: White on White* (1918), http://www.moma.org/collection/object.php?object_id=80385.
55. See Lori Petruzelli, Comment, *Copyright Problems in Post-Modern Art*, 5 DePaul-LCA J. Art & Ent. L. 115, 121-124 (1995).
56. See *Eldred*, 537 U.S. at 219 (emphasis removed).
57. *Bleistein*, 188 U.S. at 249-250 (emphasis added). As discussed above, the statutory language of The 1976 Act does not restrict copyrightability of modern works of art. See *supra* notes 9-18 and accompanying discussion. See *supra* Part I.A.
58. NIMMER, COPYRIGHT § 2.08[B][1]; accord *Gustave v. Zuppiger*, 540 P.2d 176, 178 (Ariz. Ct. App. 1975).
59. *Bleistein*, 188 U.S. at 252.
60. See generally The Trademark Act of 1946, 15 U.S.C. § 1125 (2010); *Inwood Labs., Inc. v. Ives Labs., Inc.* 456 U.S. 844, 851, n.11 (1982) (secondary meaning is acquired when, “in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself”).
61. See *Two Pesos, Inc. v. Taco Cabana, Inc.* 505 U.S. 763 (1992) (allowing trade dress protection for Mexican fast-food restaurant because the restaurant’s motif was inherently distinctive and thus did not need proof of secondary meaning). However, more recently courts have distinguished between product-design and product-packaging, requiring proof of secondary meaning for the former but not the latter. See *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000) (disallowing trade dress protection for stylized one-piece seersucker outfits, since such styles were product designs had not acquired secondary meaning).
62. Readymades are virtually by definition incapable of being inherently distinctive, and therefore would have to acquire secondary meaning to be protected under trademark law.
63. See *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 162-163 (1995) (affording trademark protection to “a special shade of green-gold color” on manufacturer’s dry cleaning pads).
64. See *supra* note 53.
65. See *supra* note 2.
66. International Klein Blue—IKB, <http://www.international-klein-blue.com/>. Klein was even able to obtain a chemical composition patent on his famous color from the French Patent Office. See Yves Klein, International Klein Blue, French Patent No. 63471 (issued May 19, 1960).
67. 15 U.S.C. § 1115(b)(8); *Inwood Labs.*, 456 U.S. at 851, n.10 (“a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article”); accord *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001) (denying trademark protection to a wind-resistant sign protected by utility patents).
68. 54 Treas. Dec. 428 (Cust. Ct. 1928).
69. *Brancusi* is the U.S. case that perhaps came “closest to an open discourse with aesthetics.” See Christine Haight Farley, *Judging Art*, 79 TUL. L. REV. 805, 849 (2005).
70. See *id.* (lauding the *Brancusi* Court for being “explicit about its intuition, and [openly engaging] with competing ideas”).
71. See *Brancusi*, 54 Treas. Dec., at 428.
72. See *id.* at 429.
73. See *id.* at 429-30.
74. Cf. *id.*
75. See Farley, *supra* note 69, at 847-48. See discussion of Institutional Theory *infra* Part III.A.6.
76. See *Feist*, 499 U.S. at 352-53. Also known as the “industrious collection” doctrine, this doctrine prior to *Feist* had afforded copyright protection to certain works, independent of originality, where sufficient labor and technical skill had been exerted in their creation. See, e.g., *Jeweler’s Circular Pub. Co. v. Keystone Pub. Co.*, 281 F. 83, 88 (2d Cir. 1922).
77. See *Batlin*, 536 F.2d at 491.
78. See Gary Horowitz, *The Case for the Designer Belt Buckle: The Problem of Copyrighting Utilitarian Objects*, 6 Art & L. 59, 63 (1981) (arguing that copyrightability should extend to artistically designed functional works); but see Petruzelli, *supra* note 55, at 129-131 (arguing that the originality standard should not be expanded to accommodate modern art because “the whole point of post-modernism is to question the meaning of art...[p]ost-modernists do not need the economic incentives of [copyright].”).
79. See *supra* note 11 and accompanying text.
80. HOUSE REPORT, *supra* note 11, at 51.
81. *Id.* at 54.
82. See *Bleistein*, 188 U.S. 252.
83. See Arthur C. Danto, *The Transfiguration of the Commonplace: A Philosophy of Art* 3 (1981) (“A title is more than a name; frequently it is a direction for interpretation or reading.”)
84. See NOEL CARROLL, *Philosophy of Art: A Contemporary Introduction*, ch.5, at 9 (1999). “Mere things” are unentitled to titles just because they do not warrant this mode of understanding.
85. See Peter Kivy, *Philosophies of Arts* ix-x (1997).
86. See Farley, *supra* note 69, at 808-09.
87. See Kivy, *Philosophies of Arts*, *supra* note 85, at 2-5.
88. Michelangelo di Lodovico Buonarroti Simoni, *David* (c. 1501-1504).
89. Leonardo da Vinci, *The Last Supper* (c. 1495-1498).
90. See Arthur C. Danto, *The Transfiguration of the Commonplace*, 33 The Journal of Aesthetics and Art Criticism 139, 146 (1974) [hereinafter Danto, *Transfiguration Article*].
91. High Cross of Muirdeach, County Louth, Ireland (c. 900).
92. High Cross of Moone, County Kildare, Ireland (c. 8th Century).
93. Ludwig Van Beethoven, *Symphony No. 9 in D minor, Op. 125 Choral, Finale* (1824).
94. Mark Rothko, *No.5/No.22* (1950) (consisting of rectangles of different shades of yellow and red), available at http://www.moma.org/collection/object.php?object_id=80566.
95. See *supra* note 2.

96. See Danto, *Transfiguration Article*, *supra* note 90, at 144.
97. See CARROLL, *supra* note 84, at ch.1, 4. Note that Carroll's description of neorepresentationalism supplies only the necessary condition "only if" without supplying a sufficient condition. Thus, the theory avoids over-inclusion of insipid writings that are merely "about" something without offering any aesthetic experience to the reader. See discussion of Aesthetic Experience Theory, *infra* notes 110-112. Danto alternatively formulated the neorepresentationalist requirement that the artwork be "about something," or minimally, a work for which "the question of what they are about may legitimately arise." Danto, *supra* note 83, at 82. Thus Danto sought to include works of visual art or absolute music that are not about anything, but for which it *makes sense* to at least ask what they are about. See Kivy, *Philosophies of Arts*, *supra* note 85, at 40-42.
98. CARROLL, *supra* note 84, at ch.1, 7 (emphasis added).
99. Vincent Van Gogh, *The Starry Night* (1889), available at http://www.moma.org/collection/object.php?object_id=79802.
100. Edvard Munch, *The Scream* (1895), available at http://www.moma.org/collection/browse_results.php?criteria=O%3AAD%3AE%3A4164&page_number=13&template_id=1&sort_order=1.
101. Andy Warhol, *Campbell's Soup Cans* (1962), available at http://www.moma.org/collection/browse_results.php?object_id=79809.
102. See CARROLL, *supra* note 84, at Ch.3: 4.
103. *Id.* at 1.
104. Frank Stella, *Memantra* (2005).
105. See CARROLL, *supra* note 84, at Ch.3: 12.
106. *Id.* at 9.
107. See Danto, *The Artworld*, *supra* note 52, at 581 ("What in the end makes the difference between a Brillo box and a work of art consisting of a Brillo Box is a certain theory of art.").
108. Kazimir Malevich, *Black Square* (1915), available at http://www.russianpaintings.net/articleimg/malevich/malevich_black.jpg.
109. Ad Reinhardt, *Abstract Painting* (1963), available at http://www.moma.org/collection/object.php?object_id=78976.
110. See CARROLL, *supra* note 84, at Ch.4: 3.
111. See *id.*
112. John Baldessari, *I Will Not Make Any More Boring Art* (1971), available at http://www.moma.org/collection/browse_results.php?object_id=59546.
113. See Morris Weitz, *The Role of Theory in Aesthetics*, 15 J. Aesthetics & Art Criticism 27, 32 (1956).
114. See *id.* at 30-32.
115. See *id.* at 31.
116. See *id.*
117. See Lewis K. Zerby, *A Reconsideration of the Role of Theory in Aesthetics—A Reply to Morris Weitz*, 16 The Journal of Aesthetics and Art Criticism, 253, 253-55 (1957).
118. CARROLL, *supra* note 84, at Ch.5, 9.
119. See *id.* at 9-10; Zerby, *supra* note 117, at 254-55.
120. See George Dickie, *Art and the Aesthetic: An Institutional Analysis* 464 (1974). Professor Dickie first presented the Institutional Theory in his 1974 book, and later revised the theory in *Art Circle: A Theory of Art* (1997).
121. See CARROLL, *supra* note 84, at Ch.5, 12-13.
122. See CARROLL, *supra* note 84, Ch.5, 15-16.
123. See Danto, *Transfiguration Article*, *supra* note 90, at 140 ("Something is an artwork, then, only relative to certain art-historical presuppositions.").
124. CARROLL, *supra* note 84, Ch.5, 18.
125. See discussion *supra* Part III.A.5.
126. See discussion *supra* Part III.A.6.
127. HD does not purport to be an evaluative theory of art, but rather a definitional theory. Thus HD makes no judgment about the photograph's quality.
128. Photographs are copyrightable in the same manner as artworks produced by paint or pencil. *Gross v. Seligman*, 212 F. 930 (1914); see *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 57-60 (1884) (noting that photographs are "writings" protectable under the intellectual property clause of the Constitution).
129. See The Vessel Hull Design Protection Act, 17 U.S.C. § 1301, § 1301(a)(2) (allowing for copyrighting of "[t]he design of a vessel hull, deck, or combination of a hull and deck"). This act, though overtly providing protection for boat hull designs, actually provides a statutory precedent through which Congress could extend copyrightability to all "original designs of useful articles." *Cf. id.* § 1301(a)(1).
130. See Farley, *supra* note 69, at 849-52.
131. See *Bleistein*, 188 U.S. at 251 ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits."); *Brandir*, 834 F.2d at 1145-1146 n.3 ("we judges should not let our own view of styles of art interfere with the decisionmaking process in this area"); see also *Harper & Row, Publrs. v. Nation Enters.*, 471 U.S. 539, 561 (U.S. 1985) ("Courts should be chary of deciding what is and what is not news." (citation omitted)). Note that judging whether an object is art is a very different endeavor than judging whether it is beautiful. As one scholar argues, judgments about beauty are inherently intuitive: "aesthetic judgments...can neither have nor lack a rational basis in...that they can either be or fail to be the outcome of good or bad reasoning." See Frank Sibley, *Aesthetic and Nonaesthetic*, 74 The Philosophical Rev. 135, 143-146 (1965); but see Peter Kivy, *Aesthetics and Rationality*, 34 J. Aesthetics & Art Criticism 51, 51-57 (arguing that aesthetic judgment necessarily includes some rational basis, and that our aesthetic nature and our rational nature are bound together).
132. See *Mazer*, 347 U.S. at 214 ("Individual perception of the beautiful is too varied a power to permit a narrow or rigid concept of art."); *Bleistein*, 188 U.S. 252 (expressing doubt about whether Goya's or Manet's works would have been protected by copyright law when first presented).
133. The expert testimony would likely proceed in a historical manner: by first explaining the relevant well-precedented theories of defining art, and then noting the family resemblances of the new artwork to well-established artworks. See discussion *supra* Part III.A.7. An example of such testimony regarding *In Advance of the Broken Arm* could begin by granting that Mr. Duchamp's shovel looks just like any of the other shovels in Home Depot. In order to understand its status as an artwork, it must be considered in its art-historical context. Many modern artists, such as Braque and Picasso, devoted many of their artworks to exploring the question of the nature of art. Duchamp's shovel was a contribution to this philosophical and introspective discussion between artworks reflecting on other artworks and even themselves as real-objects-turned art. Seen in this historical context, Duchamp's shovel is a very original contribution that enriches the artworld with its piercing intuition that even everyday objects can be transformed into art if only we took the time to notice and interpret them. *Cf.* CARROLL, *supra* note 84, ch.5, at 24 (providing a similar art-historical explanation for Andy Warhol's 1963 *Brillo Box*). Such explanations concerning the artworld status of disputed works would shift the burden of proof to the party disclaiming the art status of the work.
134. See *supra* notes 68-75 and accompanying discussion.

135. See *supra* notes 34-38 and accompanying discussion.
136. After hearing expert testimony, the court noted that “body ornamentation has been an art form since the earliest days” and referred the reader to the “Tutankhamen or Scythian gold exhibits at the Metropolitan Museum [of Art].” *Kieselstein*, 632 F.2d at 994.
137. See *Rosenthal v. Stein*, 205 F.2d 633, 635 (9th Cir. 1953); *accord* *Bailie v. Fischer*, 258 F.2d 425 (D.C. Cir. 1958) (per curiam).
138. 1988 c. 48 (2010).
139. *Id.* §§ 9(3), s. 178.
140. See discussion of *Hart*, *supra* notes 46-51.
141. See *Petruzelli*, *supra* note 55, at 138.
142. See Comment, *Copyright Protection for Mass Produced Commercial Products: A Review of the Developments Following Mazer v. Stein*, 38 U.Chi.L.Rev. 807, 812 (1971) [hereinafter Comment on *Mazer v. Stein*] (arguing that such objects have a “tenuous connection to a [copyright] system which was not originally designed for them and remains unequipped to handle them”).
143. 17 U.S.C. § 106(1).
144. *Id.* § 106(3).
145. *Id.* § 106(2).
146. As the Supreme Court noted, “[t]he sole interest of the United States and the primary object in conferring the [copyright] monopoly lie in the general benefits derived by the public from the labors of authors.” *United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 158 (1948); *accord* *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).
147. “[I]t is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause’s objectives.” *Eldred*, 537 U.S. at 207.
148. A less elegant means of achieving a similar result would be to grant the copyright owner only the right of public display (17 U.S.C. § 106(5)), without granting the other section 106 rights, such as the exclusive rights to reproduce copies (§ 106(1)), to sell copies (§ 106(3)), or to prepare derivative works (§ 106(2)).
149. See generally 17 U.S.C. § 115.
150. See generally *id.* §§ 111, 119; Copyright Royalty and Distribution Reform Act, 17 U.S.C. §§ 801-805 (2010) (detailing responsibilities of Copyright Royalty Judges).
151. See Comment on *Mazer v. Stein*, *supra* note 142, at 824.
152. See 17 U.S.C. § 113.
153. See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975); *Eldred*, 537 U.S. at 212, 219.
154. See *Farley*, *supra* note 69, at 807-808.
155. See *Twentieth Century Music Corp.*, 422 U.S. at 156 (1975); *accord* *Sony*, 464 U.S. at 429.

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Equal Rights: City of Jacksonville Beach's Department of Parks and Recreation Compliance with the Florida Civil Rights Act of 1992: Florida Statute § 760.08

By Brian Walton

Introduction

Title IX of the Education Amendments of 1972 spawned a 600% increase in high school female athletic participation.¹ Increased sports participation led to numerous physical and psychological benefits for young women, such as increased bone mass,² higher college completion rates,³ lower depression rates,⁴ and lower suicide rates.⁵ In *Baca v. City of Los Angeles*, the plaintiffs' civil rights action demonstrated that these benefits could be achieved not only through Title IX's increased sports participation for women, but also through public and municipal sports programming.⁶

Baca involved a youth softball league and the gender discrimination it faced from the City of Los Angeles, California.⁷ In *Baca*, the city denied the West Valley Girls' Softball league access to its public fields.⁸ As a result, the league teamed with the ACLU and filed a class action lawsuit against the city of Los Angeles.⁹ *Baca* challenged the city's "systematic policies and practices that resulted in the denial of equal access to sports for girls."¹⁰ The plaintiffs in *Baca* realized that Title IX's protections from gender discrimination extended only so far as the educational programs that received federal funding, and that because the city was not an educational institution, Title IX would not be the appropriate means for seeking gender equity in municipally run sports programs.¹¹ As a result, *Baca*'s plaintiffs filed their class action lawsuit under the federal and state constitutions, as well as California's civil rights statute.¹² The issues raised in *Baca* "represented a novel trend in the development of gender discrimination litigation addressing the unequal allocation of publicly funded sports programs and facilities."¹³

As part of its case, *Baca* planned not only to challenge the city's discriminatory practices, but to address a larger problem.¹⁴ This larger problem entailed addressing the challenges young women face in seeking to acquire equal playing fields in all areas of athletics.¹⁵ *Baca* planned to attack this issue by demonstrating that participation in athletics fostered both physical and psychological development in young women, and that these developments contributed to the overall well-being and future success of women not only in the context of sports, but also in the context of their educational and professional careers.¹⁶

The lawsuit in *Baca* enabled its plaintiffs to obtain long term accommodations at the city's publicly funded fields, and also resulted in systematic reform of the city's discriminatory practices towards women's sports.¹⁷

However, *Baca*'s battle for gender equity in the municipal setting did not impact only the Los Angeles area.¹⁸ *Baca* sought to level the playing field in municipal cities across the United States.¹⁹

For example, *Baca* intended to bring attention to situations like the one faced by female softball players in Jacksonville Beach, Florida. In Jacksonville Beach, female softball players face denial of equal athletic facilities both "in quality and in quantity," when compared to the city's "thriving boys' sport program."²⁰ This thriving boys' program, as demonstrated in *Baca*, has a "detrimental effect on the girls' attitudes about their abilities as athletes and as females."²¹ Like *Baca*, the leaders of girls' softball in Jacksonville Beach assert that the thriving boys' programs communicate to their females that they are "somehow less deserving than boys."²² Furthermore, these leaders assert that the city's discrimination, if left unaddressed, threatens the future growth, development, and health of their members.²³

While *Baca* addressed a softball league's federal and state challenges to discrimination, this article, while acknowledging that these potential courses of action may be equally viable in Jacksonville Beach, will focus its analysis on potential legal action under the Florida Civil Rights Act of 1992.²⁴ First, this paper will outline the circumstances and treatment faced by young females playing softball in Jacksonville Beach. Second, this paper will analyze why the Florida Civil Rights Act of 1992 might protect Jacksonville Beach's young female athletes from the discrimination they face in the form of a civil action brought in Florida's state courts. Finally, this paper will discuss Jacksonville Beach's possible efforts at mitigating its liability under such a potential action, and also its possible attempts to dismiss the league's civil suit outright.

I. Jacksonville Beach Provides Unequal Sports Experiences for Its Baseball and Softball Teams

Baseball and softball in Jacksonville Beach, Florida, operate at a city funded park known as Wingate Park.²⁵ Wingate Park is separated by South Penman Road. One side of Penman Road, "Wingate Blue," is home to Jacksonville Beach Baseball Association (JBBA). The other side of Penman Road, "Wingate Pink," is home to the Northeast Florida Girls' Softball league (NFGS).

Wingate Blue is leased by the city to the JBBA.²⁶ JBBA provides baseball to roughly 532 Jacksonville Beach boys

and young men between the ages of four and 18.²⁷ Wingate Blue is comprised of four city funded and maintained fields, four city funded batting cage units, and the future home of a new \$168,000 city funded 6,200 square foot batting cage area, with a sheltered pavilion picnic area.²⁸ JBBA's older boys have three leagues sharing two fields, and the younger children share two T-Ball fields.²⁹ Wingate Blue is also afforded its own parking lot to accommodate players, families, and spectators.³⁰ With four fields, four batting cages, and plans for new batting cages and picnic areas, all would seem well at Wingate Blue for the JBBA.

Across South Penman road from Wingate Blue lies Wingate Pink. This side of Wingate Park consists of three city funded softball fields; one NFGS funded batting cage, and a parking lot that shares usage with the city dog park, which is adjacent to Wingate Pink.³¹ Each spring 240 young women come to Wingate Pink in hopes of playing the game they love, and living out their dream of one day becoming college and professional softball players.³² However, NFGS is only allowed to play and practice on one field.³³ The other two fields are reserved for the exclusive use of adult slow pitch softball.³⁴ NFGS's lack of comparable access to city funded playing fields demonstrates a harsh reality.

The reality is that the City of Jacksonville Beach is not providing equal facilities to both young boys and girls. First, the boys have greater access to fields for both practice and games. The JBBA has four Wingate Park fields at its disposal. The girls only have one field.

Secondly, the boys have four city-funded batting cages with six new cages coming in the near future.³⁵ The girls have only one self-funded batting cage.³⁶ Making matters worse, when asked why his team and other softball teams do not seek to use the boys' batting cages, NFGS co-founder and current coach John Baxter stated, "JBBA runs Wingate. NFGS and JBBA don't have a great working relationship due to the fact that in the past JBBA was upset over having to accommodate NFGS at all."³⁷ John Baxter summarized NFGS' batting cage usage as follows: "There are four city funded batting cages, but JBBA controls their use. NFGS use of these cages is not a viable option, so we installed our own cage with what funds we could raise. This way the girls have somewhere to practice hitting close to the practice field."³⁸ Making matters worse, Mr. Baxter and all of NFGS are afraid the inequality of city funded facilities is only going to get worse.³⁹ Citing past relations between JBBA and NFGS, and JBBA's stranglehold on facilities usage at Wingate Park, NFGS fears that it will continue to be barred from using the six new batting cages once they are installed on JBBA's side of Wingate Park.⁴⁰

Third, the JBBA has its own parking lot on the Wingate Blue side of Wingate Park.⁴¹ In contrast, NFGS is forced to share a parking lot on the Wingate Pink side of

Penman Road with persons who frequent the adjacent dog park.⁴² While a parking lot may not seem to be a major inequity, John Baxter stated that it is just one more way the facilities provided by Jacksonville Beach to the JBBA and NFGS differ.⁴³ In order to demonstrate this facility based inequity, Mr. Baxter stated that, "On game days, with one field at NFGS' disposal for all 240 girls playing that day, many families simply don't have anywhere to park on Wingate Pink's side of Penman Road."⁴⁴ In conclusion, NFGS is being denied equal access to places of public accommodation in the form of fields, batting cages, and available parking space. These inequalities are made worse by the disparate treatment NFGS receives from the City of Jacksonville Beach.

A. Jacksonville Beach Provides Unequal Treatment to Its Baseball and Softball Leagues

According to Tom Boyd, vice-president of JBBA at Wingate Park, the JBBA lease with the Jacksonville Beach allots JBBA "Wingate Blue" field usage for up to two tournaments every spring.⁴⁵ Mr. Boyd also stated, "If we wanted to host another tournament I'm sure the city wouldn't mind."⁴⁶ This is very dissimilar from the situation NFGS faces each spring. NFGS' lease is silent in regard to tournament play, and while the JBBA is able to host two tournaments a year on up to four fields, NFGS is forced to pay a "city usage fee" of \$150 a day, per field, in order to rent the other adult softball fields on NFGS' side of Wingate Park.⁴⁷

Furthermore, the City of Jacksonville Beach allows the JBBA to practice and play games on any of four city fields at Wingate Park.⁴⁸ This allows the JBBA great leeway in scheduling both games and practices. However, as mentioned, Jacksonville Beach Parks and Recreation Department only allows NFGS to practice or play games on one field at Wingate Park.⁴⁹ To remedy this inequity, NFGS has previously sought to host games at one of its alternative city funded practice fields, Gonzales Park.⁵⁰ However, the city refuses to allow NFGS to host games at this park.⁵¹ NFGS president, Richard Riddle, stated that Jacksonville Beach has failed to clearly explain its justification for this restriction, and both he and Coach John Baxter blame neighborhood complaints logged with the city about NFGS' traffic and noise on game days.⁵² This treatment adds further to the public accommodation discrimination NFGS faces in Jacksonville Beach each time its young women take the field.

II. The City of Jacksonville Beach Violated the Florida Civil Rights Act of 1992 Because It Committed Sex-Based Discrimination Against NFGS When It Failed to Provide NFGS with Equal Access to Public Sports Facilities

NFGS needs a legal remedy to alleviate the disparate treatment it faces in regard to Jacksonville Beach's public accommodations, namely, city owned softball fields and

batting cages.⁵³ Like *Baca*, NFGS may seek protection under Florida's civil rights statute, the Florida Civil Rights Act of 1992 (FCRA).⁵⁴

Initially enacted in 1969, the FCRA would have provided little aid to NFGS.⁵⁵ First, the FCRA did not include "sex" as a class protected from discrimination until 1972.⁵⁶ Second, until 1977 the FCRA was limited to using education, outreach, and partnerships to enforce Florida's civil rights.⁵⁷ However, in 1977, Florida's legislature granted the statutorily created Florida Commission on Human Relations (the Commission) the power to investigate and resolve state discrimination claims.⁵⁸ The 1977 amendment also granted the Commission both administrative and legal remedies to deal with state discrimination claims.⁵⁹ Without these legislative changes, NFGS would not have a possible legal remedy under the FCRA.

Further strengthening the statute, a 1992 amendment to the FCRA created a private cause of action for persons facing discrimination in Florida.⁶⁰ This 1992 amendment also provided successful parties with compensatory and punitive damages,⁶¹ and reasonable attorneys' fees.⁶² Under NFGS' possible cause of action, a ruling against Jacksonville Beach might award compensatory damages that allow for, but are not limited to, "damages for mental anguish, loss of dignity, and any other intangible injuries."⁶³ However, NFGS will not be able to recover punitive damages because Jacksonville Beach is a state entity, and the statute bars recovery of punitive damages against the "state and its agencies and subdivisions."⁶⁴ However, if successful, NFGS would likely be able to recover compensatory damages, as well as reasonable attorneys' fees, which may be awarded to NFGS in a manner consistent with federal Title VII case law.⁶⁵

A. NFGS can rely on the purpose of the FCRA in §760.01 and §760.08 to demonstrate how Jacksonville Beach violated the FCRA

The FCRA provides a broad protection against government discrimination.⁶⁶ This scope can easily be interpreted to apply to protecting the interests of NFGS' young members. The purpose of the FCRA is stated within the statute itself. Section 760.01(2) states:

The general purposes of the Florida Civil Rights Act of 1992 are to secure for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status and thereby to protect their interest in personal dignity, to make available to the state their full productive capacities, to secure the state against domestic strife and unrest, to preserve the public safety, health, and general welfare, and to promote the interests, rights, and privileges of individuals within the state.⁶⁷

Here, the FCRA would protect NFGS' girls from public accommodation discrimination based on the explicit statutory language of §760.01(2).⁶⁸ Jacksonville Beach's denial of equal access to places of public accommodation, namely the city's fields and batting cages, denies NFGS' members the promotion of the "interests, rights and privileges" the statute explicitly protects.⁶⁹

NFGS, having decided that the FCRA is the statutory instrument through which it will seek legal remedy of the public accommodation discrimination it faces, may then file a complaint alleging the City of Jacksonville Beach violated §760.08.⁷⁰ This section provides protection to persons from public accommodation discrimination in the state of Florida.⁷¹ Section 760.08 provides that:

All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodation of any place of public accommodation, as defined in this chapter, without discrimination or segregation on the ground of race, color, national origin, sex, handicap, familial status, or religion.⁷²

Here, §760.08 protects NFGS from being denied equal access to public accommodations.⁷³ Jacksonville Beach violated §760.08 in numerous ways. First, Jacksonville Beach denied NFGS equal access to its publicly owned playing fields.⁷⁴ The JBBA is granted access to four fields, and NFGS is granted access to only a single field.⁷⁵ Second, Jacksonville Beach provided the JBBA with more favorable lease terms than it did NFGS.⁷⁶ The JBBA uses four fields at no extra charge from the city.⁷⁷ In contrast, NFGS must pay a "usage fee" to use any fields other than the single field it leases.⁷⁸ Third, the JBBA exclusively utilizes the four city funded batting cages at Wingate Park while NFGS is given no access to these public batting cages.⁷⁹

NFGS' claim would be filed with and handled by the Commission.⁸⁰ Furthermore, NFGS' claim under the FCRA is governed by Title VII and ADA case law.⁸¹ These apply because courts have held that the FCRA was patterned after Title VII, and therefore they must be used when interpreting the FCRA.⁸² Armed with knowledge regarding the FCRA's purpose and basic operational scheme, if one assumes that NFGS decided to file a complaint with the FCHR, under the FCRA, this decision to file a complaint would not rest solely on NFGS' shoulders.⁸³

B. Florida's Attorney General can file a claim against Jacksonville Beach because of the statutory power granted the Attorney General in §760.021 of the FCRA

First, the FCRA provides hope of a remedy by which NFGS itself need not file a complaint.⁸⁴ The FCRA autho-

rizizes Florida's Attorney General to bypass the procedurally mandated steps for filing a complaint under the FCRA, and instead, to file a civil action directly against the City of Jacksonville Beach for gender based public accommodations discrimination.⁸⁵ Specifically, FCRA §760.021 authorizes the Attorney General, upon finding reasonable cause that Jacksonville Beach "(a) Has engaged in a pattern or practice of discrimination as defined by the laws of this state; or" that NFGS, "(b) Has been discriminated against as defined by the laws of this state and such discrimination raises an issue of great public interest,"⁸⁶ to file a direct civil action. The Attorney General is empowered by the FCRA to file the civil action "in the circuit court of the county where the cause of action arises, or in the circuit court of the Second Judicial Circuit, in and for Leon County."⁸⁷ This enforcement provision of the FCRA would also make allowance for the City of Jacksonville Beach's due process rights.⁸⁸ FCRA §760.021 allows Jacksonville Beach to request a hearing where the court would determine if the state's prime facie case for gender based public accommodation discrimination is met, and also whether a great public interest exists as a result of the complained discrimination.⁸⁹ If the court holds for defendant Jacksonville Beach in this action, §760.021 would allow for the defendant to recover reasonable attorney's fees.⁹⁰

The statutory authority granted to Florida's Attorney General in §760.021 is the quickest route by which NFGS might receive a civil judgment against the City of Jacksonville Beach. However, Florida's Attorney General has not yet acted under the authority of §760.021. NFGS, faced with continued sex based discrimination, needs to initiate the FCRA's complaint procedure to begin its own quest to receive legal relief under §760.11(1).

III. NFGS Can File a Claim with the FCHR Against the City of Jacksonville Beach for Sex-Based Public Accommodations Discrimination

The FCRA §760.11(1) provides the procedure for initiating a claim for gender based public accommodation discrimination against the City of Jacksonville Beach.⁹¹ The statutory language of the FCRA allows for one of four parties to file a complaint under the FCRA.⁹² First, the Attorney General may file a complaint for discrimination with the FCHR.⁹³ The statute also authorizes the FCHR itself, its commissioner, or NFGS to file a complaint with the FCHR.⁹⁴

NFGS must ensure that a party authorized under the statute files a complaint with the FCHR.⁹⁵ If NFGS brings a direct civil suit without filing an administrative complaint, its case will be dismissed.⁹⁶ The dismissal would effectively preclude NFGS from receiving equitable relief and damages in a civil trial.⁹⁷ Directly applied, the FCRA requires that NFGS "must exhaust all administrative remedies called for under the FCRA in order to qualify for any equitable relief and damages of § 760.11(5)."⁹⁸ The

severity of this procedural requirement is demonstrated in *Williams v. Eckerd Family Youth Alternative*.⁹⁹

In *Williams*, the plaintiffs brought both federal and state discrimination claims against the defendant.¹⁰⁰ The plaintiffs were white males working at a juvenile rehabilitation center.¹⁰¹ While employed by the defendant, the plaintiffs received threatening letters in their mailboxes stating, "We are tired of you whites and you have three weeks to quit while you are still healthy."¹⁰² The plaintiffs sought law enforcement investigation of these threats and were reprimanded by their superiors for such action.¹⁰³ They then sought to take a leave of absence due to concern for their personal safety while at work.¹⁰⁴ Subsequently, one plaintiff was fired, and the other two received notices that they were being placed on "inactive" work status.¹⁰⁵ As a result of this actual termination, and "administrative" termination, the plaintiffs commenced discrimination actions against the employer in both federal and state court.¹⁰⁶ The defendant moved to dismiss the race discrimination action filed under the FCRA because the plaintiffs had not filed a complaint with the FCHR before seeking equitable relief from the courts.¹⁰⁷ The court held that the language of the FCRA requires plaintiffs to exhaust all administrative remedies before seeking equitable relief from the courts and dismissed the plaintiffs' action brought under the FCRA.¹⁰⁸

Aside from the procedural requirements demonstrated in *Williams*, the FCRA also contains a statute of limitations on claims filed with the FCHR.¹⁰⁹ NFGS, or any other statutorily authorized party, has 365 days from the last instance of discrimination to file a §760.08 complaint with the Commission.¹¹⁰ Once NFGS' complaint is filed with the Commission, the FCHR has five days to send a copy of the complaint to the "person" named as responsible for the statutory violation, or in the instant case, the City of Jacksonville Beach.¹¹¹ Once NFGS' complaint is filed and mailed to the City of Jacksonville Beach, the FCHR is statutorily mandated to attempt methods of alternative dispute resolution between NFGS and the City of Jacksonville Beach.¹¹² Simultaneous to these mediation attempts, the commission must also investigate NFGS' complaint within 180 days of its receipt.¹¹³ This investigation may result in three possible outcomes for NFGS.

A. Potential Outcome #1: FCHR returns a finding of "no reasonable cause"

First, the Commission can return with a finding of "no reasonable cause."¹¹⁴ This finding dismisses the complaint and initiates a 35-day statute of limitations period upon which NFGS may request an administrative hearing under Florida statute §120.569 and §120.57.¹¹⁵ If elected, this appeals process places the alleged violation before an administrative law judge.¹¹⁶ The judge may uphold the Commission's "no reasonable cause" finding or, upon finding a violation of §760.08, the judge may issue a recommended order to the Commission.¹¹⁷ The

recommended order may reverse the FCHR's finding of "no reasonable cause" and instead prohibit Jacksonville Beach's discriminatory practices and recommend affirmative relief for the effects of the practice to NFGS.¹¹⁸

Assuming that the FCHR receives a recommended order overturning its "no reasonable cause" finding, it has 90 days to issue a final order rejecting, adopting, or modifying the administrative judge's recommendation.¹¹⁹ This 90-day period can be extended with the consent of both NFGS and the City of Jacksonville Beach.¹²⁰ Next, assuming that the FCHR issued a final order accepting the judge's recommendation, the Commission is empowered to award reasonable attorney's fees pursuant to federal Title VII case law to NFGS.¹²¹ Following this example, Jacksonville Beach would have 30 days to file an appeal from the final order.¹²² In addition, a modified or accepted final order finding a \$760.08 violation would entitle NFGS to proceed under two possible options. NFGS could either accept the affirmative relief granted in the final order,¹²³ or file a civil action under §760.11(5) within 365 days of the final order.¹²⁴ NFGS can choose either option, but cannot pursue both courses of action.¹²⁵

B. Potential Outcomes #2 and #3: NFGS can opt for an administrative hearing or file a civil action against the City of Jacksonville Beach

Analyzing NFGS' two other possible outcomes, the Commission could return a finding of "reasonable cause"¹²⁶ or fail to return a finding within the statutorily mandated 180 days.¹²⁷ Either occurrence allows NFGS to make a choice between two possible courses of action. First, NFGS' may choose to request an administrative hearing under Florida Statutes §120.569 and §120.57.¹²⁸ NFGS would have 35 days from the "reasonable cause" finding to request this administrative option.¹²⁹ The FCRA allows the FCHR to hear NFGS' claim under §120.569, so long as the members of the FCHR issuing the final order after the administrative hearing are the not the same members that conducted the hearing itself.¹³⁰ The commissioner of the FCHR may also hear NFGS' case under §120.569.¹³¹ If the commissioner hears NFGS' case and finds that Jacksonville Beach violated Florida's public accommodations discrimination statute, the FCRA mandates that he or she issue a proposed order prohibiting Jacksonville Beach's discrimination and providing NFGS with affirmative relief from Jacksonville Beach's discrimination.¹³² Whether the FCHR, its commissioner, or an administrative judge hears NFGS' case under §120.569, the FCRA mandates this hearing yield only a "proposed"¹³³ or "recommended"¹³⁴ order providing affirmative and injunctive relief, or if no violation is found, "dismissing"¹³⁵ NFGS' claim. A proposed or recommended order must be reviewed by the FCHR within 90 days of its issuance.¹³⁶ During this 90 day period the FCHR will issue a final order ending the discrimination dispute in favor of either NFGS or Jacksonville Beach.¹³⁷

Should NFGS elect to have an administrative hearing, and the hearing results in a recommended order in favor of NFGS, the FCHR is very likely to issue a final order in NFGS' favor because the FCHR is limited in its power to issue such orders.¹³⁸ Unless the FCHR determines from a review of NFGS' entire record, and "stated with particularity in the order, that the findings of fact were not based on competent substantial evidence or that the proceedings on which the findings were based did not comply with the essential requirements of law,"¹³⁹ the FCHR is statutorily forbidden from modifying or rejecting NFGS' recommended order.¹⁴⁰

NFGS' other option under these outcomes allows it to bring a civil action against the City of Jacksonville Beach.¹⁴¹ If NFGS elects for a civil trial, it has one year from the finding of reasonable cause to file its civil suit.¹⁴² The FCRA also reserves NFGS' right to a trial by jury if it is seeking monetary damages.¹⁴³ NFGS' civil trial will require it to present evidence that by the preponderance of evidence standard convinces the jury or judge that the City of Jacksonville Beach violated §760.08 of the FCRA.¹⁴⁴ In order to meet this standard NFGS will need to first establish a prime facie case of public accommodations discrimination.¹⁴⁵

In establishing a prima facie case, NFGS can argue that the Florida state civil court should apply federal Title VII case law because it is controlling when analyzing claims under the FCRA.¹⁴⁶ NFGS can argue that the court should apply the "central proof framework for Title VII disparate treatment cases"¹⁴⁷ created in *McDonnell Douglas Corp. v. Green*,¹⁴⁸ and later clarified in *Texas Dep't of Community Affairs v. Burdine*,¹⁴⁹ and *St. Mary's Honor Center v. Hicks*.¹⁵⁰ Further, NFGS can cite to *Laroche v. Denny's*,¹⁵¹ and argue that the court should adopt the *McDonnell* prong one prima facie elements as they were applied by Florida federal courts adjudicating a public accommodations discrimination claim under the FCRA.¹⁵²

i. *McDonnell Douglas Corp. v. Green*: NFGS can argue that the Florida court should apply the Supreme Court's three-part burden shifting framework

NFGS can argue that the court should apply the burden shifting framework created by the Supreme Court in *McDonnell*.¹⁵³ In *McDonnell*, the defendant aerospace manufacturer fired one of its African-American aircraft mechanics during a workforce reduction plan.¹⁵⁴ As a result, the plaintiff filed a Title VII discrimination claim with the Equal Employment Opportunity Commission against his employer.¹⁵⁵ The plaintiff claimed that the defendant violated the Civil Rights Act of 1964 when the latter terminated him based on his race.¹⁵⁶ To the plaintiff's dismay, the district court ruled for the defendant on both claims.¹⁵⁷ On appeal, the court included a three part burden shifting framework for the district court to apply when adjudicating the plaintiff's remanded claim.¹⁵⁸ The

Supreme Court granted certiorari to clarify the three-part framework as it applied to the disposition of a Title VII civil action for discrimination.¹⁵⁹

The Supreme Court held that under the first prong of the *McDonnell* framework the plaintiff carried the initial burden of establishing a prima facie case of racial discrimination.¹⁶⁰ The Court held that once a prima facie showing is made, the burden shifts to the defendant under the second prong.¹⁶¹ The Court held that under the second prong, the defendant must articulate a nondiscriminatory reason for its challenged action.¹⁶² Further, the Court held that after the defendant produced a legitimate nondiscriminatory reason for its actions, the burden shifted back to the plaintiff under the third prong of the burden shifting framework.¹⁶³ Under the third prong, the Court held that the plaintiff must present evidence that the defendant's nondiscriminatory reason for its action is a "pretext."¹⁶⁴

The Court held that if the plaintiff can demonstrate that the defendant retained or rehired Caucasian employees, the plaintiff will have made an "especially relevant showing" that the defendant's justification is a false motive for its challenged action.¹⁶⁵ As such, the Court found that the plaintiff met his prima facie case and held that the defendant's nondiscriminatory justification passed part two of its burden shifting test.¹⁶⁶ The Court reasoned that an employer's refusal to not rehire the employee could reasonably be based upon its subjective view that the plaintiff participated in illegal civil rights protests and not the plaintiff's race.¹⁶⁷ Accordingly, the Court remanded the case to the district court for adjudication on the issue of whether or not the plaintiff could demonstrate that the defendant's justification was a pretext under prong three of the burden shifting framework.¹⁶⁸

NFGS can cite to *McDonnell* and argue that this framework should be applied by the Florida state court to its public accommodations discrimination claim against Jacksonville Beach because Title VII is applicable to FCRA claims.¹⁶⁹ In addition, NFGS can cite to the Supreme Court decision in *Burdine*, because this case reiterated the ultimate burden carried by NFGS at trial and clarified the defendant's burden under the third prong of the framework.¹⁷⁰

ii. ***Texas Dep't of Community Affairs v. Burdine*:
NFGS' ultimate burden of persuasion**

Similar to *McDonnell*, *Burdine* involved a female employee who was fired from her position after the employer hired a male candidate to fill a vacant supervisor position in her department.¹⁷¹ The female employee filed a civil suit claiming that the employer's actions were based on gender discrimination and violated Title VII.¹⁷² The district court found no Title VII-based discrimination under the *McDonnell* framework.¹⁷³ The plaintiff appealed, and the court held that the defendant's bur-

den of production under prong three of the *McDonnell* framework required the defendant to rebut the plaintiff's discrimination claim by a preponderance of evidence standard.¹⁷⁴

The United States Supreme Court, however, believed that the Fifth Circuit Court of Appeals applied the incorrect standard under the third prong.¹⁷⁵ First, the Court reiterated that under the *McDonnell* framework, the first prong required the plaintiff to establish a prima facie case of discrimination.¹⁷⁶ The Court held that a prima facie showing created a rebuttable presumption of discrimination against the defendant.¹⁷⁷ The Court held that the second prong required the defendant to rebut the presumption of discrimination by presenting evidence that its action was based on a legitimate, nondiscriminatory reason.¹⁷⁸ Under the third prong, the Court reversed the appellate court and held that in order for the burden to shift back to the plaintiff under prong three, the defendant must meet a "burden of production, and not of persuasion."¹⁷⁹ The Court reasoned that the intermediate burden placed on the defendant serves to bring the litigants to the ultimate question of whether the defendant intentionally discriminated against the plaintiff.¹⁸⁰ Further, the Court ruled that if the defendant met its burden of production, the presumption of discrimination against it was rebutted, and that prong three of the *McDonnell* framework required the plaintiff to demonstrate that the defendant's justification for its action was false.¹⁸¹ The Court also stressed that following the third prong, the ultimate burden is placed on the plaintiff to demonstrate by a preponderance of the evidence that the defendant intentionally discriminated against the plaintiff.¹⁸² The Court ruled that this could be accomplished by "directly persuading the court that a discriminatory reason more likely motivated the defendant, or indirectly by showing that the defendant's proffered explanation is unworthy of credence."¹⁸³

NFGS can cite *Burdine* in order to educate the court on the ultimate burden of persuasion it must establish.¹⁸⁴ In addition to *Burdine*, NFGS can cite the Supreme Court decision in *Hicks*.¹⁸⁵ In *Hicks*, the Supreme Court ruled that when a plaintiff proved the defendant's justification was merely a pretext for the challenged action, a judgment as a matter of law is not issued unless very specific conditions are met.

iii. ***St. Mary's Honor Center v. Hicks*: NFGS is entitled to a judgment as a matter of law only if certain criteria are met**

In *Hicks*, an employer halfway house promoted an African-American correctional officer employee to the position of shift commander.¹⁸⁶ Subsequently, the employer reorganized and appointed a Caucasian male to a newly created position which supervised employee's shift commander duties.¹⁸⁷ Ultimately, the employer demoted the African-American employee and fired him soon after.¹⁸⁸

Similar to *McDonnell* and *Burdine*, the employee filed a lawsuit and alleged that his employer violated Title VII under 42 U.S.C. §2000e-2(a)(1).¹⁸⁹ The district court held for the defendant and found no race-based employment discrimination.¹⁹⁰ The Eighth Circuit Court of Appeals, however, reversed and held for the plaintiff.¹⁹¹ The appeals court held that once the plaintiff proved that the defendant's nondiscriminatory reasons for his termination were false, the plaintiff was entitled to a judgment as a matter of law.¹⁹²

Ultimately, the Supreme Court reversed the Eighth Circuit's holding.¹⁹³ Citing *McDonnell* and *Burdine*, the Court held that a defendant's legitimate nondiscriminatory reasons for its challenged actions under prong two of the *McDonnell* framework were immune from credibility assessment at the time of production.¹⁹⁴ Further, the Court held that at the close of a defendant's Title VII case, the plaintiff is only entitled to a judgment as a matter of law if, "(1) any rational person would have to find the existence of facts constituting a prima facie case, and (2) the defendant has failed to introduce evidence under prong two of the *McDonnell* framework."¹⁹⁵ The Court declared that once the plaintiff meets a prima facie showing, and the defendant produces some response, the rebuttal presumption created by the plaintiff under prong one "drops from the case."¹⁹⁶ Moreover, the Court ruled that once the plaintiff demonstrates the defendant's reasons are a pretext, the trier of fact must then decide the ultimate question of whether the defendant intentionally discriminated against the plaintiff.¹⁹⁷ The Court established that the plaintiff is not limited to his prima facie evidence, but may proffer additional evidence that might persuade the trier of fact on the ultimate question of intentional discrimination.¹⁹⁸ However, the Court noted that the Eighth Circuit correctly stated that a plaintiff need not offer any additional proof in order for a judge or jury to rule in his or her favor on this ultimate question.¹⁹⁹ Ultimately, the Court reversed and remanded the case for further proceedings based upon the *McDonnell* framework clarifications it had issued.²⁰⁰

Once NFGS persuades the court to apply the burden shifting framework created in *McDonnell*,²⁰¹ and clarified in *Hicks*²⁰² and *Burdine*,²⁰³ it may then argue that the court should adopt the prima facie elements established in *Laroche*.²⁰⁴ NFGS can argue that these elements should be applied to its public accommodations discrimination case against Jacksonville Beach because they establish what a plaintiff must demonstrate in order to meet a prima facie showing for public accommodations discrimination under *McDonnell*'s Title VII framework.

iv. *Laroche v. Denny's*: Prong one's prima facie elements as applied by the United States District Court for the Southern District of Florida

In *Laroche*, six African-American correctional institution guards and three Caucasian guards entered a Florida

based Denny's diner after working at a nearby maximum security correctional facility.²⁰⁵ Once seated, the host and night manager returned to the plaintiffs with menus, but explained that because the supply truck failed to arrive, the restaurant was out of food and that plaintiffs needed to leave.²⁰⁶ The manager escorted the plaintiffs to the parking lot and locked the diner doors behind them.²⁰⁷ The plaintiffs testified that while being escorted out, the night manager was overheard multiple times stating that they "didn't look right together."²⁰⁸ Subsequently, the plaintiffs witnessed the restaurant doors reopened for a group of women that evening, and were informed by phone that the restaurant was not closed for business, but was only short some food items.²⁰⁹ Denny's initiated an investigation into the matter and fired the manager because he violated company policy when he locked the doors during business hours.²¹⁰

As a result of their treatment, the plaintiffs filed a public accommodation discrimination action under the FCRA claiming that they were denied service in a place of public accommodation based on their race.²¹¹ The defendant diner moved for summary judgment and claimed that the plaintiffs failed to meet their prima facie case under the FCRA.²¹² First, the court set out the prima facie elements for a public discrimination claim as applied to the FCRA as follows: "(1) That they are members of a protected class; (2) That they attempted to afford themselves the full benefits and enjoyment of a public accommodation; (3) That they were denied those benefits and enjoyment; and (4) That similarly situated persons who are not members of the protected class received the full benefits or enjoyment or were treated better."²¹³

At trial, the United States District Court for the Southern District of Florida held that the burden shifting analysis created in *McDonnell* applied to the plaintiffs' FCRA claim for public accommodations discrimination.²¹⁴ The court cited precedent cases that held federal Title VII case law applied to the FCRA.²¹⁵ The court held that under the *McDonnell* framework, the plaintiffs had to establish a prima facie showing of public accommodations discrimination using the above listed elements.²¹⁶ The court held that once the plaintiffs met this burden, they established a presumption of intentional discrimination.²¹⁷ Similar to *Burdine*, the court ruled that the effect of this prima facie presumption "shifts the burden to the defendant to produce evidence of a legitimate, non-discriminatory reason for the challenged action."²¹⁸ The court cautioned that the defendant's burden of production is very light.²¹⁹

Following *Burdine*, the court held that once the defendant met its burden of production, the prima facie created presumption of discrimination "drops from the case" and "the factual inquiry proceeds to a new level of specificity."²²⁰ The court held that the factual inquiry shifted the burden of persuasion back to the plaintiffs, and required the plaintiffs to demonstrate that the "defendant's actions

were not for the proffered reason but were, in fact, motivated by race.”²²¹

The court analyzed the facts presented and held that the plaintiffs met their prima facie case of discrimination.²²² The court reasoned that the plaintiffs demonstrated that they entered the diner and were refused service, and that other patrons were served that same evening.²²³ The court also held that the diner met its burden of production because it produced nondiscriminatory reasons for its expulsion of the plaintiffs from its restaurant.²²⁴ The court reasoned that the defendant’s assertion that the night manager refused service to the plaintiffs because he was overworked, stressed, and refused to deal with verbally abusive customers satisfied *McDonnell*’s second prong burden of production.²²⁵ The court then cited *Burdine* and conducted a prong three “factual inquiry on a new level of specificity.”²²⁶ The court determined that the defendant’s prong two justifications were without credibility.²²⁷ The court reasoned that the plaintiffs introduced evidence which convinced the court that the defendant’s prong two justifications were false.²²⁸ The plaintiff’s evidence included the manager’s racially charged statement “they don’t look right together,” along with testimony that the manager locked the diner doors preventing plaintiffs from reentering the restaurant.²²⁹ The plaintiffs also entered into evidence sales receipts that demonstrated that the restaurant was not closed for business the night of the discrimination.²³⁰ In addition, the court reasoned that because the defendant lied about locking the diner doors, and that executive management fired the manager on duty the night of the occurrence, the plaintiffs established that the defendant’s stress-related justification was a false motive for refusing the plaintiffs service.²³¹

As such, the judge, acting as the trier of fact, ruled that the plaintiffs convinced the court by the preponderance of the evidence that Denny’s intentionally discriminated against them based on race.²³² The court reasoned that in weighing all the evidence, the plaintiffs proved that race, not stress, was the motivating factor in the manager’s decision to exclude them from a place of public accommodation, and that the plaintiffs “tipped the scale to their side.”²³³

C. NFGS can likely prove that Jacksonville Beach intentionally discriminated against it because it can satisfy a prima facie case of public accommodations discrimination and meet its burdens under prongs one and three of the Supreme Court’s burden shifting framework

If the FCHR returned a finding of reasonable cause²³⁴ or failed to return a finding within 180 days,²³⁵ NFGS can file a civil suit against Jacksonville Beach relying on the *McDonnell* framework as it was applied in *Laroche*.²³⁶ NFGS can argue that even though its case is factually distinguishable from *Laroche*, both cases deal with places

of public accommodation in Florida, and that the prima facie elements in *Laroche* apply directly to its case.²³⁷

NFGS may cite directly to §760.08 of the FCRA which states, “All persons shall be entitled to the full and equal enjoyment of the...accommodations of any place of public accommodation.”²³⁸ NFGS can also refer to the portion of §760.08 where the Florida legislature directly included “sex” as a protected class under the public accommodation portion of the statute.²³⁹ NFGS can argue that it is an organization comprised entirely of females, and thus its members represent a protected class under §760.08.²⁴⁰ NFGS’ argument would likely satisfy *Laroche*’s first prima facie element demonstrating that NFGS is a protected class under the statute.²⁴¹

Further, NFGS can argue that it attempted to contract for the services of Wingate Pink’s public softball fields²⁴² and Wingate Blue’s public batting cages,²⁴³ and that Jacksonville Beach denied it the “full benefit” of these public accommodations.²⁴⁴ If NFGS factually supported the above stated arguments, it is likely that it could meet the second and third prima facie elements established in *Laroche*,²⁴⁵ and demonstrate that it attempted to contract for the use of a public accommodations but was denied equal access to these public facilities.²⁴⁶

NFGS can satisfy the final element of a prima facie public accommodation claim under the first *McDonnell* prong by producing evidence similar to *Laroche*.²⁴⁷ NFGS can argue that the JBBA, its male counterpart, received the full benefits of Wingate Park’s fields and batting cages.²⁴⁸ Analogous to evidence presented by plaintiffs in *Laroche*,²⁴⁹ NFGS can present evidence that the City of Jacksonville Beach provided the JBBA with access to four public fields and provided NFGS access to only a single field.²⁵⁰ NFGS can also present evidence that the city charged it a usage fee for using more than one field that was not charged to the JBBA.²⁵¹ NFGS can argue that this evidence demonstrates that the JBBA is a similarly situated group outside its protected class of females, and that this similarly situated group received the full benefits and better treatment at Wingate Park.²⁵² If NFGS factually supported these arguments with testimony and affidavits such as the ones used in *Laroche*²⁵³ and *Baca*,²⁵⁴ it will likely be able to satisfy the final element of a prima facie case of public accommodations discrimination.²⁵⁵

If NFGS produced the above mentioned evidence, it is likely the court will hold that it meets the first prong of the *McDonnell* framework.²⁵⁶ Citing to *Burdine*, NFGS can argue that in meeting the first *McDonnell* prong, it has established a “rebuttable presumption of intentional discrimination” against the City of Jacksonville Beach.²⁵⁷ Jacksonville Beach would then carry a burden of production where it must “produce evidence of a legitimate, non-discriminatory reason”²⁵⁸ for denying NFGS equal access to fields, and for excluding NFGS from any use

of Wingate's public batting cages. Citing *Laroche*, Jacksonville Beach can argue that its burden of production under prong two of the *McDonnell* framework is light.²⁵⁹ Jacksonville Beach could meet this light burden with any number of possible non-discriminatory reasons for NFGS' unequal access to public accommodations at Wingate Park.²⁶⁰

For example, Jacksonville Beach may attempt to offer evidence that it suffered from a lack of financial resources. As such, Jacksonville Beach may attempt to demonstrate that it lacked funding to equally accommodate NFGS. Jacksonville Beach may also argue that in relation to the total number of boys and girls utilizing Wingate Park, NFGS' unequal access and usage fee were the result of a lack of facilities and not the gender of NFGS' members. Comparing Jacksonville Beach's hypothetical responses to defendant's prong two justifications in *Laroche*,²⁶¹ it is likely these responses would satisfy the city's light burden of production,²⁶² and that either nondiscriminatory justification would progress the trial to the third prong of the *McDonnell* framework.²⁶³

Citing the third *McDonnell* prong as applied in *Laroche* and *Burdine*, NFGS would need to demonstrate that Jacksonville Beach's proffered prong two justification "lacked credibility."²⁶⁴ Similar to *Laroche*, NFGS can reintroduce any evidence it used to establish its prima facie case, as well as any new evidence that might persuade the trier of fact that Jacksonville Beach's nondiscriminatory reasons are not "sufficiently credible."²⁶⁵

For example, NFGS can cite *McDonnell*, and seek to make an "especially relevant showing" that Jacksonville Beach's nondiscriminatory reason is a pretext for its actions.²⁶⁶ Citing to *McDonnell*, NFGS can argue that because it demonstrated that the JBBA, its male counterpart, received greater access to public fields and batting cages and more favorable lease terms, the court should hold this as an "especially relevant showing" that Jacksonville Beach's nondiscriminatory reason under prong two was a pretext for its discrimination.²⁶⁷

In addition, NFGS can offer evidence that, while not directly analogous to the "especially relevant showing" in *McDonnell*, may still assist the court in finding that either of Jacksonville Beach's reasons for its actions were a pretext for its actions.²⁶⁸ For example, NFGS can introduce evidence that the city recently approved a \$168,000 municipally funded bill that will directly fund new "Wingate Blue" batting cages and a "Wingate Blue" pavilion.²⁶⁹ NFGS can argue that this planned renovation demonstrates that Jacksonville Beach does not lack the funding it needs to provide NFGS with equal access to its public batting cages and fields. Further, NFGS can argue that the court should follow Title IX as persuasive case precedent and hold that "financial concern alone cannot justify discrimination."²⁷⁰

Further, NFGS can also use evidence demonstrating the number of participants serviced by NFGS and the JBBA each season. NFGS can rebut Jacksonville Beach's claim that its actions were based on a lack of facilities with statistics. NFGS can argue that with an average of 532 boys participating in the JBBA,²⁷¹ and 240 girls in the NFGS,²⁷² that gender motivated Jacksonville Beach's actions and not its lack of facilities. NFGS can argue that with nearly half the participation level of the JBBA, equal accommodation under a lack of facilities scenario would logically mean that NFGS should have equal access to half as many fields as the JBBA. NFGS can support this argument with evidence that such equal access is not provided to its members.²⁷³ Assuming that NFGS' case proceeded as set forth in the above example, it is likely the court would find NFGS satisfied *McDonnell*'s third prong, and met its burden of persuading the court that either of Jacksonville Beach's proffered reasons were a pretext for its actions.²⁷⁴

Under this finding, NFGS' case would proceed to the final step as articulated in *Hicks*.²⁷⁵ Under *Hicks*, NFGS' claim would be placed before the trier of fact²⁷⁶ for a decision on whether or not NFGS ultimately proved by a preponderance of the evidence that City of Jacksonville Beach intentionally discriminated against NFGS based on gender.²⁷⁷ Citing *Burdine*, NFGS can argue that in meeting its ultimate burden of proving intentional discrimination by Jacksonville Beach, it is authorized to enter into evidence further direct or indirect proof of Jacksonville Beach's intentional discrimination against its members.²⁷⁸ For example, and similar to *Laroche*, NFGS can enter any direct comments made by members of the JBBA or Jacksonville Beach that demonstrate direct intent to discriminate against NFGS based on gender.²⁷⁹ However, while no such evidence currently exists, it is not implausible that when NFGS seeks equal access to Wingate Park's public fields and batting cages in the future, a comment of direct intent could be made to one of its leaders. Absent such direct evidence, NFGS may have exhausted all indirect evidence of discrimination during its presentation under the *McDonnell* framework. In the latter case, NFGS can cite *Hicks*, and argue that it need not present any further evidence in order for the court to rule in its favor against Jacksonville Beach.²⁸⁰

Comparing NFGS' evidence to that presented in *Laroche*, it is likely that the court would enter a ruling finding that Jacksonville Beach intentionally discriminated against NFGS at Wingate Park.²⁸¹ The court will likely rule in NFGS' favor because it presented evidence that Jacksonville Beach has granted greater access of public facilities to the JBBA.²⁸² NFGS also presented evidence that the JBBA was given preferential treatment in contracting for use of multiple fields at Wingate Park.²⁸³ This evidence, coupled with a *Baca*-like presentation demonstrating that Jacksonville Beach's failure to provide NFGS with equal access to publically funded sports facilities severely

endangers the health and well being of its young girls, will likely result in a ruling in NFGS' favor.²⁸⁴ The court holding as such would likely enter an order prohibiting Jacksonville Beach's discriminatory usage fee and mandate that the city provide NFGS with equal access to the batting cages and fields at Wingate Park.²⁸⁵ The court may also award NFGS compensatory damages based on the "mental anguish, loss of dignity, and any other intangible injuries" suffered by NFGS' members.²⁸⁶

However, this outcome assumes that the *McDonnell* framework strictly controls NFGS' case, and that no other defenses are offered by Jacksonville Beach. A more likely scenario is that Jacksonville Beach will attempt to mitigate its liability, or to dismiss NFGS' cause of action in ways other than its nondiscriminatory justification offered under the second *McDonnell* prong.

IV. The City of Jacksonville Beach's Defenses May Be Numerous

Jacksonville Beach will not likely take the risk of paying compensatory damages in a civil trial without attempting to play "defense" to NFGS' discrimination claim. Jacksonville Beach's defenses to NFGS' claim of gender-based public accommodation discrimination may take a number of forms.

For example, Jacksonville Beach may file a motion to dismiss NFGS' claim for failure to state a claim on which relief may be granted.²⁸⁷ In its motion, Jacksonville Beach may claim that Wingate Park is not a "public accommodation" as defined by the FCRA.²⁸⁸ However, this argument will likely be rejected by the court.²⁸⁹ The FCRA defines "public accommodation as: Any motion picture theater, theater, concert hall, sports arena, stadium, or other place of exhibition or entertainment that serves the public."²⁹⁰ As the Florida Attorney General penned in his Advisory Legal Opinion, "A municipal softball field would appear to be a public accommodation as a place of exhibition or entertainment within the scope of §760.02(11)."²⁹¹ Therefore, it is likely that Wingate Park will be held as a "public accommodation" under the FCRA, and this defense would fail to dismiss NFGS' cause of action.

Further, Jacksonville Beach may attempt to raise as a defense the Americans with Disabilities Act (ADA), as applied by Florida courts to FCRA claims.²⁹² Jacksonville Beach may argue that the ADA's Title III public accommodations defense should apply to its case.²⁹³ Title III provides a defense to public accommodations discrimination claims where the defendant will not be liable if it can demonstrate that it failed to provide reasonable accommodation because such accommodations would "fundamentally alter the nature of the accommodations."²⁹⁴ Jacksonville Beach may argue that if forced to provide NFGS equal access to fields and batting cages, the court would "fundamentally alter the nature of the public ac-

commodation."²⁹⁵ However, this argument would likely fail before the court for two reasons.

First, "the scope of the ADA's Title III is only applicable to private entities."²⁹⁶ Wingate Park is owned and operated by a public entity, so likely it will not be able to raise a Title III defense. Second, even if Title III applied to Jacksonville Beach as a public entity, it would have a very difficult time arguing that by allowing NFGS greater access to fields and batting cages, the city would fundamentally alter the nature of Wingate Park. NFGS can argue that the nature of Wingate Park is to provide sporting facilities to the public. NFGS could argue that by allowing it greater field and batting cage access, the court would actually further Wingate Park's fundamental nature. Therefore, it is likely that Jacksonville Beach's ADA defense would fail.

Jacksonville Beach might also challenge the court's application of the *McDonnell* framework to its case.²⁹⁷ The defendant may raise this argument because the framework established in *McDonnell* has come under much debate as to its applicability in disparate treatment cases under Title VII.²⁹⁸ Jacksonville Beach may argue instead that the Supreme Court's framework in *Price Waterhouse v Hopkins* should apply.²⁹⁹ Under this conflicting body of law, Jacksonville Beach, and not the NFGS, would carry the ultimate burden of proof at trial.³⁰⁰

In *Hopkins*, the Court held that a plaintiff prevails if it can prove that discriminatory intent was a "motivating factor" leading to the challenged action.³⁰¹ Further, once the plaintiff meets this burden, the defendant may avoid having to pay damages by establishing a partial affirmative defense.³⁰² The Court ruled that in order for the defendant to raise this partial defense, it must show by the preponderance of evidence that it would have taken the adverse action based on a nondiscriminatory reason alone.³⁰³ The Court held that if the defendant meets this burden, the plaintiff is only entitled to certain declarative and injunctive relief, and may receive costs and attorney's fees, but not compensatory or punitive damages.³⁰⁴ However, NFGS can argue that the rule of law in *Hopkins* would conflict with the explicit statutory language of the FCRA. NFGS can argue that the FCRA grants damages to successful plaintiffs, and makes no mention of the *Hopkins* partial defense.³⁰⁵ NFGS can also posit that because *Hopkins* was decided in 1989, and the FCRA was amended in 1992 to include damages to a successful plaintiff, the Florida legislature was aware of the Supreme Court's decision and failed to include any mention of a partial defense.³⁰⁶

However, even if Jacksonville Beach successfully challenged the *McDonnell* framework as applied to NFGS' case, the outcome of this challenge would likely result in a civil ruling in NFGS' favor.³⁰⁷ The *Hopkins* framework is "plaintiff friendly," and would probably result in Jack-

sonville Beach being enjoined from its discriminatory practices.³⁰⁸ Yet this partial defense would likely allow Jacksonville Beach to avoid paying any damages to NFGS and its members.³⁰⁹

Finally, Jacksonville Beach, like *Baca*, may attempt to settle the claim before a civil trial commences.³¹⁰ Under this potential outcome, NFGS should seek settlement terms similar to *Baca*.³¹¹ NFGS should condition its settlement upon Jacksonville Beach's promise to implement a program similar to *Baca*'s "Raise the Bar Program."³¹² NFGS should ensure its program is designed to ensure that Jacksonville Beach is "committed to attaining equality for girls' sports within the municipality."³¹³ Further, NFGS should seek to obtain a permit for the development of its own athletic facility, either at Wingate Park, or elsewhere in Jacksonville Beach.³¹⁴ NFGS' settlement should also seek immediate equal access to city fields.³¹⁵ In exchange, NFGS should agree to drop its civil action against Jacksonville Beach.³¹⁶ Ultimately, if Jacksonville Beach sought to settle the civil claim, the *Baca* case could provide excellent examples of how NFGS might gain equal access to Jacksonville Beach's sports facilities and ensure such access into the future.³¹⁷

V. Final Thoughts Regarding the Situation Facing Northeast Florida Girls' Softball

NFGS faces a very similar situation to the one addressed in *Baca*.³¹⁸ Like *Baca*, Jacksonville Beach's failure to provide equal access to the female members of NFGS endangers their mental and physical well being.³¹⁹ Furthermore, like *Baca*, Title IX fails to provide protection to these young women from the sports-based gender discrimination they face each time they take the field.³²⁰ Following *Baca*'s lead, NFGS can utilize the FCRA as one possible legal tool to gain equal access to publicly funded sports facilities, and to halt the gender discrimination it faces from the City of Jacksonville Beach.³²¹ Similar to *Baca*, NFGS' counsel will need to demonstrate a "Title IX like tenacity" to be successful against the City of Jacksonville Beach.³²²

The leaders of girls' sports in Jacksonville Beach have long recognized the inequities facing their young girls.³²³ However, the burden to protect these young women cannot fall squarely on their shoulders. The burden also falls onto those individuals and organizations with knowledge and access to the legal system in Florida.³²⁴ The members of NFGS will be greatly rewarded if those with knowledge and access challenge Jacksonville Beach's discrimination.³²⁵ The greatness of their reward will be found in their future access to public fields and batting cages, and most importantly, their future health, happiness, and success.³²⁶ The young women of NFGS deserve to step onto the softball fields at Wingate Park and believe that they are equally valued to the boys that play on the other side of Penman Road.³²⁷

The FCRA can provide this sense of worth by allowing NFGS to challenge Jacksonville Beach's discrimination in civil court.³²⁸ Jacksonville Beach needs to be the next stop in *Baca*'s journey toward "overhauling entrenched municipal policies that perpetuate stereotypes about women's inferiority in the world of competitive sports."³²⁹ Perhaps one day, like *Baca*, the girls of Jacksonville Beach can drive past City Hall and witness banners advertising sign-ups for girls' sports.³³⁰

Endnotes

1. Nancy Hogshead-Makar, Andrew Zimbalist, *Equal Play: Title IX and Social Change* 99 (2007).
2. See Women's Sports Foundation, *Her Life Depends on it II: Sport, Physical Activity, and the Health and Well-Being of American Girls and Women* 21 (2009), available at <http://www.womenssportsfoundation.org/Content/Research-Reports/Her-Life-Depends-On-It-II.aspx> (research demonstrates that "Children and adolescents who are physically active and nutritionally healthy demonstrate higher levels of peak bone mass and a lower risk of developing osteoporosis later in life).
3. *Id.* (research demonstrates that females who participated in high school sports were more likely to complete college than those who participated in no sports).
4. *Id.* (research demonstrates that moderate levels of exercise and/or sports activity helped protect girls and women against depression).
5. *Id.* (research demonstrates that female high school and college athletes were less likely to consider, plan or attempt suicide).
6. Rocio de Lourdes Cordoba, *In Search of a Level Playing Field: Baca v. City of Los Angeles as a Step Toward Gender Equity in Girls' Sports Beyond Title IX*, 24 Harv. Women's L.J. 139, 140 (2001) ("...*Baca* focuses on the rights of girls, rather than on those of college-aged young women, to participate equally in government-sponsored sports programs in their local communities").
7. *Id.*
8. *Id.* at 168.
9. *Id.* at 140.
10. *Id.*
11. *Id.* at 144.
12. *Id.* at 140.
13. *Id.*
14. *Id.* at 141.
15. *Id.*
16. *Id.* at 142.
17. *Id.* at 141.
18. *Id.* at 142.
19. *Id.*
20. *Id.* at 160.
21. *Id.*
22. *Id.*
23. *Id.* (mentioning "that equal access to community sports programs for girls is essential to women's increased participation in athletics, and consequently, to the array of benefits that flow from such participation").
24. Fla. Stat. Ann. § 760.01 (West 2010) (citing that §§ 760.01-760.11 and §509.092 shall be cited as the "Florida Civil Rights Act of 1992).

25. ACCOUNTING DIVISION, BUDGET OF THE CITY OF JACKSONVILLE BEACH, FISCAL YEAR 2009 99 (2010) (explaining that the Jacksonville Beach Parks and Recreation Department directly oversees all park maintenance citywide); *see also* ACCOUNTING DIVISION, BUDGET HIGHLIGHTS OF THE CITY OF JACKSONVILLE BEACH, FISCAL YEAR 2010 1 (2010), *available at* <http://fl-jacksonvillebeach.civicplus.com/DocumentView.aspx?DID=48> (explaining that \$2,241,011 in tax dollars will be spent on Jacksonville Beach Parks and Recreation Department, included in which is listed Wingate Park) [hereinafter CITY OF JACKSONVILLE BEACH ANNUAL AND HIGHLIGHTED BUDGETS].
26. Telephone Interview with Thomas Boyd., Vice-President of Jacksonville Beach Boys' Baseball Ass'n (Mar. 21, 2010) [hereinafter Telephone Interview with the JBBA].
27. ACCOUNTING DIVISION, BUDGET OF THE CITY OF JACKSONVILLE BEACH, FISCAL YEAR 2009 102 (2010) (listing 532 boys participating in the JBBA each spring) [hereinafter CITY OF JACKSONVILLE BEACH ANNUAL BUDGET].
28. Caren Burmeister, *Jacksonville Beach's Wingate Park Granted Upgrades*, FLA. TIMES-UNION, Aug. 21, 2009, *also available at* http://jacksonville.com/sports/2009-08-22/story/jacksonville_beachs_wingate_park_granted_upgrades (last visited Apr. 30, 2010).
29. Telephone Interview with the JBBA, *supra* note 26.
30. *Id.*
31. Telephone Interview with John Baxter, Co-Founder and Current Coach with Northeast Florida Girls' Softball (Mar. 20, 2010) [hereinafter Telephone Interview with Baxter of NFGS].
32. CITY OF JACKSONVILLE BEACH ANNUAL AND HIGHLIGHTED BUDGETS, *supra* note 25.
33. Telephone Interview with Baxter of NFGS, *supra* note 31.
34. *Id.*
35. Burmeister, *supra* note 28.
36. Telephone Interview with Baxter of NFGS, *supra* note 31.
37. *Id.*
38. *Id.*
39. *Id.*
40. *Id.*
41. *Id.*
42. *Id.*
43. *Id.*
44. *Id.*
45. Telephone Interview with the JBBA, *supra* note 26.
46. *Id.*
47. Telephone Interview with Baxter of NFGS, *supra* note 31.
48. Telephone Interview with the JBBA, *supra* note 26.
49. Telephone Interview with Baxter of NFGS, *supra* note 31.
50. *Id.*
51. *Id.*
52. Telephone Interview with Richard Riddle., President of Northeast Florida Girls' Softball (Mar. 19, 2010).
53. CITY OF JACKSONVILLE BEACH ANNUAL BUDGET, *supra* note 27.
54. Cordoba, *supra* note 6, at 140 (suggesting similarly to *Baca v. City of Los Angeles* where plaintiffs utilized California's civil rights statute for its cause of action, NFGS can use the Florida Civil Rights Act of 1992).
55. *See* History of the Florida Comm'n on Human Relations, http://fchr.state.fl.us/about_us/history (last visited Apr. 30, 2010) [hereinafter FCHR History].
56. Fla. Stat. Ann. §760.01 (West 2010) (referencing amendment notes "Laws 1972, c. 72-48 § 1, added in subsec. (2) freedom from discrimination because of sex").
57. FCHR History, *supra* note 55.
58. *Id.*
59. *Id.*
60. Kenneth M. Curtin, *Administrative Pitfalls of Litigating Under the Florida Civil Rights Act*, 13 ST. THOMAS L. REV. 523, 524 (2001) ("[t]he FCRA create such a cause of action in derogation of the common law as a remedial statute to correct perceived deficiencies in the common law").
61. *Henderson v. Hovnanian Enters., Inc.*, 884 F. Supp. 499, 503 (S.D. Fla. 1995) (the court explained that "[t]he Florida Legislature clearly indicated that the §760.11 provisions for compensatory and punitive damages are applicable only prospectively: [t]his act applies only to conduct occurring on or after October 1, 1992.").
62. Fla. Stat. Ann. §760.11(5) (West 2010).
63. *Id.*
64. *Id.*
65. *Id.*
66. Fla. Stat. Ann. §760.01 (West 2010).
67. Fla. Stat. Ann. §760.01(2) (West 2010).
68. *Id.*
69. *Id.*
70. Fla. Stat. Ann. §760.08 (West 2010).
71. *Id.*
72. *Id.*
73. *Id.*
74. Telephone Interview with Baxter of NFGS, *supra* note 31.
75. *Id.*
76. *Id.*
77. *Id.*
78. *Id.*
79. *Id.*
80. Fla. Stat. Ann. §760.03 (West 2010).
81. Curtin, *supra* note 60, at 524.
82. *Id.*
83. *See infra* discussion page 113 (plaintiff must exhaust all administrative remedies before filing a civil action or the FCRA claim will be barred).
84. Fla. Stat. Ann. §760.021 (West 2010).
85. *Id.*
86. Fla. Stat. Ann. §760.021(1) (West 2010).
87. Fla. Stat. Ann. §760.021(2) (West 2010).
88. Fla. Stat. Ann. § 760.021(3) (West 2010).
89. Fla. Stat. Ann. §760.021(3) (West 2010).
90. Fla. Stat. Ann. §760.021(4) (West 2010).
91. Fla. Stat. Ann. §760.11(1) (West 2010).
92. *Id.*
93. *Id.*; *see also* Fla. Stat. Ann. §760.021, *supra* note 82-84 (Florida's Attorney General may bring a direct civil action only if (a) or (b) of Fla. Stat. Ann. §760.021(1) is met. Assuming Florida's Attorney General cannot satisfy (a) or (b), Fla. Stat. Ann. §760.11(1) provides that Florida's Attorney General may file a complaint with the FCHR).

94. *Id.*
95. Fla. Stat. Ann. §760.11(5) (West 2010).
96. See *Williams v. Eckerd Family Youth Alternative*, 908 F. Supp. 908 (M.D. Fla. 1995).
97. Fla. Stat. Ann. §760.07 (West 2010).
98. *Id.*
99. *Williams*, 908 F. Supp. at 909.
100. *Id.*
101. *Id.* at 910.
102. *Id.* at 909.
103. *Id.* at 910.
104. *Id.*
105. *Id.*
106. *Id.* at 909.
107. *Id.* at 910.
108. *Id.*
109. Fla. Stat. Ann. §760.11 (1) (West 2010).
110. *Id.*
111. *Id.*
112. Fla. Stat. Ann. §760.11(11) (West 2010).
113. Fla. Stat. Ann. §760.11(3) (West 2010).
114. Fla. Stat. Ann. §760.11(7) (West 2010).
115. *Id.*
116. *Id.*
117. *Id.*
118. *Id.*
119. *Id.*
120. *Id.*
121. *Id.*
122. *Mohamed Dalhy v. Grand Cypress Resort*, FCRA Case No. 2005-00459 (eResolution Nov. 4, 2005), http://fchr.state.fl.us/fchr/complaints__1/final_orders/final_orders_2005/fchr_order_no_05_121 [hereinafter *Dalhy Final Order*].
123. Fla. Stat. Ann. §760.11(7) (West 2010).
124. *Id.*
125. *Id.*
126. Fla. Stat. Ann. §760.11(4) (West 2010).
127. Fla. Stat. Ann. §760.11(8) (West 2010).
128. Fla. Stat. Ann. §760.11(4) (b) (West 2010).
129. Fla. Stat. Ann. §760.11(6) (West 2010).
130. *Id.*
131. *Id.*
132. *Id.*
133. Fla. Stat. Ann. §760.11(6) (West 2010) (explaining that if the Commissioner or FCHR hear the case they issue a “proposed” order).
134. *Id.* (if an administrative judge hears the FCRA case, he or she issues a “recommended order”).
135. *Id.* (explaining that the NFGS’ claim would not lose viability, but only that a recommended or proposed order would be issued finding no FCRA violation, which NFGS could then appeal).
136. *Id.*
137. *Id.*
138. *Dalhy Final Order*, *supra* note 122.
139. *Id.*
140. *Id.*
141. Fla. Stat. Ann. §760.11(4) (a) (West 2010).
142. Fla. Stat. Ann. §760.11(5) (West 2010).
143. *Id.*
144. *Laroche v. Denny’s, Inc.*, 62 F. Supp. 2d 1375, 1377 (S.D. Fla. 1999).
145. *Id.* at 1382.
146. Curtin, *supra* note 60, at 524.
147. Julyn M. McCarty, Michael J. Levy, *Focusing Title VII: The Supreme Court Continues the Battle against Intentional Discrimination in St. Mary’s Honor Center v. Hicks*, 14 HOFSTRA LAB. L.J. 177, 180 (1996) (“[i]n McDonnell Douglas, the Court unanimously established what has become the central proof framework for Title VII disparate treatment jurisprudence”).
148. *Id.*; see also *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 793 (1973).
149. *Id.* at 182; see also *Tex. Dep’t of Cmty. Affairs v. Burdine*, 450 U.S. 248, 253–55 (1981).
150. *Id.* at 190; see also *St. Mary’s Honor Ctr. v. Hicks*, 509 U.S. 502, 510–11 (1993).
151. *Laroche*, 62 F. Supp. 2d at 1375.
152. *Id.*
153. *McDonnell*, 411 U.S. at 794.
154. *Id.*
155. *Id.* at 796.
156. *Id.*
157. *Id.* at 797.
158. *Id.*
159. *Id.* at 798.
160. *Id.* at 802.
161. *Id.*
162. *Id.* at 803.
163. *Id.* at 804.
164. *Id.*
165. *Id.*
166. *Id.*
167. *Id.* at 803.
168. *Id.* at 807.
169. Curtin, *supra* note 60, at 524.
170. McCarty, *supra* note 147, at 182.
171. *Burdine*, 450 U.S. at 250.
172. *Id.* at 251.
173. *Id.*
174. *Id.* at 252.
175. *Id.*
176. *Id.* at 253.
177. *Id.*
178. *Id.* at 255.
179. McCarty, *supra* note 147, at 184 (explaining that “[t]he Supreme Court granted certiorari to review the burden of proof borne by the defendant”).
180. *Burdine*, 450 U.S. at 253.

181. *Id.* at 256.
182. *Id.*
183. *Id.*
184. *Id.* at 253.
185. *Hicks*, 509 U.S. at 504.
186. *Id.*
187. *Id.*
188. *Id.*
189. *Id.*
190. *Id.*
191. *Id.* at 508.
192. *Id.*
193. *Id.* at 525.
194. *Id.* at 509.
195. *Id.*
196. *Id.* at 511.
197. *Id.*
198. *Id.*
199. *Id.*
200. *Id.* at 524.
201. *McCarty & Levy*, *supra* note 147, at 180.
202. *Id.* at 190.
203. *Id.* at 182.
204. *Laroche*, 62 F. Supp. 2d at 1375.
205. *Id.* at 1368.
206. *Id.* at 1369.
207. *Id.*
208. *Id.*
209. *Id.*
210. *Id.*
211. *Id.* at 1368.
212. *Id.* at 1370.
213. *Id.*
214. *Id.* at 1382; *see also* *Curtin*, *supra* note 60, at 524.
215. *Id.* at 1382.
216. *Id.*
217. *Id.*
218. *Id.*
219. *Id.*
220. *Id.* at 1383.
221. *Id.*
222. *Id.*
223. *Id.*; *see also id.* at 1371-72.
224. *Id.* at 1383.
225. *Id.*
226. *Id.*
227. *Id.*
228. *Id.*
229. *Id.*
230. *Id.*
231. *Id.* at 1384.
232. *Id.*
233. *Id.*
234. Fla. Stat. Ann. §760.11 (4), *supra* note 124.
235. Fla. Stat. Ann. §760.11 (8), *supra* note 125.
236. *Laroche*, 62 F. Supp. 2d at 1370.
237. *Id.*
238. Fla. Stat. Ann. §760.08 (West 2010); *see also*, §760.01(2).
239. *Id.*
240. *Id.* (the language of §760.08 explicitly protects against sex discrimination in places of public accommodation).
241. *Laroche*, 62 F. Supp. 2d at 1370 (listing the first element of a prima facie case of public accommodations discrimination as; (1) that they are members of a protected class); *see also*, *supra* note 212.
242. CITY OF JACKSONVILLE BEACH ANNUAL BUDGET, *supra* note 27.
243. *Id.*
244. Fla. Stat. Ann. §760.08 (West 2010); *see also, id.* (explaining that §760.08 provides that “[a]ll persons shall be entitled to the full and equal enjoyment of the goods services, facilities, privileges, advantages, and accommodation of any place of public accommodation, as defined in this chapter, without discrimination or segregation on the ground of race, color, national origin, sex, handicap, familial status, or religion).
245. *Laroche*, 62 F. Supp. 2d at 1370 (listing the second and third elements of a prima facie case of public discrimination as” (2) [t]hat they attempted to afford themselves the full benefits and enjoyment of a public accommodation; (3) [t]hat they were denied those benefits and enjoyment”); *see also, supra* note 212.
246. *Id.*
247. *Laroche*, 62 F. Supp. 2d 1370 (listing the fourth element of a prima facie case of public accommodations discrimination as “(4) [t]hat similarly situated persons who are not members of the protected class received the full benefits or enjoyment or were treated better”); *see also, supra* note 212.
248. Telephone Interview with Baxter of NFGS, *supra* note 31.
249. *Laroche*, 62 F. Supp. 2d at 1371-1372; *id.* at 1383 (plaintiffs introduced evidence that included the diner locking the doors, other patrons still being served in the restaurant, sales receipts, and direct testimony of statements made by defendants the night of the discrimination).
250. Telephone Interview with Baxter of NFGS, *supra* note 31.
251. *Id.*
252. *Laroche*, 62 F. Supp. 2d at 1370 (listing the fourth element of a prima facie case of public accommodations discrimination as “(4) [t]hat similarly situated persons who are not members of the protected class received the full benefits or enjoyment or were treated better”); *see also, supra* note 212.
253. *Laroche*, 62 F. Supp. 2d at 1371-1372; *see also*, Telephone Interview with Baxter of NFGS, *supra* note 31.
254. *Cordoba*, *supra* note 6, at 158 (*Baca v. City of Los Angeles* planned to introduce expert witness testimony as part of presenting its civil case).
255. *Laroche*, 62 F. Supp. 2d at 1370; *see also, supra* note 246.
256. *McDonnell*, 411 U.S. at 802 (explaining that under the first prong of the *McDonnell* framework the plaintiff carried the initial burden of establishing a prima facie case of racial discrimination); *see also, id.* at 797.
257. *Laroche*, 62 F. Supp. 2d at 1382; *see also, supra* note 216.
258. *Id.*; *see also, id.* at 1371-72.

259. *Id.* at 1382.
260. *Id.* (Jacksonville Beach's burden of production is a light burden. This burden can be easily satisfied. For example, in *Laroche* defendant met this burden when it stated that the manager expelled the plaintiffs because stress, not based on race).
261. *Id.* (defendant in *Laroche*, offered a prong two justification based on an overstressed manager).
262. *Laroche*, 62 F. Supp. 2d at 1382; *see also, supra* note 259.
263. *McDonnell*, 411 U.S. at 804; *see also, id.* at 803 (under the third prong the plaintiff must present evidence that the defendant's nondiscriminatory reason for its action is a pretext).
264. *Laroche*, 62 F. Supp. 2d at 1383.
265. *Id.*
266. *McDonnell*, 411 U.S. at 804; *see also, supra* note 163 (if the plaintiff in *McDonnell* could demonstrate that the defendant rehired or retained Caucasian employees, the plaintiff will have made an "especially relevant showing that defendant's proffered justifications for its actions were a pretext").
267. *Id.*
268. *Hicks*, 509 U.S. at 511; *see also, supra* note 197 (the Court in *Hicks* ruled that the plaintiff is not limited to his prima facie evidence, but may proffer additional evidence that might persuade the trier of fact on the ultimate question of intentional discrimination).
269. Burmeister, *supra* note 28.
270. *Favia v. Ind. Univ. of Pa.*, 812 F. Supp. 578, 580 (W.D. Pa. 1993).
271. CITY OF JACKSONVILLE BEACH ANNUAL BUDGET, *supra* note 27.
272. *Id.*
273. Telephone Interview with Baxter of NFGS, *supra* note 31.
274. *Laroche*, 62 F. Supp. 2d at 1383-84; *see also, supra* note 226-230 (evidence produced by plaintiffs included sales receipts, that defendant locked the diner doors, that defendant lied about locking the doors, that defendant stated "they don't look right together," and that upper management fired the manager on duty the night of the occurrence.).
275. *Hicks*, 509 U.S. at 511. (citing that "in order to win a claim under the FCRA the plaintiff must carry the ultimate burden of persuading a court by the preponderance of the evidence that the defendant intentionally discriminated against him or her").
276. Fla. Stat. Ann. §760.11(5) (West 2010) (explaining that in a FCRA civil trial, the trier of fact can be a judge, or jury).
277. *Hicks*, 509 U.S. *supra* note 275.
278. *Burdine*, 450 U.S. at 256; *see also, supra* note 181 (The Court held that "the plaintiff can meet its ultimate burden by "directly persuading the court that a discriminatory reason more likely motivated the defendant, or indirectly by showing that the defendant's proffered explanation is unworthy of credence.").
279. *Laroche*, 62 F. Supp. 2d at 1383-1384; *see also, supra* note 226-230 (Plaintiffs in *Laroche* offered direct evidence where they offered testimony that the defendant manager stated "they don't look right together" as plaintiffs were being expelled from the diner.).
280. *Hicks*, 509 U.S. at 511 (The Court held "that the plaintiff in a Title VII action, while allowed to offer further direct or indirect evidence of discrimination to persuade the court that it has met its ultimate burden of persuasion, need not do so in order for the court to rule his favor.").
281. *Laroche*, 62 F. Supp. 2d at 1383-84; *see also*, Telephone Interview with Baxter of NFGS, *supra* note 31.
282. Telephone Interview with Baxter of NFGS, *supra* note 31.
283. *Id.*
284. Cordoba, *supra* note 6, at 158. (explaining that denying girls participation in sports poses a danger of making girls feel inferior to boys and also endangers their mental and physical well-being).
285. Fla. Stat. Ann. §760.11(5) (West 2010) (explaining that in any successful civil action the court issues an order prohibiting the discriminatory practice and providing affirmative relief from the practice)
286. *Id.* (explaining that compensatory damages under §760.11(5) "include but are not limited to damages for mental anguish, loss of dignity, and any other intangible injuries").
287. *Rendon v. Valleycrest Prods., Ltd.*, 294 F.3d 1279, 1282 (11th Cir. 2002).
288. *Id.*
289. Op. Att'y Gen. Fla. 2008-58 (2008), 2008 Fla. AG LEXIS 77.
290. *Id.*
291. *Id.*
292. *McCaw Cellular Commc'ns of Fla., Inc. v. Kwiatek*, 763 So. 2d 1063, 1065 (Fla. Dist. Ct. App. 1999) (case demonstrating that just as Title VII applies to FCRA claims, the ADA is also applicable in certain instances).
293. 42 U.S.C. §12182(b)(2) (West 2010) ("if a defendant can demonstrate that it failed to provide reasonable accommodations because these accommodations would fundamentally alter the nature of the accommodation, the defendant can raise this as a defense to an ADA discrimination claim").
294. *Id.*
295. *Id.*
296. Op. Att'y Gen. Fla. 2008-58 (2008), 2008 Fla. AG LEXIS 77.
297. Kenneth R. Davis, *Price-fixing: Refining the Price Waterhouse Standard and Individual Disparate Treatment Law*, 31 FLA. ST. U. L. REV. 859, 860 (2004) ("[i]t has never been clear which whether one or the other of these two approaches applies to a given disparate treatment case").
298. *Id.*
299. *Id.*
300. *Id.* ("these approaches differ on who bears the burden of proving or disproving the defendant's nondiscriminatory justification for the challenged decision").
301. *Id.* at 872 ("[t]he point is that when the plaintiff meets the motivating-factor test and thereby becomes entitled to judgment, the employer has the opportunity to meet the mixed-motive partial defense").
302. *Id.*
303. *Id.*
304. *Id.* (explaining that "Congress, however, modified the *Price Waterhouse* holding. The Civil Rights Act of 1991 provides that once the plaintiff meets the motivating-factor test, the plaintiff wins. Congress transformed the "same-decision" defense into a means of limiting the range of available remedies to declaratory relief, certain forms of injunctive relief, costs, and attorney's fees. This statutory "partial defense" precludes damages, back pay, and reinstatement.").
305. Fla. Stat. Ann. §760.11(5) (West 2010).
306. *Id.* (Fla. Stat. Ann. §760.11(5) does not contain any language mentioning a mixed-motive partial defenses that might mitigate a defendant's liability to pay compensatory and punitive damages).
307. Joseph W. Ward, *A Call for Price Waterhouse II: The Legacy of Justice O'Connor's Direct Evidence Requirement for Mixed-Motive Employment Discrimination Claims*, 61 ALB. L. REV. 627, 628 (1997) ("[h]owever, the prevalent view of the required evidentiary burden claims that the plaintiff friendly *Price Waterhouse* framework

- should be available to a plaintiff as long as his or her evidence of discrimination is directly tied to the decision-making process at issue”).
308. Fla. Stat. Ann. §760.11(5); Davis, *supra* note 297, at 872.
309. Davis, *supra* note 297, at 872.
310. Cordoba, *supra* note 6, at 176 (explaining that “[i]n the weeks following the lawsuit’s expansion, plaintiffs engaged in settlement discussions with the City in an attempt to resolve the claims of both the WVGS and the city-wide plaintiffs”).
311. *Id.*
312. *Id.*
313. *Id.* at 183 (explaining that the plaintiffs’ counsel in *Baca* sought revision of the initial draft of the Raise the Bar Program so that a final draft might provide the plaintiffs with a “not too distant future in which girls in the City of Los Angeles can fully participate in and enjoy the breadth of sports programs through the Department of Recreation”).
314. *Id.* at 187 (explaining that the settlement agreement between Los Angeles and *Baca*’s plaintiffs provided the plaintiffs with a permit for its own facility and immediate access to Los Angeles’ city fields for a beginning term of five years with an automatic option for a ten year renewal of that lease).
315. *Id.*
316. *Id.*
317. *Id.*
318. *Id.* at 140.
319. *Id.* at 158 (explaining that by denying girls participation in sports, this poses a danger of making girls feel inferior to boys, and also endangers their mental and physical well-being).
320. *Id.* at 140 (explaining that *Baca* “raised the novel issue in gender equity litigation where Title IX’s scope failed to protect young girls playing sports in municipally funded programs”).
321. *Id.* at 140 (analogizing *Baca*’s use of California’s civil rights statute to NFGS’ use of the FCRA).
322. *Id.* at 188 (citing that “advocated for municipal girls’ sports programs must be ready and willing to embrace the tenacity and creativity that their sisters have demonstrated for nearly three decades under Title XI on the collegiate level”).
323. Telephone Interview with Baxter, *supra* note 31.
324. Cordoba, *supra* note 6, at 139 (mentioning that the ACLU teamed up with the West Valley Girls’ Softball League to aid its cause in fighting gender discrimination in the City of Los Angeles).
325. *Id.* (explaining that if NFGS received a finding of reasonable cause and commenced a civil action against Jacksonville Beach, its current factual circumstances combined with a strategy similar to the one utilized by plaintiff’s counsel in *Baca*, would likely return a civil judgment in NFGS’ favor).
326. *Id.*; see also Women’s Sports Foundation, *supra* note 2.
327. *Id.*
328. Fla. Stat. Ann. §760.11(5) (West 2010) (explaining that NFGS can elect an administrative hearing or a civil trial upon an FCHR finding of reasonable cause).
329. Cordoba, *supra* note 6, at 189 (explaining that *Baca*’s plaintiffs were “optimistic about the possibilities for girls and young women nationwide to overhaul entrenched municipal policies that perpetuate stereotypes about women’s inferiority in the world of competitive sports”).
330. *Id.* at 190 (explaining how it made plaintiffs’ counsel in *Baca*’s proud to see banners advertising girls’ sports programs hanging from the Recreation Department in Los Angeles).

Brian Walton was born in Great Lakes, Illinois and spent his childhood traveling the world as the son of two Naval Officers. He attended Walsh Jesuit High School where he participated in soccer and football, and received three varsity letters in lacrosse. He was selected to the Ohio Men’s High School North Silver All-Stars team in his senior season.

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He would like to thank Professor Nancy Hogshead-Makar for her guidance in understanding the complex legal issues women face throughout the world of competitive sports. Her passion for women’s rights truly inspired him to vigorously investigate the issues discussed in this submission.

**Upcoming *EASL Journal* Deadline:
Friday, June 3, 2011**

Time for a Change in Athletes' Morals Clauses: Why the Four Major Sports Need to Properly Define the Limits of How Our Nation's Role Models May Permissibly Act Off the Field

By Timothy Poydenis

Introduction

The days are gone when professional athletes' actions outside of the playing arena went unnoticed.¹ During the days of baseball greats like Babe Ruth and Mickey Mantle, "America ignored their sins."² The players' respective organization and the public did not care that Ruth was a "glutton, womanizer, spendthrift, [and] heavy drinker," who constantly "broke team curfews" and "engaged in fist fights with umpires, fans, and teammates" off the field.³ Nor did they care about Mantle's drinking problem.⁴ Yet that is no longer the case. From Michael Vick's sponsored dogfighting⁵ to Brett Favre's text message scandal,⁶ the public knows everything about professional athletes.⁷ "Due to the proliferation of new forms of media, which has greatly increased the speed with which information is disseminated to the public," athletes are now "significantly more scrutinized than they have been in the past."⁸

In turn, this has caused the four major professional sports (Major League Baseball, the National Basketball Association, the National Football League, and the National Hockey League) to place morals clauses in their standard player contracts.⁹ A morals clause "gives the athlete's team [and] league...the right to terminate a contract or otherwise punish a player who engages in criminal or unseemly behavior."¹⁰ In the context of today's athletes¹¹ and the public's access to a professional athlete's off-the-field conduct, "[t]here is no single subject of greater import for the sports lawyer or agent in today's brightly lit sports environment."¹²

Although morals clauses serve a vital purpose in policing the activity of athletes, a close examination of these clauses in each of the four major professional sports demonstrates the inherent flaws in how they are currently worded. Specifically, the clauses are too broad, permit too much subjectivity on the part of the team and league, and do not appropriately inform the athlete of what conduct will trigger his morals clause. Part I of this article provides a general definition the morals clause, and gives a brief history of morals clauses in the context of professional athletes and the entertainment industry. Part II details the precise language of the morals clauses contained in the standard contract for athletes in each of the four major sports. Part III discusses the importance of morals clauses in today's era because of the (apparent)

rise in athletes committing reprehensible actions outside of the playing arena, and the increased media attention. Part IV explains why these morals clauses are flawed. It also shows why the clauses are worded too broadly, and why they need to be narrowed. The conclusion discusses why a professional athlete's off-the-field conduct should continue to be monitored, thus illustrating the need of tailoring morals clauses that are objective and reasonable.

I. The Morals Clause: Its Initial Use in Athletes' Contracts and the Entertainment Industry

There is no black letter definition of a morals clause.¹³ As a general proposition, a morals clause is:

A contractual provision that gives one contracting party the unilateral right to terminate the agreement, or take punitive action against the other party in the event that such other party engages in reprehensible behavior or conduct that may negatively impact his or her public image and, by association, the public image of the contracting company.¹⁴

The purpose of a morals clause is to "protect the contracting party from the immoral behavior of the talent with whom it contracts."¹⁵ In the realm of professional sports, this permits an organization, or the league, to disassociate itself from the reprehensible behavior and conduct of a player. For example, the National Football League (NFL) suspended Adam "Pacman" Jones for the 2007 season, without pay, after being arrested on several different occasions.¹⁶ The league commissioner based the suspension on Jones' violation of the morals clause in his playing contract.¹⁷

A. From the Black Sox and the "Babe" to "Fatty" Arbuckle: The Rise of the Morals Clause in Professional Sports and the Entertainment Industry

While the recent rise in media attention surrounding the misconduct of professional athletes gives the impression that morals clauses and athlete misconduct are recent phenomena, that is simply not the case.¹⁸ "[T]he reality is that talent has been the subject of stories of debauchery for more than a century,"¹⁹ and a brief examination of the history of morals clauses in professional sports and

the motion picture industry provides the proper scope of how morals clauses should be viewed in the context of modern-day athletes.²⁰

Major League Baseball's (MLB) 1919 World Series marks one of the "darkest day[s]" in the history of professional sports.²¹ The Chicago White Sox played the Cincinnati Reds, and it was "confirmed" that the former had "thrown the World Series for money."²² Eight White Sox players were indicted for agreeing to lose the World Series in exchange for money.²³ Baseball has always been known as America's national pastime.²⁴ However, the "Black Sox" scandal "broke America's heart" and "threatened to destroy the public's perception of the game."²⁵ In the aftermath of the "Black Sox" scandal, the commissioner of baseball, Kenesaw Mountain Landis, was determined to "maintain the integrity of the game."²⁶ Although the conspiring White Sox players were acquitted at trial, Commissioner Landis forever banned them from the game of baseball.²⁷

Commissioner Landis did not limit himself to punishing those players involved in the "Black Sox" scandal. Rather, he made it clear that MLB would no longer tolerate the reprehensible behavior of any player. In fact, Commissioner Landis suspended one of baseball's most heralded players, Babe Ruth, for 40 games because he violated league policy.²⁸

Following the lead of the Commissioner, the New York Yankees placed a provision in Babe Ruth's contract that was similar to the modern-day morals clause. The Yankees recognized that "Ruth's off-the-field behavior could cause problems for [their] baseball team in an age of increased media coverage," and placed a "clause similar to a morals clauses in Ruth's playing contract in 1922."²⁹ This is the first documented morals-type clause in a professional athlete's playing contract, and it was used for the same reason that it is used today: to protect the contracting party's image from the reprehensible behavior of a contracted player.³⁰

The 1920s also saw the rise of morals clauses in the entertainment industry. While the focus of this article is on morals clauses in professional sports, an understanding of the motivating factors for using these clauses in Hollywood provides the proper framework through which an athlete's morals clause must be viewed. As nearly every commentator who writes about the subject explains, the "scandalous" actions of talent in the 1920s directly caused morals clauses to be inserted in talent contracts.³¹

In the 1920s, there was a "widespread increase in the amount of attention paid by the press to the motion picture industry and Hollywood in general."³² Similar to the professional sports,³³ entertainment industry companies used morals clauses so that they could disassociate themselves from a contracted person's reprehensible behavior,

which was now receiving increased media attention and could damage a company's reputation.³⁴

In 1921, Paramount Pictures signed Roscoe "Fatty" Arbuckle to a three-year contract.³⁵ While Arbuckle was one of the "most celebrated and beloved comedians in America,"³⁶ his off-camera actions caused harm to Paramount Pictures. Shortly after signing his new contract, Arbuckle was arrested on charges of rape and murder.³⁷ His arrest garnered intense public scrutiny, and "turned public attention against him and the motion picture industry in general."³⁸

Universal Studios recognized the negative impact that Arbuckle's arrest had on Paramount Pictures, and took action. It "instituted a new policy whereby all actors and actresses employed by Universal Studios would be bound by a morals clause in their contracts."³⁹

Even though Universal Studios had no connection to Arbuckle, its executives understood that the rise in media attention, increased public scrutiny, and the reprehensible behavior of talent called for a change in the way they offered contracts to talent.

As a direct result of the Arbuckle case in San Francisco, Stanchfield & Levy, attorneys for the Universal Film Manufacturing Company, have drawn up a protective clause...to [be] inserted in all existing and future actors, actresses' and directors' contracts with the company.⁴⁰

Another commentator explains:

Despite having little to do with the Arbuckle case, or apparently having any clients with similar issues at the time, Universal Studios nonetheless saw a need to include the clauses in its talent contracts to "reassure the public" and "protect the company in an investment...." As seen in the cases of Babe Ruth and Fatty Arbuckle, morals clauses in employment contracts originated in employment contracts in the 1920s as a direct consequence of the immoral actions of certain popular individuals.⁴¹

The use of morals clauses in the entertainment industry continued as standard practice through the 1940s and 1950s, and has yet to subside.⁴²

The same rationales for implementing morals clauses in the 1920s—increased media attention, public scrutiny of off-the-field and off-camera actions, and the ability of a team, sports league, or company to disassociate itself from an individual's reprehensible behavior—⁴³ have caused the four major professional sports leagues to place morals clauses in their standard player contracts.

II. The Presence of Morals Clauses in the Four Major Professional Sports: Major League Baseball, the National Basketball Association, the National Football League, and the National Hockey League

Each of the collective bargaining agreements (CBA) in MLB, the National Basketball Association (NBA), the NFL, and the National Hockey League (NHL) contains a morals clause in its standard player agreement.⁴⁴ While each league's morals clause serves the same fundamental purpose, the language from league to league differs. Therefore, it is necessary to examine the precise language contained in each CBA.

MLB's Uniform Player's Contract provides:

The Club may terminate this contract... if the Player shall at any time: (1) fail, refuse or neglect to conform his personal conduct to the standards of good citizenship and good sportsmanship....⁴⁵

NBA's Uniform Player's Contract provides:

The Team may terminate this Contract...if the Player shall: at any time, fail, refuse, or neglect to conform his personal conduct to standards of good citizenship, good moral character (defined here to mean not engaging in acts of moral turpitude, whether or not such acts would constitute a crime), and good sportsmanship....⁴⁶

NFL's Uniform Player's Contract provides:

If at any time, in the sole judgment of the Club,...Player has engaged in personal conduct reasonably judged by Club to adversely affect or reflect on Club, then Club may terminate this contract.⁴⁷

NHL's Uniform Player's Contract provides:

The Player further agrees...to conduct himself on and off the rink according to the highest standards of honesty, morality, fair play and sportsmanship, and to refrain from conduct detrimental to the best interest of the Club, the League or professional hockey generally.⁴⁸

While the exact language of these morals clauses differs, the language of each clause demonstrates that they serve the same purpose. These clauses give the player's team or league the unilateral right to terminate a player's playing contract.⁴⁹ For example, termination is permissible in MLB if the player fails to display "good citizenship or good sportsmanship," in the NBA if the player fails to

display "good citizenship" or "good moral character," in the NFL if the player acts in a way that adversely reflects on the team, and in the NHL if the player fails to conduct himself with the "highest standards of honesty, morality, [] and sportsmanship."⁵⁰

These clauses are, in and of themselves, ambiguous.⁵¹ Moreover, they are prime examples of "broad morals clauses."⁵² Part IV details the differences between broad morals clauses and narrow morals clauses, and why certain contracting parties prefer one type over the other.⁵³ At this point in the discussion, however, it is only necessary to understand that the morals clauses in the four major sports are worded broadly.

More importantly, the "collective bargaining agreements of each league allow for little negotiation between the player and the team on the subject of the morals clause."⁵⁴ Since the CBAs are negotiated between the Players' Union and the Team Owners,⁵⁵ "[m]ajor league player contracts usually don't allow much room for negotiation because they contain uniform language for all players."⁵⁶ Although in certain contexts the "language specific to particular player contracts can be negotiated,"⁵⁷ the general rule is that "[t]he collective bargaining agreements of each league allow for little negotiation between the player and the team *on the subject of the morals clause*."⁵⁸

Therefore, it is appropriate to view the language of the morals clauses contained in the CBAs because that language is in each player's contract. With all but one of these CBAs set to expire this year (NHL will expire in 2012), it is necessary to determine whether the players' unions and team owners should address the language of their respective sport's morals clause and negotiate new language.⁵⁹

It is time for the language of the morals clauses to be altered. The current morals clauses are too broad, which permit ambiguous and subjective application.⁶⁰ Given the increased media attention and public scrutiny of professional athletes,⁶¹ as well as an apparent rise in the reprehensible behavior of such,⁶² it is time to remove the subjectivity and ambiguity of these clauses and insert language that properly informs athletes what sort of behavior may trigger their morals clauses.⁶³

III. The Spread of Media Attention to Professional Athletes' Off-the-Field Conduct and the Powerful Eye of Public Scrutiny

This article is not proposing that morals clauses be eliminated from professional athletes' playing contracts. Rather, it advocates for the use of more effective morals clauses, which may be accomplished by altering the clauses' language when the current CBAs expire. It is uncontested that certain professional athletes have engaged in reprehensible behavior that should permit the league

or team to invoke the player's morals clause if it desires to take action.

The list of misconduct is lengthy: Michael Vick's illegal dog fighting operation,⁶⁴ Adam "Pacman" Jones' multiple arrests,⁶⁵ Kobe Bryant's sexual assault charges,⁶⁶ Dante Stallworth's guilty plea to vehicular manslaughter charges,⁶⁷ Jason Williams' indictment on manslaughter charges,⁶⁸ Latrell Spreewell's choking his coach, P.J. Carlesimo,⁶⁹ Lawrence Phillips' guilty plea to assault charges at a nightclub,⁷⁰ and even Plaxico Burress shooting himself in the leg while carrying an illegal gun.⁷¹ The list goes on.⁷²

The cold and hard fact is that it "seems every day we read about an athlete getting arrested for beating his wife or getting into a barroom brawl."⁷³ Further, there is no indication that the media attention and public scrutiny of such behavior will subside.⁷⁴ Therefore, as in the entertainment industry,⁷⁵ the four major professional sports will justifiably continue to place morals clauses in players' contracts. Not only does this enable the teams and leagues to disassociate themselves from such players and condemn such conduct, but it also enables them to foster an appropriate public image that does not hinder their profitability.⁷⁶

What further exacerbates the problem of professional athletes acting in a reprehensible manner off the field, and the immediate media attention that such conduct fosters, is that our nation's youth "look up to [professional athletes] as role models,"⁷⁷ and "[s]ociety does not want its role models committing [] crimes."⁷⁸ Therefore, it is within the province of MLB, the NBA, the NFL, and the NHL to place morals clauses in the Uniform Player Contracts.

Yet the questions ensue: Where is the line drawn? What sort of behavior triggers the league's and team's ability to invoke the morals clause against the player? Should the clauses be narrowly or widely tailored? Should they contain broad language? Should it be limited to an enumerated list of actions, or should these clauses be invoked when the teams and leagues *morally* disagree with players' conduct?

IV. The Need for Objective and Reasonable Morals Clauses That Properly Inform the Leagues, Teams, and Players of the Types of Conduct That Will Trigger a Player's Morals Clause

A. A Vested Power That Can Destroy an Athlete's Livelihood

Before discussing the appropriate construction of a professional athlete's morals clause, it is necessary to understand the potential ramifications of the league or team's enforcement of a player's morals clause. As previ-

ously discussed, there are strong policy justifications for providing the league or team with the right to "terminate"⁷⁹ a player's contract.⁸⁰ However, the players' interests often go unnoticed, or, they are just overshadowed by the league and teams' interests.

Professional athletes are paid to play the game. Perhaps overpaid,⁸¹ but the point is that this is their "trade," this is what they do. It is their livelihood. Nevertheless, professional athletes are held to a "higher standard" than most citizens,⁸² so morals clauses are appropriate. But it must be remembered exactly what sort of power morals clauses give the league and team: "the unilateral right to terminate the agreement, or [to] take punitive action" against the player.⁸³

The morals clauses of MLB, the NBA, the NFL, and the NHL are "powerful enough to impact important aspects of one's career, ranging from one's compensation and continued employment, to his or her personal behavior."⁸⁴ Not only do the morals clauses give the leagues and teams the unilateral right to terminate a player's contract, but it "can affect how [athletes] live their daily lives. [Athletes] can avoid behavior that could potentially violate the provision through awareness of the precise parameters of the morals clause."⁸⁵

Given the amount of power vested in the leagues and teams, it follows that the players should understand exactly what sort of conduct will trigger the morals clause.⁸⁶ Yet that is not the case. The language in each of the Uniform Player's Contracts is too broad and subjective.⁸⁷ For example:

[T]he morals clause in NFL player contracts allows a team to unilaterally terminate a player agreement if the player has engaged in conduct deemed to adversely affect or reflect on the team. Such clauses are so broad that they could potentially apply to an expansive array of conduct. For instance, one could argue that the rather socially acceptable behavior of obtaining an amicable divorce could violate morals clauses such as these; after all, a [professional athlete] obtaining an amicable divorce may reflect unfavorably on a [family-run sports organization].⁸⁸

While this example is a stretch, it is illustrative of the fundamental flaw of the morals clauses contained in each of the CBAs.

B. Are Provocative Text Messages Enough to "Adversely Affect or Reflect" on an NFL Team? Answer: It Depends....

In October 2010, a story surfaced that Minnesota Vikings Brett Favre had sent inappropriate text messages,

voicemails, and naked pictures to Jenn Sterger.⁸⁹ This allegedly occurred when Favre was the quarterback of the New York Jets and Sterger was a sideline reporter for that team.

Did Favre's actions violate his morals clause? In relevant part, the NFL Uniform Player Contract provides:

If at any time, in the sole judgment of the Club,...Player has engaged in personal conduct reasonably judged by Club to adversely affect or reflect on Club, then Club may terminate this contract.⁹⁰

First, it is necessary to understand that it is immaterial whether formal charges or lawsuits were filed against Brett Favre. The lack of formal charges or proceedings did not hinder the NFL or Vikings from utilizing the morals clause in Favre's contract. "NFL Commissioner Roger Goodell has proved he doesn't need charges or pending lawsuits to hold players accountable for their actions. And to make them uphold the morals clause of their lucrative NFL contracts."⁹¹

Yet the questions remain: Should the NFL or the Minnesota Vikings have been able to invoke this clause? Should they be able to "terminate" Brett Favre's contract? Did sending provocative text messages adversely reflect on the Club or League?

The answer: "It depends."

The power is vested in the Vikings and Goodell. If the Vikings' owner Zygi Wilf determined that Favre's conduct adversely affected or reflected on his team, it would have been within his discretion to "terminate" the contract. The morals clause is "so broadly worded" that it gives "extensive flexibility to terminate [Favre's] contract for any potentially damaging conduct."⁹²

Could the Vikings have terminated Favre's contract? Probably not. Did they? No. He is one of the most highly respected players in NFL history. His track record speaks for itself.⁹³

Yet that is not the point. The point is that the Vikings had the power to *terminate* Favre's contract if, in its "sole judgment," he acted in a way that "adversely affect[ed] or reflect[ed]" on their organization.⁹⁴ This power is vested in the Club through the morals clause.

Not only are broad morals clauses subjective in application because the determination is based on the owner's (or commissioner's) determination, but they are often arbitrarily based on a player's worth. As a leading sports practitioner explains:

Whether a team invokes a morals clause to terminate a player is "a value question based on how valuable a player is to the team," says Paul Cobbe, a partner

at Sosnick Cobbe Sports, who represents several major league baseball players. According to Cobbe, "questions about a morals clause usually comes up after the fact."⁹⁵

Too much discretion is given to the Club in determining whether to invoke the morals clause. Not only does the Club have the power to terminate a player's contract, but the player may not be aware that such conduct could even be a trigger. Coupling the inherent discretion in invoking morals clauses with a player's inability to understand what conduct will trigger such clauses mandates that it is time for the language of the morals clauses to be changed.

C. Holding Professional Athletes to Higher Standards and How to Appropriately Inform Athletes of Behavior That Could Destroy Their Livelihoods

It is time for MLB, the NBA, the NFL, and the NHL to alter the language of their morals clauses so that athletes are properly informed of forbidden conduct. In almost every context besides the current language of these CBAs, "morals clauses state[] expressly what types of bad conduct will entitle the company to terminate the contract."⁹⁶ Furthermore, this is particularly true in "high-value" contracts. There is too much at stake for one party to not know the sort of conduct that could "devastate one's earnings in a relatively short period of time."⁹⁷

As previously discussed, the current language of the morals clauses is broad and ambiguous.⁹⁸ Each "could potentially apply to an expansive array of conduct," and they place the players at the mercy of the team or league's determination.⁹⁹ Cases like Michael Vick's are easy—he sponsored illegal dog fighting and was sentenced to prison time.¹⁰⁰ However, cases like Brett Favre are ambiguous, and the team's owner—in his "sole judgment"—resolves this ambiguity.¹⁰¹

With all that is at stake for a player—money, career, livelihood, profession, and reputation¹⁰²—it is only fair that "morals clause[s] specify the precise conduct that is actionable under the provision."¹⁰³ There needs to be a reasonable and objective way for the parties to determine whether certain conduct triggers the morals clause. And that is the exact opposite how the current morals clauses operate. As one commentator explains, broad morals clauses are "ambiguous and subject to different interpretations by different parties. Thus, talent needs to know what conduct is allowed and what conduct is prohibited by the morals clause."¹⁰⁴

MLB, the NBA, the NFL, and the NHL need to alter the language of their morals clauses so that the teams, leagues, and players understand what conduct is allowed and what conduct is prohibited. This article proposes that

the morals clauses give the team and league power to terminate a player's contract if he engages in conduct that leads to a "criminal indictment," if his conduct is "directly adverse to his club's internal policies and guidelines," or if he engages in conduct that "a reasonable person would understand to harm the interests and reputation of the team."

This language would replace the ambiguous terms currently in these morals clauses. For example, "moral turpitude" would be removed from the NBA's Uniform Player Contract. Phrases like these require a determination of what constitute, for example, "moral turpitude," and this term "is ambiguous and subject to different interpretations by different parties."¹⁰⁵ The owner of the Vikings may therefore think that Brett Favre's text messages constitute moral turpitude, while the New York Jets' owner may think the opposite. This is the underlying problem with the current morals clauses. Two players on two different teams, with identical morals clauses, could "commit" the same action, and yet one may be subject to discipline while the other may not be. With all that is at stake in a professional athlete's contract, this is unfair.

Conclusion

This article is neither proposing that morals clauses be eliminated from professional athletes' contracts, nor that the reprehensible conduct of professional athletes should be condoned. Rather, it is advocating for morals clauses that properly define the scope of accepted and unaccepted behavior for the "role models" of our nation's children.¹⁰⁶ While it is appropriate to hold professional athletes to higher "moral" standards through morals clauses, the clauses must also be fair to the athletes. This is not saying that the clauses need to condone "scandalous" or poor behavior by players, especially in today's era when it appears that athletes are committing crimes and are receiving publicity of such activities at a higher rate than ever before.¹⁰⁷ However, with the amount of power vested in the leagues and teams through morals clauses, it is only appropriate to inform players of how far these clauses may reach.

Properly worded morals clauses will enable athletes "to protect their livelihood and shield themselves from legal woes."¹⁰⁸ Coupling the "greatly increased [] speed with which information is disseminated to the public" about athletes, and the more exacting eye of public scrutiny,¹⁰⁹ it is necessary to properly define the limits of an athlete's behavior outside of the playing arena. It is time for MLB, the NBA, the NFL, and the NHL to define this scope.¹¹⁰

Endnotes

1. See Mike McAlary, *Beloved Even When They Falter; Prayers For Mick, Darryl Too*, N.Y. DAILY NEWS, June 9, 1995, at 22.

2. *Id.* ("[T]he country didn't want to know everything about ballplayers. We didn't care about their drinking and brawling. America ignored their sins. The blindness only enabled them. It killed Billy Martin.").
3. Porcher L. Taylor, III et al., *The Reverse-Morals Clause: The Unique Way to Save Talent's Reputation and Money in a New Era of Corporate Crimes and Scandals*, 28 CARDOZO ARTS & ENT. L.J. 65, 75 (2010).
4. Fernando M. Pinguelo & Timothy D. Cedrone, *Morals? Who Cares About Morals? An Examination of Morals Clauses in Talent Contracts and What Talent Needs to Know*, 19 SETON HALL J. SPORTS & ENT. L. 347, 367-68 (2009).
5. See generally Clifton Brown, *Dogfighting Charges Filed Against Falcons' Vick*, N.Y. TIMES, July 18, 2007.
6. See generally Richard Blakeley & David Matthews, *Brett Favre's Cellphone Seduction of Jenn Sterger (Update)*, DEADSPIN.COM, <http://deadspin.com/5658206/brett-favres-cellphone-seduction-of-jenn-sterger>.
7. See McAlary, *supra* note 1, at 22.
8. See *id.* "In the past, minor misdeeds of talent may have gone unnoticed by the public; however, due in large part to the Internet and new media outlets, a rather insignificant indiscretion on the part of talent can be broadcast to millions of people within minutes, or even seconds, of its happening." Pinguelo & Cedrone, *supra* note 4, at 367-68. For example, in 2007, St. Louis Cardinals manager Tony La Russa was arrested for drunken driving, and "reports of the incident surfaced" within hours of his arrest. *Id.*
9. See, e.g., Pinguelo & Cedrone, *supra* note 4, at 367; Taylor, III et al., *supra* note 3, at 72; Brian R. Socolow & Jill Westmoreland, *What Every Player Should Know About Morals Clauses*, MOVES MAGAZINE, Aug. 2008, available at <http://www.loeb.com/files/Publication/0953bcf8-0747-44dc-ab71-70e670d6285d/Presentation/PublicationAttachment/70f8fe3f-a00e-4882-83da-0096ecbab624/Brian%20Socolow,%20Moves%20Magazine.pdf>.
10. Socolow & Westmoreland, *supra* note 9, at 2. However, one of the main flaws of a "morals clause" is that it is difficult to describe exactly what sort of conduct triggers this clause. See *infra* Part IV.
11. See *infra* Part III (providing examples of professional athletes who have violated their morals clause in recent years).
12. See Sports Law Blog, *Second Annual National Sports and Entertainment Law Symposium*, Feb. 28, 2008, available at <http://sports-law.blogspot.com/2008/02/second-annual-national-sports-and.html>.
13. See Pinguelo & Cedrone, *supra* note 4, at 351-52 (explaining that there are numerous definitions of morals clauses and proposing a "working definition" for scholars).
14. Taylor, III et al., *supra* note 3, at 67 n.2.
15. See Pinguelo & Cedrone, *supra* note 4, at 352.
16. For a detailed list of other professional athletes who have violated their morals clauses in recent years, see *infra* Part III.
17. See ESPN NFL, *Goodell Suspends Pacman, Henry for Multiple Arrests*, ESPN.COM, May 17, 2007, <http://sports.espn.go.com/nfl/news/story?id=2832015>; see also Mason Levinson, "Pacman" Jones Suspended at Least Four Games by NFL, BLOOMBERG, Oct. 14, 2008, <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aK7Z5DPPZrHM>.
18. See Pinguelo & Cedrone, *supra* note 4, at 349 ("Morals clauses in 'talent' contracts are nothing new; indeed, Universal Studios began including such clauses in its agreements with actors and actresses as early as 1921.").
19. *Id.*
20. *Id.* at 353 (explaining that the history of morals clauses "serves as the context in which the present-day morals clauses should be viewed").

21. See Bryan Brown, *Baseball's Darkest Day*, N.Y. TIMES, Jan. 21, 2001, available at http://findarticles.com/p/articles/mi_m0BUE/is_9_133/ai_n18611241/.
22. *Id.*
23. See, e.g., Chicago Now, *The White Sox Throw the World Series – 1919*, Oct. 1, 2009, <http://www.chicagonow.com/blogs/photos/2009/10/the-white-sox-throw-the-world-series---1919.html>.
24. See Jason S. Weiss, *The Changing Face of Baseball: In an Age of Globalization, is Baseball Still as American as Apple Pie and Chevrolet*, U. MIAMI INT'L & COMP. L. REV. 123, 124 (2000) ("When describing the United States, the first thoughts that often come to mind are baseball, apple pie, and Chevrolet. Baseball is...America's national pastime....").
25. Brown, *supra* note 21, at 1. As the author stated, "[t]he scandal threatened to destroy the national game. And it gave us a classic lament of the disillusioned, in the cry supposedly uttered by a boy to his tainted hero, left fielder Joe Jackson: 'Say it ain't so, Joe!'" *Id.* For a general discussion of the Black Sox Scandal, see Baseball-Reference.com, *Black Sox Scandal*, http://www.baseball-reference.com/bullpen/Black_Sox_Scandal.
26. *History of the Game: Kenesaw Mountain Landis*, MLB.com, http://mlb.mlb.com/mlb/history/mlb_history_people.jsp?story=com_bio_1 (providing the biography of MLB's first commissioner).
27. *See id.*
28. *See id.*
29. See Robert M. Jarvis, *Babe Ruth as Legal Hero*, 22 FLA. ST. U. L. REV. 885, 886 n.6 (1995) ("Ruth's 1922 contract with the New York Yankees contained a 'morals' clause that required him to abstain from liquor and be in bed by 1:00 a.m. during the season....").
30. See Pinguelo & Cendrone, *supra* note 4, at 363 ("Morals clauses are used in a variety of industries where a talented individual's behavior may be associated with the contracting company's image in some manner.").
31. *Id.* at 354.
32. *Id.*
33. *See supra* notes 20–29 and accompanying text.
34. See Pinguelo & Cendrone, *supra* note 4, at 353. Starting in the 1920s, "much of the focus of the press was on the individual movie stars, whose 'garish and scandalous' behavior was often blamed for declines in film attendance. The scandalous actions of talent in the 1920s directly caused morals clauses to be inserted in talent contracts, as evidenced by the case of Fatty Arbuckle." *Id.* For example, the realization that such behavior was receiving increased media attention caused Universal Studios to institute a "new policy whereby all actors and actresses employed by Universal Studios would be bound by a morals clause in their contracts. Universal Studios began including a morals clause in its employment contracts because of a scandal involving one of the most celebrated and beloved comedians in America at the time, Roscoe 'Fatty' Arbuckle." Taylor, III et al., *supra* note 3, at 76.
35. *See* Taylor, III et al., *supra* note 3, at 76.
36. *See* Pinguelo & Cendrone, *supra* note 4, at 354.
37. *See id.*
38. *See id.*; *see also* Taylor, III et al., *supra* note 3, at 76.
39. *See* Pinguelo & Cendrone, *supra* note 4, at 354; Taylor, III et al., *supra* note 3, at 76.
40. *Morality Clause for Films—Universal Will Cancel Engagements of Actors who Forfeit Respect*, N.Y. TIMES, Sept. 22, 1921, at 8, available at <http://query.nytimes.com/mem/archive-free/pdf?res=9A02E0DC123EEE3ABC4A51DFBF6838A639EDE>.
41. Taylor, III et al., *supra* note 3, at 76–77.
42. *See id.* at 77–78; *see also* Pinguelo & Cendrone, *supra* note 4, at 354–56.
43. *See supra* notes 17–41 and accompanying text. Additionally, "[g]iven the rapidity with which information is disseminated to the public today, it is exceedingly unlikely that a company [or league] would enter into an agreement with talent without seeking the inclusion of some form of morals clause. Indeed, morals clauses in contracts have now become the norm in talent agreements." Pinguelo & Cendrone, *supra* note 4, at 357.
44. *See* Taylor, III et al., *supra* note 3, at 78 ("As of 2009, the collective bargaining agreements in the National Football League, National Basketball Association, National Hockey League, and Major League Baseball each contained a uniform player agreement that contained a morals clause."). MLB's collective bargaining agreement expires in 2011; the NBA's collective bargaining agreement expires in 2011; the NFL's collective bargaining agreement expires in 2011; and the NHL's collective bargaining agreement expires in 2012. As each CBA expires within this or next year, it is necessary to examine the language of each morals clause to determine if it should be altered.
45. Major League Baseball Players Association, Major League Baseball 2007–2011 Basic Agreement, at 217, available at http://mlbplayers.mlb.com/pa/pdf/cba_english.pdf.
46. National Basketball Players Association, 2005 Collective Bargaining Agreement, at 183, available at <http://www.nbpa.org/cba/2005>.
47. National Football League, Collective Bargaining Agreement, at 252, available at <http://static.nfl.com/static/content/public/image/cba/nfl-cba-2006-2012.pdf> [hereinafter NFL Agreement].
48. National Hockey League, Collective Bargaining Agreement, at 245, available at <http://static.nfl.com/static/content/public/image/cba/nfl-cba-2006-2012.pdf>.
49. *See supra* notes 44–47 and accompanying text (providing the language from each of the league's Uniform Player Contracts in its respective CBA).
50. *See supra* notes 44–47 and accompanying text.
51. *See* Pinguelo & Cendrone, *supra* note 4, at 375. "The terms used [in these] morals clauses [are] ambiguous and subject to different interpretations by different parties." *Id.*
52. *See id.* at 370 ("The morals clause in the NFL Collective Bargaining Agreement and those at issue in *Nader v. ABC Television*, and *Scott v. Radio Pictures* are prime examples of broad morals clauses.").
53. *See infra* Part IV for a detailed discussion of the differences between broad morals clauses and narrow morals clauses. Furthermore, Part IV explains why the morals clauses in the four major professional sports CBAs need to be worded in a narrow fashion after the agreements expire.
54. *See* Pinguelo & Cendrone, *supra* note 4, at 364 n.93.
55. *See generally*, Ryan T. Dryer, *Beyond the Box Score: A Look at Collective Bargaining Agreements in Professional Sports and Their Effect on Competition*, 2008 J. DISP. RESOL. 267, 267 (2008) (explaining that the collective bargaining agreements are negotiated "between the owners of professional sports teams and players' associations"). Additionally, "[a] historical analysis is critical to understanding why Major League Baseball, the National Basketball Association, and the National Football League each have separate agreements governing their leagues. Such an examination helps to explain why the Collective Bargaining Agreements (CBAs) exist in their current structure." *Id.*
56. Socolow & Westmoreland, *supra* note 9, at 1 ("Negotiating morals clauses in player contracts can be very different from negotiating them for endorsement contracts."). For the standard morals clauses language of each major sport, *see supra* notes 44–47 and accompanying text.

57. Socolow & Westmoreland, *supra* note 9, at 2–3. For example, Brian R. Socolow, a partner and head of a prominent New York law firm's sports practice, explains that the Yankees and Jason Giambi negotiated language that precluded the Yankees from terminating Giambi's contract for using steroids.

Yankees designated hitter Jason Giambi admitted to having used steroids, which could have been cause to terminate him, but the Yankees declined to do so, perhaps because of his value to them, *but also because reportedly during the negotiations of his contract language that could have provided grounds for termination based on steroid use had been changed.* *Id.* at 2 (emphasis added).
58. Pinguelo & Cendrone, *supra* note 4, at 364 (emphasis added); accord Steven B. Berneman, *One Strike and You're Out: Alcohol in the Major League Baseball Clubhouse*, 11 VAND. J. ENT. & TECH. L. 399, 422–23 (2009); Carrie A. Moser, *Penalties, Fouls, and Errors: Professional Athletes and Violence Against Women*, 11 SPORTS LAW. J. 69, 83 (2004) ("These terms of employment often include what is commonly referred to as a 'morals clause.' For instance, the NHL contract contains a clause stating that every player agrees to 'conduct himself to the highest standards of honesty, morality, fair play, and sportsmanship....' It is possible for a team to void a player's contract...."); Andrew A. Schwartz, A "Standard Clause Analysis" of the Frustration Doctrine and the Material Adverse Change Clause, 57 UCLA L. REV. 789, 813 (2010); Socolow & Westmoreland, *supra* note 9, at 1.
59. See generally notes 49–57 and accompanying text.
60. See *infra* Part IV; see also Socolow & Westmoreland, *supra* note 9, at 1 ("Whether a team invokes a morals clause to terminate a player is a 'value question based on how valuable a player is to the team,' says Paul Cobbe, a partner at Sosnick Cobbe Sports, who represents several major league baseball players.").
61. See *infra* Part III (explaining the recent increase in off-the-field reprehensible behavior of professional athletes and the heightened media attention and public scrutiny of such actions). See generally *supra* Part I.A (detailing the rise of morals clauses in the entertainment industry and in athletes' contracts in the 1920s due to an increase in media attention).
62. See *infra* Part III. While it is debatable whether or not athletes have been acting "immorally" since the 1920s, that is outside the scope of this article. The fact is that the "proliferation of new forms of media" has "greatly increased the speed with which information is disseminated to the public" and "talented individuals are now significantly more scrutinized than they have been in the past." Pinguelo & Cendrone, *supra* note 4, at 367 ("[I]n today's increasingly public society, where the proliferation of tabloids, celebrity gossip blogs, and news magazines inundate the public with information on talent's personal lives, a need arises to inform talent of the particularities and consequences of morals clauses in their contracts.").
63. See Schwartz, *supra* note 58, at 815 ("A Morals clause typically states expressly what types of bad conduct will entitle the company to terminate the contract, and the precise terms used in actual Morals clauses are the product of careful negotiation—as would be expected in high-value contracts.").
64. See Socolow & Westmoreland, *supra* note 9, at 2.
65. See *id.*
66. See *id.*
67. See Associated Press, *Stallworth to Plead Guilty in DUI Case*, ESPN.com, June 16, 2009, <http://sports.espn.go.com/nfl/news/story?id=4261769>.
68. Pinguelo & Cendrone, *supra* note 4, at 378 ("In 2002, Williams was indicted on manslaughter charges. According to Williams' agent, the morals clause in his contract required intentional moral impropriety....").
69. See Phil Taylor, *Centre of the Storm: Latrell Spreewell's attack on Golden State Warriors coach P.J. Carlesimo brought many questions to the fore, none more baffling than, Who is Latrell Spreewell and why did he resort to violence?*, Dec. 15, 1997, SPORTS ILLUSTRATED, available at <http://sportsillustrated.cnn.com/vault/article/magazine/MAG1011658/index.htm>.
70. Sean Bukowski, *Flag on the Play: 25 to Life for the Offense of Murder*, 3 VAND. J. ENT. L. & PRAC. 106, 106 (2001) ("Commissioner Tagliabue also invoked the policy when he fined San Francisco 49ers running back Lawrence Phillips at the beginning of the 1999 season. Tagliabue ruled that Phillips would be fined his first four weeks of pay for *pleading guilty to an assault* outside a South Florida nightclub in 1998.") (emphasis added).
71. John Branch, *Plaxico Burrell Shoots Himself Accidentally*, N.Y. Times, Nov. 29, 2008, available at <http://www.nytimes.com/2008/11/30/sports/football/30burrell.html> ("The police did not say whether any charges would be filed, but they noted that felony charges were possible if a person possessed a loaded, unlicensed handgun in a place other than his residence or business.... Under the league's personal-conduct policy, violations of local gun laws can result in a player's suspension.").
72. Sports Law Blog, *Do Pro Athletes Commit Crimes at Unusually High Rates?*, Oct. 28, 2009, <http://sports-law.blogspot.com/2009/10/do-pro-athletes-commit-crimes-at.html>.
73. See Bukowski, *supra* note 70, at 106 ("News and sports reports almost run together so that it is difficult to tell which is [news] and which is [sports].").
74. See *id.* at 70 ("Baltimore Ravens' owner Art Modell admitted that the number of NFL players who are charged with crimes continues to rise.").
75. See *supra* notes 17–41 and accompanying text.
76. See generally Bukowski, *supra* note 70, at 107 ("Society does not want its role models committing violent crimes. Moral concerns aside, this is a vital matter for the individual leagues since their profitability and sustainability depend on it. As its players continue to commit violent crimes, a league's image is tarnished and its profitability is endangered."). As Baltimore Ravens' owner Art Modell stated, "as the number of NFL players who are charged with crimes rises, the NFL's advertising revenue could decline." *Id.* Therefore, the teams have a monetary incentive in enforcing a morals clause against one of their own players whose actions threaten to hurt the league's advertising revenue.
77. See Bukowski, *supra* note 70, at 107 ("Whether the athletes like it or not, children look up to them as role models."); accord John Peter, *Do You Dream of Playing Pro Ball?*, <http://baseballtips.com/dreampro.html> ("We have all dreamt about life as a Major League Baseball player.").
78. See Bukowski, *supra* note 70, at 107.
79. See *supra* notes 44–47 and accompanying text (providing the exact language of the four major sports' morals clauses located in the CBAs).
80. See *supra* notes 72–77 and accompanying text. See generally *supra* Part I.
81. For example, the current minimum salary for an MLB player is \$400,000. Major League Baseball Rules, MLBPLAYERS.COM, <http://mlbplayers.mlb.com/pa/info/faq.jsp>. It must be noted that this is only the "minimum." As of opening day for the 2010 MLB season, the "average" MLB player salary is \$3,297,828. See Associated Press, *MLB Salaries*, CBSSPORTS.COM, <http://www.cbssports.com/mlb/salaries/avgsalaries>. This is up from \$2,632,655 in 2005, and \$1,998,034 in 2000. See *id.*
82. "Whether the athletes like it or not, children look up to them as role models." See Bukowski, *supra* note 70, at 107.
83. Taylor, III et al., *supra* note 3, at 67 n.2.

84. See Pinguelo & Cendrone, *supra* note 4, at 379 (“A morals clause can have a myriad of effects on an individual’s career. First and foremost, the morals clause can result in severe financial consequences if violated.”).
85. *Id.*
86. “A morals clause typically states expressly what types of bad conduct will entitle the company to terminate the contract, and the precise terms used in actual morals clauses are the product of careful negotiation—as would be expected in high-value contracts.” Schwartz, *supra* note 58, at 815.
87. See *supra* notes 44–52 and accompanying text.
88. See Pinguelo & Cendrone, *supra* note 4, at 374.
89. Nina Mandell, *Jenn Sterger, Brett Favre’s alleged sexting, voicemail victim, out a job after Versus cancels show*, N.Y. DAILY NEWS, Oct. 29, 2010, http://www.nydailynews.com/gossip/2010/10/29/2010-10-29_jenn_sterger_brett_favres_alleged_sexting_voicemail_victim_out_a_job_after_versu.html (“Earlier this month, Deadspin.com reported that Sterger, a former Jets ‘Gameday’ host, was allegedly sent lewd photos by Brett Favre during his season with the Jets.”).
90. NFL Agreement, *supra* note 47, at 252.
91. Progress-Index.com, *Why not take the high road?*, Oct. 14, 2010, <http://progress-index.com/sports/why-not-take-the-high-road-1.1048415>.
92. Pinguelo & Cendrone, *supra* note 4, at 369 (explaining that broadly worded morals clauses gives a contracting party “expansive” and “subjective” ability to invoke the clause).
93. Don Hamel, *Brett Favre Has Acted The Part Of The Hero Long Enough. It’s Time To Yell ‘Cut,’* SB NATION CHICAGO, Dec. 4, 2010, available at <http://chicago.sbnation.com/chicago-bears/2010/11/12/1810775/brett-favre-nfl-minnesota-vikings-hero-jenn-sterger>. Cf. Steve M., *Brett Favre Ruined His Legacy*, BLEACHER REPORT, July 12, 2008, <http://bleacherreport.com/articles/37129-brett-favre-ruined-his-legacy>.
94. See NFL Agreement, *supra* note 47, at 252.
95. Socolow & Westmoreland, *supra* note 9, at 2.
96. See Schwartz, *supra* note 58, at 815.
97. See Pinguelo & Cendrone, *supra* note 4, at 373.
98. See *supra* notes 45–53 and accompanying text.
99. See Pinguelo & Cendrone, *supra* note 4, at 374.
100. See *supra* notes 64–72 and accompanying text.
101. See *supra* Part IV.B.
102. See *supra* Part IV.A.
103. See Pinguelo & Cendrone, *supra* note 4, at 374.
104. See *id.* at 375.
105. See *id.*
106. See Bukowski, *supra* note 70, at 107 (“Whether the athletes like it or not, children look up to them as role models.”); accord John Peter, *Do You Dream of Playing Pro Ball?*, BASEBALLTIPS.COM, <http://baseballtips.com/dreampro.html> (“We have all dreamt about life as a Major League Baseball player.”).
107. See *supra* notes 73–74 and accompanying text.
108. See Pinguelo & Cendrone, *supra* note 4, at 379 (“[I]t is imperative that talent know of the potential problems arising from morals clauses, particularly in the context of what conduct is within the scope of the morals clause.”).
109. See *supra* note 8 and accompanying text.
110. MLB’s CBA expires in 2011; the NBA’s CBA expires in 2011; the NFL’s CBA expires in 2011; and the NHL’s CBA expires in 2012. See McAlary, *supra* note 1, at 22.

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An Examination of the Relationship Between Fair Market Value and Buyer's Premium for Estate Tax Purposes

By Alanna Butera

In buying works of art at auction, a compulsory buyer's premium is added on to the hammer price¹ and is paid by the buyer directly to the auction house. In appraising, when determining the fair market value of a work, the United States Tax Court concluded that the fair market value is a combination of the hammer price and the buyer's premium.² The particular situation brought up in the case of the *Estate of Robert Scull v. Commissioner of Internal Revenue*³ is when the estate decides to sell the works of art in the collection and the fair market value for estate tax purposes is determined by the sale price. Given the art world's constant evolution, however, this 1994 decision has become outdated. As a result, a buyer's premium should not be factored into the value of artworks in an estate collection when the works are sold at auction. This assertion will be supported by analyzing the court's decision, examining what fair market value is and its relationship to the buyer's premium, and exploring the expanding notion of fine art as a financial asset.

The Commissioner of the IRS brought suit against the Scull estate for a deficiency in the value of artwork listed on the estate tax return.⁴ This case involved three different valuation situations to arrive at the date-of-death appraisal of the value of the entire art collection: summing the sale price values of the pieces sold at auction, the Commissioner's expert's valuation of the pieces that failed to sell and the pieces not offered at auction, but appraised in 1985, and a combination of the Commissioner's and estate's value of the pieces not sold at auction and not appraised in 1985.⁵ The key issue in this article concerns the inclusion of the buyer's premium and centers on the first valuation situation. In the divorce shortly before Robert's death, Ethel received a 35 percent interest in the collection and, in order to pay her share of the value of the art collection, the estate decided to sell it at auction along with its share of the collection.⁶ Since the auction was executed within a reasonable time frame and there had been no significant changes in the market, the sale prices could be used for determining the fair market value. The estate argued that if the auction prices were to be used, then only the hammer price should be counted and not the mandatory buyer's premium. However, the court agreed with the Commissioner in that the fair market value is "measured by what would be paid for the item, not on the net amount received by the seller: 'price' herein is what a purchaser would pay for a piece of [property]."⁷ Thus, the precedent was set to incorporate the buyer's premium into the valuation of works sold at auction for estate tax purposes.

To form its decision about the inclusion of the buyer's premium, the court incorrectly looked to two previous cases. It first examined the *Estate of Smith v. Commissioner*, in which the taxpayer argued that the fair market value of the works being held by the estate of the deceased sculptor should be net of the commissions that would have been paid to the sculptor's exclusive agent. In rejecting that argument, the court stated, "The measure of value laid down by these cases is what could be received on, not what is retained from, a hypothetical sale."⁸ In *Smith*, the taxpayer was obligated to pay the agent the commission, while here, the estate was not obligated to pay the commission from the sales prices received.⁹ A major difference is that Scull's art collection was sold at auction, whereas Smith's collection, when valued, was not being sold, but was appraised at the value to be retained by a hypothetical sale. It was to be an appraisal, but not a valuation based on actual sale prices.

The problem here lies in the fact that the private and public markets function as two different and separate systems. The private market is not transparent and there is no buyer's premium;¹⁰ all costs are borne by the seller. The public market is regulated and gives any buyer the opportunity to bid. In auction sales, the buyer's premium is mandatory and, as will be argued later, is an amount that never passes into the hands of the seller since it goes directly to the auction house. Given the difference in market structure, it is hard to apply the same standards and rules to both because an exclusive agent or fine art dealer is the representative of the seller, not the buyer. While the fiduciary relationship in a consignment for auction is between the seller and the auction house, the buyer's premium is a payment by the buyer for services to the auction house, which gives the buyer assurance of authenticity and some assurance of title.

Scull also looked at the ruling on *Publicker v. Commissioner*, in which the plaintiff purchased two items of jewelry and later gifted them to her daughter.¹¹ In determining the fair market value for gift tax purposes, the court ruled that the federal excise tax, which was included in the original purchase price, was to be included. Again, the court in *Scull* incorrectly applied the ruling because there the issue was estate tax and not gift tax, and the objects were being sold, whereas here the jewelry was not being sold, but gifted. In summary, the *Scull* court used *Smith* and *Publicker* erroneously to justify its ruling.

In order to understand valuation, it is essential to outline the various components that can constitute fair market value. As defined in the IRS regulation,¹² fair

market value is “the price at which the property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of all relevant facts.”¹³ When determining fair market value, the first step is to identify the retail marketplace in which the item is most commonly sold.¹⁴ Although there is a retail market for art, better known as the private market, due to the lack of transparency, the private market would not be the appropriate place for an executor of an estate to sell the works of art. Since the executor has a fiduciary responsibility to the beneficiaries to obtain a fair price and to avoid any accusations that may arise in working with a fine art dealer where the prices could be “manipulated,”¹⁵ the executor must sell at auction. For this reason, the ruling in *Smith*, where the fair market value was determined in the private market, would not be applicable here in a case where the works were sold at public auction. Further, because of the timeline, a public auction would offer the best and speediest disposal of the works of art.

In determining the value a work of art, the best and most accurate assessment of fair market value is the price realized in the sale of that work. In *Scull*, the primary source of determining the value of the art collection came from a public auction sale that took place ten and one-half months after Scull’s death. Normally an estate’s tax return is due nine months after the decedent’s death, but in *Scull*, the accountant and an executor of the estate filed for a six-month extension. Even though the fair market value of an estate is calculated on the date of the death of the decedent, an alternative valuation date can also be used.¹⁶ Fifteen percent appreciation was added to the final sale prices to account for an increase in the value of the art collection since the death of the decedent because the sale must take place within a reasonable amount of time and no major changes to the art market had taken place. As the sales prices were being used for the major part of the collection, the estate argued only that the hammer price and the additional appreciation allowance should be included. The hammer price is the amount directly received by the seller;¹⁷ the buyer’s premium never passes into the possession of the seller, going directly to the auction house. The court stated that the fair market value should include it as the seller for the value of the artwork receives both the hammer price and Sotheby’s services. The seller pays, however, for Sotheby’s services in other ways, such as the seller’s premium.¹⁸ It is the way by which the seller pays for the auction house’s services and the buyer’s premium is how the buyer pays for the auction house’s services. The seller should not be taxed on another party’s payment for services. The problem is that there is a mismatching of values: what the buyer pays for a work of art is not what the seller receives; the difference being the buyer’s premium (and sometimes including the seller’s commission). The estate has no access or right to the buyer’s premium; it never even passes into the estate’s possession, and yet the estate is taxed for it.

Increasingly art is being viewed as an alternative asset.¹⁹ With this changing view, it would be appropriate to look at a case that involves valuation of mutual funds shares for federal estate tax purposes. If art is now being treated as an alternative asset and is part of a person’s portfolio allocation, then art should be treated similarly to other financial assets. In *United States v. Cartwright*, the decedent, at the time of her death, owned shares of three mutual funds.²⁰ The estate valued the mutual fund shares at the redemption or “bid” price: the price at which “a shareholder may receive is set by the Act at approximately the fractional value per share of the fund’s net assets at the time of redemption.”²¹ This amount is the value that the shareholder directly gets from the sale of its asset. The Commissioner, however, assessed a deficiency in the value of the shares, as that valuation was based on the public offering or “asked” price.²² The “asked” price, in addition to the fractional value of the net assets of the mutual fund, also includes a sales charge.²³ It is a fixed sales charge that goes directly to the fund’s principal underwriter and does not become part of the assets of the fund.²⁴ The Supreme Court decision²⁵ stated that the valuation procedure for mutual funds for estate taxes purposes²⁶ was invalid on the basis that the estate could never obtain that value and the mutual fund could not offer: it “imposes an unreasonable and unrealistic measure of value.”²⁷ The asking price of the mutual fund shares was not a realistic measure of true value for the estate; it was the measure of value for the buyer and thus the value of mutual funds is determined by the redemption price.²⁸

The sale of mutual fund shares for estate tax purposes is extremely similar to the issue brought up in *Scull*. Mutual funds and art are being valued on a public market. Art is sold at auction and the value, before premiums and applicable taxes, is the hammer price, which, for all intents and purposes, could also be called the redemption price. This value, however, is not the amount that is paid by the buyer. After the buyer’s premium (also known as a sales charge) is added to the hammer price, the final amount that the buyer pays is the sales price, which also could be called the current public offering (“asked”) price. Similar to the buyer’s premium, the sales charge is a percentage of the total value. With mutual fund shares, this percentage varies from fund to fund, ranging from seven and eight percent to one percent of the fractional value of the fund’s share.²⁹ Buyer’s premiums vary from country to country and range from 12 percent to 25 percent in New York.³⁰ The buyer’s premium is not a negligible amount.³¹ This is a much steeper percentage than what is paid on mutual funds.

Another extremely important similarity is that the sales load is born exclusively by the purchaser of the new shares—not by the seller.³² The only slight difference in the two situations, however, is that the sales charge is for payment of services to the fund’s underwriters who manage the assets, while the auction houses act only as inter-

mediaries that serve to transfer the assets. The similarities between the price structure of mutual funds and art are extensive, and with the growing view of art as an alternative asset class, art should be treated in the same way as mutual funds for estate taxes purposes. The buyer's premium, similar to the difference between asking and redemption price, should not be included in the value.

The key argument in *Cartwright* was based on the value reasonable and real. When determining the fair market value of art for estate tax purposes, and the value is determined by the selling price, the buyer's premium should not be included because it is not reasonable and it is not the reality for estates. The buyer's premium never passes through the hands of the estate; yet, it is an extra amount³³ that the IRS gets to collect on from a tax. The only motive for the IRS to do this is to take in more money. The buyer's premium is a mandatory load that cannot be avoided when works are sold at auction. One possible way to get around this is to use date-of-death appraisal values. However, this is a subjective value that could lead to more cases involving disagreements between the IRS and the estate as to what value to assign to the art works.

Fortunately, for some, but not all, estates, the buyer's premium, after the art works have been valued at hammer price plus buyer's premium, are actually deductible as an administrative expense.³⁴ What qualifies as a deductible administrative expense for federal estate tax purposes, however, is unclear.³⁵ It does however, boil down to whether the sale was necessary to "pay the decedent's debts, expenses of administration, or taxes; to preserve the estate; or to effect distribution."³⁶ While from an estate administrative point of view (for some estates) this takes care of the problem of buyer's premium. The foundation of the issue is the mandatory amount paid by a buyer that then the seller pays taxes on. Even if it is deducted, the value of the artwork is still valued for the estate at a higher amount than it should be. As the court *Scull* incorrectly based its decision on caselaw that was inapplicable in this instance, and since the buyer's premium is a buyer's, not a seller's expense, and a valuation that includes the buyer's premium creates an unreasonable and unrealistic value that the estate can never obtain, the buyer's premium should not be included when the sales price is used for the fair market value for estate tax purposes.

Endnotes

1. The winning bid for a lot at auction. It is the price upon which the auctioneer's hammer falls, determining the sale price and does not include the buyer's premium (or tax, if applicable). ("Auction Terms," *Sotheby's*, http://www.sothebys.com/help/ref/ref_liveterms.html#b4 (accessed February 16, 2010)).
2. *Estate of Scull v. Comm'r of Internal Revenue*, 67 T.C.M. (CCH) 2953 (1994).
3. Robert Scull was an influential Pop Art collector.
4. The Commissioner of the IRS determined that the value of the artwork was \$9,305,465, rather than the value of \$8,179,991, which

was listed on the original estate tax return. The fair market value of the decedent's 65% interest in the art collection (after his divorce to Ethel Scull) was \$7,550,794. The estate was also held liable for a late filing of the tax return.

5. With this, the total value of the art collection was calculated at \$12.2 Million. See http://www.ifar.org/case_summary.php?docid=1184271668.
6. *Id.* Ethel's share of the art collection was auctioned off at Sotheby's on November 10, 1986 for \$4.8 Million and the Estate's share was auctioned off the following two days for a total of \$8.6 Million. (*Estate of Robert C. Scull, Deceased, Thomas Epstein and Marie Dickson, Executors, Petitioner v. Commissioner of Internal Revenue, Respondent*. T.C. Memo 1994-211; 1994 Tax Ct. Memo LEXIS 209; 67 T.C.M. (CCH) 2953).
7. *Estate of Scull*, 67 T.C.M. (CCH) at 20.
8. *Id.* (quoting *Estate of Smith v. Commissioner*, 57 T.C. 650, 659 (2004)). Fair market value is "a term used frequently by appraisers referring to their judgment and opinion about an object's likely sale price if offered for sale by a willing seller to a willing buyer. Since the auction process is open to all bidders, a sale at auction is considered to be a measure of fair market value." See http://www.sothebys.com/help/ref/ref_liveterms.html#b4.
9. See *Estate of Scull*, 67 T.C.M. (CCH) 2953.
10. The buyer's premium may be built into the sales price, but is not calculated as a separate factor of the price.
11. See *Publicker v. Comm'r of Internal Revenue*, 206 F.2d 250 (1953).
12. JUDITH BRESLER AND RALPH E. LERNER, *ART LAW: THE GUIDE FOR COLLECTORS, INVESTORS, DEALERS, AND ARTIST* 1542 (P.L.I. Vol. 3 2005).
13. *Id.*
14. 26 C.F.R. § 20.2031-1(b) goes on to state: "[N]or is the fair market value of an item of property to be determined by the sales price of the item in a market other than that in which such item is most commonly sold to the public; taking into account the location of the item wherever appropriate. Thus, in the case of an item of property includable in the decedent's gross estate, which is generally obtained by the public in the retail market, the fair market value of such an item of property is the price at which the item or a comparable item would be sold at retail."
15. See John G. Steinkamp, *Fair Market Value, Blockage, and the Valuation of Art*, 71 DENV. U. L. REV. 335, 405 (1994) ("Art dealers also have a serious conflict of interest in valuing art. They 'have every reason to want to establish high price, since high art values are financially beneficial to collectors who, upon donation of artworks, can take maximum charitable deductions.' Dealers might also overvalue art in order to increase the prices of comparable works in their galleries.").
16. 26 C.F.R. 20.2032-1: "(a) *In general*. In general, section 2032 provides for the valuation of a decedent's gross estate at a date other than the date of the decedent's death. More specifically, if an executor elects the alternate valuation method under section 2032, the property included in the decedent's gross estate on the date of his death is valued as of whichever of the following dates is applicable:
 (1) Any property distributed, sold, exchanged, or otherwise disposed of within 6 months (1 year, if the decedent died on or before December 31, 1970) after the decedent's death is valued as of the date on which it is first distributed, sold, exchanged, or otherwise disposed of;
 (2) Any property not distributed, sold, exchanged, or otherwise disposed of within 6 months (1 year, if the decedent died on or before December 31, 1970) after the decedent's death is valued as of the date 6 months (1 year, if the decedent died on or before December 31, 1970) after the date of the decedent's death;

- (3) Any property, interest, or estate which is affected by mere lapse of time is valued as of the date of the decedent's death, but adjusted for any difference in its value not due to mere lapse of time as of the date 6 months (1 year, if the decedent died on or before December 31, 1970) after the decedent's death, or as of the date of its distribution, sale, exchange, or other disposition, whichever date first occurs."
17. Depending on the circumstances a seller's premium may also be included. It is paid by the seller to the auction house as a percent of the hammer price. See http://www.sothebys.com/help/ref/ref_liveterms.html#b4.
 18. Sometimes the seller's premium comes close to or is zero depending on how much the auction house wants to get the consignment and also how the contract is constructed between the seller and the auction house.
 19. "An alternative asset refers to any non-traditional asset with potential economic value that would not be found in a standard investment portfolio. For most people, examples of alternative assets would include art and antiques, precious metals, fine wines, rare stamps and coins, and other collectibles such as sports cards. However, to the very wealthy, hedge funds, venture capital-related projects and infrastructure could also be alternative assets. In either case, this type of assets tend to be less liquid than traditional investments. Thus, investors who favor alternative assets will have to consider a very long investment horizon." See <http://www.investopedia.com/terms/a/alternativeassets.asp>. Art is considered a real asset class. Art may be used as a hedge against inflation and is a great alternative asset particularly in periods of economic instability because it has the ability to hold most of its value. A real asset is a "physical or identifiable asset such as gold, land, equipment, patents, etc. They are the opposite of a financial asset. Real assets tend to be most desirable during periods of high inflation." See <http://www.investopedia.com/terms/r/realasset.asp>.
 20. *United States v. Cartwright*, 411 U.S. 546 (1973). The mutual funds in the *Cartwright* case were regulated by the Investment Act of 1940. "Created in 1940 through an act of Congress, this piece of legislation clearly defines the responsibilities and limitations placed on fund companies that offer investment products to the public. Enforced and regulated by the Securities and Exchange Commission, this act clearly sets out the limits regarding filings, service charges, financial disclosure and fiduciary duties of open-end mutual, exchange-traded and closed-end funds. It is the document that keeps investment companies in check." See <http://www.investopedia.com/terms/i/investmentcompanyact.asp>.
 21. *Cartwright*, 411 U.S. at 547. This definition comes from § 180a-2(a) (32).
 22. See *id.* This is pursuant to Treasury Regulation symbol 20.31-8(b). The Regulation was amended by T.D. 7319, 39 FR 26723, July 23, 1974 and based on the *Cartwright* Supreme Court decision. The regulation now states, "The fair market value of a share in an open-end investment company (commonly known as a "mutual fund") is the public redemption price of a share." 26 C.F.R. § 20.2031-8(b)(1).
 23. See *Cartwright*, 411 U.S. at 547.
 24. See *id.*
 25. The Supreme Court affirmed the decision of the United States Court of Appeals for the Second Circuit (*Cartwright v. United States*, 457 F.2d 567 (2d Cir. 1972)). This decision ended the conflict on this topic among several circuits. See Bresler and Lerner, *supra* note 12, at 1544.
 26. The valuation procedure can be found in 26 C.F.R. § 20.2021-8(b).
 27. Bresler and Lerner, *supra* note 12, at 1545.
 28. In addition to mutual funds, the Supreme Court, with the opinion delivered by Justice White, stated that "under [the willing buyer-willing seller test of fair market value], it is clear that, if the decedent had owned ordinary corporate stock listed on an exchange, its "value" for estate tax purposes would be the price the estate could have obtained if it had sold the stock on the valuation date, that price being, under Treas.Reg. § 20.2031-2(b), the mean between the highest and lowest quoted selling prices on that day." (*United States v. Cartwright*, Executor, 411 U.S. 546; 93 S. Ct. 1713; 36 L. Ed. 2d 528; 1973 U.S. Lexis 155; 73-1 U.S. Tax Cas. (CCH) P12,926; 31 A.F.T.R.2d(RIA) 1461). See <http://supreme.justia.com/us/411/546/case.html#F7>.
 29. *Id.* at 548.
 30. See http://www.sothebys.com/help/faq/faq_duringauction.html. New York: up to USD 50,000 – 25%; above USD 50,000 – USD 1,000,000 – 20%; above USD 1,000,000 – 12%; Wine – all amounts 21%.
 31. For example: 12% on a one million dollar piece is \$120,000 and with the federal estate tax rate at 45%, that is an additional \$54,000 paid in taxes by the estate as a result of the inclusion of buyer's premium. See <http://wills.about.com/od/understandingestatetaxes/a/estatetaxchart.htm>.
 32. *United States v. Cartwright*, Executor, 411 U.S. 546; 93 S. Ct. 1713; 36 L. Ed. 2d 528; 1973 U.S. Lexis 155; 73-1 U.S. Tax Cas. (CCH) P12,926; 31 A.F.T.R.2d(RIA) 1461.
 33. As previously mentioned, a percent that varies based on the amount of the hammer price.
 34. This deduction falls under the IRS Regulation Section 20.2053-3(d) (2).
 35. Further "the various circuit courts have reached different conclusions as to whether state or federal law determines what is a deductible administrative expense for federal estate tax purposes. Some have held that state law controls. Others have held that although state law is important, policy considerations require that federal regulations determine the issue." Bresler and Lerner, *supra* note 12, at 1547.
 36. "Estates incur selling expenses in disposing of works of art in an estate. Those expenses may be allowable expenses in the applicable state probate, but the IRS may still attempt to disallow the expenses because of the addition requirement under regulation section 20.2053-3(d)(2) that the expenses be necessary." *Id.* at 1650.

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Looking Through the *Lenz*: An Analysis of *Lenz v. Universal Music Corporation* and Its Impact on YouTube and the DMCA's Safe Harbor Provision

By Tracy J. Keeton

I. Introduction

On February 7, 2007, Stephanie Lenz posted to YouTube a 29 second video of her toddler son that featured him dancing to the Prince song "Let's Go Crazy."¹ Lenz posted this home video, entitled "Let's Go Crazy #1" to YouTube in order to "share it with family and friends."² The song was only audible for about 20 seconds and even then, the quality was poor.³ On June 4, 2007, the video was taken down by YouTube after the owner of the song's copyright, Universal Music Corp., sent YouTube a takedown notice pursuant to section 512 of the Digital Millennium Copyright Act (DMCA), alleging a copyright infringement by Lenz.⁴ On June 27, 2007, Lenz alerted YouTube that she felt that the video was a "fair use" of the Prince song and thus the video infringed on no copyright and should be re-posted. The video was re-posted by YouTube approximately six weeks later.⁵

Although Lenz's video was re-posted, and remains available for viewing on YouTube through the date of this article, Lenz decided to bring suit in federal court alleging misrepresentation on the part of Universal Music Corp. for issuing to YouTube a baseless takedown notice. The case, *Lenz v. Universal Music Corporation*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008), is still ongoing. The case has managed to arouse much discussion about the DMCA and section 512, its safe harbor provision, with the discussion specifically focusing on how the law is confusing and unsettled. In fact, it has been alleged that Universal Music Corp. continues to issue baseless takedown notices,⁶ and this is likely because both the public and the industry are unsure of how the safe harbor provision is meant to function.

The purpose of this article is to ease some of the confusion regarding the safe harbor provision of the DMCA as it pertains to YouTube. The first part focuses on the creation of the DMCA. The second section explores the safe harbor provision and its specific application to YouTube. The third part discusses in depth *Lenz v. Universal Media Corporation*,⁷ which is currently pending in the Northern District of California. The last part of this article analyzes the impact of *Lenz* and how it could shape future posting and flagging of user-uploaded content on YouTube.

II. The DMCA

A. Background and Creation

The Digital Media Copyright Act, codified in 17 U.S.C. § 1201, was passed by lawmakers in 1998 and was

signed into law by President Clinton on October 28, 1998.⁸ Broadly speaking, the DMCA is meant to prohibit the unauthorized circumvention of access controls and technologies utilized by copyright owners to protect their copyrighted materials from infringement.⁹ Looking specifically at Congressional intent, it seems that the DMCA was enacted for two main purposes: first, to implement the duties imposed on the United States by the World Intellectual Property Organization (WIPO) Copyright Treaty, and second, to appease copyright owners who feared that their intellectual property would be continually pirated in the new digital economy.¹⁰

The WIPO Copyright Treaty¹¹ is an international intellectual property protection treaty that was adopted by 88 countries, including the United States, on December 20, 1996.¹² Article 11 of the WIPO treaty, entitled "Obligations concerning Technological Measures," is the provision for which the DMCA was created to fulfill. The Article language is as follows:

Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.¹³

Article 11 requires "adequate legal protection" from circumvention procedures. Conversely, in a DMCA section entitled "Violations regarding circumvention of technological measures," the DMCA provides for a blanket prohibition of the same acts outlined in WIPO Article 11: "No person shall circumvent a technological measure that effectively controls access to a work protected under this title."¹⁴ Arguably, the DMCA went far beyond the requirements of the WIPO Copyright Treaty¹⁵ and does not fit in with the current digital economy due to its possible chilling effects on free speech and distorting effect on the fair use defense to copyright infringement claims.¹⁶

The second purpose to be served by the creation of the DMCA is to give greater copyright security to copyright holders. This desire for greater copyright protection was made clear by the lobbying efforts of many Hollywood Studios and their allies who "wanted [a] bill to protect its intellectual property from being infringed on a

massive scale.”¹⁷ Back in 1998 when the DMCA was created, its drafters and proponents were still unsure of what the digital economy would become, which was likely the motivation for the blanket and broad prohibition against circumvention of copyright protection.¹⁸

B. Substantive Prohibitions

The DMCA is split into five titles.¹⁹ Title I, for which the DMCA is best known, accommodates U.S. WIPO Copyright Treaty obligations. Title I prohibits two main actions: certain acts of circumvention of technological measures and some instances of distribution of tools and technologies used for circumvention.²⁰

The DMCA delineates two distinct types of technological measures that could be circumvented. The first type is measures that prevent unauthorized access to copyrighted work, and the second type is measures that prevent unauthorized copying of copyrighted work.²¹ The DMCA strictly prohibits circumvention of the first category of technological measures but not of the second category of technological measures: “No person shall circumvent a technological measure that effectively controls access to a work protected under this title.”²² Excluding the latter category from this statutory language allows for unauthorized copying in cases of fair use. Fair use, however, is not a defense to gaining unauthorized access to copyrighted materials,²³ and that is why circumvention of this measure is disallowed. An example of illegal circumvention is the defeat of the encryption system used on a DVD movie.²⁴

The DMCA also explicitly bans three categories of tools and/or services involved with circumventing technological measures meant to protect copyrighted material:

No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that-

(A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;

(B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or

(C) is marketed by that person or another acting in concert with that person with that person’s knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.²⁵

An example of something that would most likely violate this section of the DMCA is the sale of software meant to defeat CD copy protection technology or the reverse engineering and unlocking of an iPhone.²⁶

Violating the DMCA can result in criminal and/or civil penalties.²⁷ Civil actions may be brought in federal court. The DMCA gives a court the power to award equitable remedies and monetary damages not unlike those provided for by the Copyright Act, including statutory damages.²⁸ Although there is no *mens rea* requirement in the DMCA, egregious cases where the violation was willful and for purposes of financial gain or commercial advantage, imprisonment of up to 10 years is an available criminal penalty.²⁹

III. The Safe Harbor Provision

Title II of the DMCA creates a “safe harbor” provision, which effective December 5, 1999, limits liability for certain Internet Service Providers (ISPs) stemming from copyright infringement by their customers.³⁰ This provision, found in the “new” section 512 of the United States Copyright Act, may limit liability for ISPs based on four areas of conduct: transitory digital network communications; system caching; information residing on systems or networks at direction of users; and information location tools.³¹ In other words, “[i]f a service provider qualifies for the safe harbor exemption, only the individual infringing customers are liable for monetary damages; the service provider’s network through which they engaged in the alleged activities is not liable.”³²

An ISP must do several things to “qualify” for protection under the safe harbor provision. First and foremost, it must qualify as a “service provider” as defined in the relevant statutory text.³³ For the first possible limitation, dealing with transitory communications, “service provider” is defined somewhat narrowly, as “an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user’s choosing, without modification to the content of the material as sent or received.”³⁴ For the other three possible limitations, “service provider” is uniformly defined more broadly, as “a provider of online services or network access, or the operator of facilities therefor, and includes an entity described [for purposes of transitory communications].”³⁵ In addition, any ISP qualified as such under the first condition can only be protected by the safe harbor provision if it also:

(A) has adopted and reasonably implemented, and informs subscribers and account holders of the service provider’s system or network of, a policy that provides for the termination in appropriate circumstances of subscribers and account

holders of the service provider's system or network who are repeat infringers; and

(B) accommodates and does not interfere with standard technical measures.³⁶

Once a service provider has fulfilled the above three conditions, it *qualifies* for the protection of section 512, the DMCA safe harbor provision. However, to *receive* the statutory protection, the ISP must comply with the requirements of each limitations situation, depending on whatever the case may be.³⁷ For example, YouTube must comply with the specifications of 17 U.S.C. § 512(c), the provision dealing directly with “[i]nformation residing on systems or networks at direction of users.” The substance of this provision is very intricate, and has caused the majority of litigation between YouTube, its users, and copyright owners.

A. Relevance to YouTube, Generally

YouTube qualifies as a service provider under the safe harbor as a site that stores information at the direction of its users, or specifically, its “subscribers.”³⁸ Although YouTube explicitly states in its Community Guidelines that subscribers should only post videos that they are “authorized to use” and that they should “respect copyright,”³⁹ that is often not the case. Whether or not this is because subscribers of YouTube do not actually know what material qualifies as copyright protected, many infringing videos make their way to YouTube; thus, use of the safe harbor provision is rampant in the YouTube setting. Generally speaking, in order for YouTube to fully benefit from the protection, it must “expeditiously” take down or block allegedly infringing material once it has been noticed by a copyright holder of this infringing material.⁴⁰ The subscriber that uploaded the infringing material then has the right to issue a counter notice to YouTube, alleging that the material is in fact not infringing.⁴¹ YouTube must make the material available once more.⁴² The copyright holder then has a certain amount of time to decide whether to pursue a court ordered cease and desist type order against the subscriber of the content to have it removed for good.⁴³ What may seem like a simple back and forth is actually very complex, confusing, and time-consuming.

1. Takedown Procedures

A service provider generally is not liable for infringing material present on its website unless it has “actual knowledge” of the infringing activity. An ISP like YouTube has billions of videos posted on its website,⁴⁴ and it would be almost impossible at this point in the technological era to be able to detect every infringing video at the moment it is uploaded. To accommodate this reality, the DMCA permits copyright owners to instill the knowledge requirement in YouTube by allowing owners to issue YouTube a takedown notice.

When a copyright holder believes that its copyright is being infringed upon due to its presence on YouTube, the holder may issue a takedown notice to YouTube.⁴⁵ The takedown notice must include several things in order to be valid: name, address, and signature of complaining party; infringing material(s) and their internet location(s); sufficient information to identify the copyright; affidavit of a good faith belief by the owner that there is legal basis for use of materials complained of; and a statement of the accuracy of the notice.⁴⁶

If the takedown notice is valid, or in the rare case where YouTube itself discovers the infringing behavior, YouTube is presumed to have obtained knowledge or awareness of the infringing material,⁴⁷ and thus per the language in section 512(c)(1), it can only avoid liability if it “acts expeditiously to remove, or disable access to, the material.”⁴⁸ If the notice does not substantially comply with the takedown requirements, then it will not be considered in determining whether YouTube had the requisite knowledge of infringing material necessary to assume liability for copyright infringement.⁴⁹

After the takedown of the material, YouTube must then “promptly” notify the party who posted the allegedly infringing material that it has been removed or disabled. If YouTube has acted on a good faith basis that the material is infringing when removing the material, it cannot be liable to the subscriber “regardless of whether the material or activity is ultimately determined to be infringing.”⁵⁰

2. Counter Notification and Put-Back Procedures

In order to protect subscribers of YouTube who upload videos from fraudulent or erroneous takedown notices, the DMCA has extra safeguards found within.⁵¹ Section 512(g)(3) of the DMCA’s safe harbor provision allows the targets of takedown notices to issue a counter notice to the ISP, or in this case YouTube, requesting for the material to be made accessible again.⁵² The counter notice must “substantially” contain several pieces of information in order to be valid: the subscriber’s name, contact information, and signature; identification and location of the material prior to its removal; sworn statement that the video was removed by mistake or misidentification; and basis for a local federal court’s jurisdiction.⁵³

If the counter notice is valid, YouTube must promptly contact the issuer of the original takedown notice with a copy of the counter notice and with the information that YouTube will enable or put back the original video within 10 business days. YouTube must then replace the video “no less than 10, nor more than 14” business days after receiving the counter notice, unless YouTube receives notice that the issuer of the takedown notice has filed an action seeking a court order prohibiting the subscriber from further engaging in the infringing activity.⁵⁴ The copyright holder who issued the takedown notice may subpoena

YouTube to gain the contact information of the allegedly infringing subscriber in order to pursue legal action.⁵⁵ The information acquired from this subpoena may only be used to protect the intellectual property rights inherent to a copyright and no more.⁵⁶

3. Non-Compliance with the Safe Harbor Provision

An ISP like YouTube that does not comply with the directives of the safe harbor provision may be monetarily liable to a copyright holder. Moreover, a court may grant the following forms of injunctive relief against an ISP that is not entitled to receive limited liability for infringement by its subscribers due to its non-compliance with the Safe Harbor provision:

(i) An order restraining the service provider from providing access to infringing material or activity residing at a particular online site on the provider's system or network.

(ii) An order restraining the service provider from providing access to a subscriber or account holder of the service provider's system or network who is engaging in infringing activity and is identified in the order, by terminating the accounts of the subscriber or account holder that are specified in the order.

(iii) Such other injunctive relief as the court may consider necessary to prevent or restrain infringement of copyrighted material specified in the order of the court at a particular online location, if such relief is the least burdensome to the service provider among the forms of relief comparably effective for that purpose.⁵⁷

An ISP may altogether choose to refrain from availing itself of the protection in the safe harbor provision. In this case, the ISP would be subject to pre-DMCA copyright law. The ISP would thus likely be liable only under the theory of vicarious, or secondary, liability. This type of liability is contingent upon the adversary being able to prove that the individual subscriber had primary liability by posting infringing material. If the copyright holder could not prove infringement by the subscriber, then YouTube would not be liable. If the copyright holder could prove the underlying infringement, then it would have to prove that YouTube had the right and ability to control the infringer's activities, and also that it received a financial benefit from the infringing activity.⁵⁸ However, the ISP can still raise safe harbor provision defenses if sued, regardless of whether it actively attempted to comply with the delineated procedures.⁵⁹

Copyright holders and subscribers of allegedly infringing material may also violate the safe harbor provision by engaging in misrepresentation. A copyright owner may be non-compliant if the owner "knowingly materially misrepresents" that the subject material of the takedown notice is infringing when issuing a takedown notice.⁶⁰ The copyright owner may then be liable to the injured party for damages, including costs and attorney's fees, resulting from the misrepresentation and the subsequent removal of the material from the ISP.⁶¹ A subscriber may be liable for the same types of damages if the subscriber "knowingly materially misrepresents" in the counter notice that the material was removed by mistake or misidentification.⁶²

4. Compliance with the Safe Harbor Provision

If an ISP like YouTube complies with the safe harbor provision, it shall not be liable for monetary damages to the copyright owner or to the subscriber.⁶³ In some cases, however, a court may still issue one or both of the following injunctions against YouTube, even where it has complied with the requirements to successfully limit liability for copyright infringement by its subscribers:

(i) An order restraining the service provider from providing access to a subscriber or account holder of the service provider's system or network who is using the provider's service to engage in infringing activity and is identified in the order, by terminating the accounts of the subscriber or account holder that are specified in the order.

(ii) An order restraining the service provider from providing access, by taking reasonable steps specified in the order to block access, to a specific, identified, online location outside the United States.⁶⁴

This is the type of injunctive relief a court may order at the request of a copyright holder if a YouTube subscriber has issued a counter notification but the copyright owner still believes the video is infringing.⁶⁵

Another important but somewhat minor provision in the statutory scheme of the safe harbor provision is the "Accommodation of technology" requirement.⁶⁶ This is a condition of eligibility for an ISP with regard to the safe harbor provision.⁶⁷ This section requires an ISP to adopt and reasonably implement a policy that dictates the removal of accounts of repeat infringers, or in the case of YouTube, repeatedly infringing subscribers.⁶⁸

The YouTube policy dealing with this requirement is known to some as the three strike rule,⁶⁹ although a search on YouTube of the phrase "What Will Happen If You Upload Infringing Content" yields a more evasive answer of "Accounts determined to be repeat infringing-

ers may be subject to termination.”⁷⁰ The strikes are also sometimes referred to as “DMCA strikes,” where three unopposed takedown notices could result in the alleged infringing subscriber’s entire account being deleted.⁷¹ Whether this three strike rule is a reasonable implementation of YouTube’s copyright policy is seemingly still an open question.⁷²

IV. *Lenz v. Universal Music Corporation*

1. Procedural History

As discussed above in section I, the Electronic Frontier Foundation (EFF), on behalf of Stephanie Lenz, initiated suit against Universal Music Corp., Universal Music Publishing, Inc., and Universal Music Publishing Group (Universal) on July 24, 2007.⁷³ The first complaint, filed in the Northern District of California and assigned to Judge Jeremy Fogel, alleged that Universal misrepresented in its takedown notice that Lenz’ use of the Prince song was illegal and did not qualify as fair use.⁷⁴ Lenz also alleged tortious interference with her contract with YouTube, and requested a declaratory judgment that her “Let’s Go Crazy #1” video was not infringing upon Universal’s copyright.⁷⁵ She filed an amended complaint on August 15, 2007, which contained the same substantive causes of action and prayer for relief.⁷⁶ On September 21, 2007, Universal filed a motion to dismiss,⁷⁷ which was granted on April 8, 2008.⁷⁸

The motion to dismiss was granted as to Count I, misrepresentation, because Lenz argued the wrong knowledge requirement in her pleading. She argued that Universal “knew or should have known” that her “Let’s Go Crazy #1” video was not infringing.⁷⁹ The standard for misrepresentation, however, is actual knowledge, as was required by the United States Court of Appeals for the Ninth Circuit in *Rossi v. MPAA*.⁸⁰ In *Rossi*, the Ninth Circuit (which encompasses the Northern District of California) made clear that Congress intended for a misrepresentation claim under the safe harbor provision to be narrow and imposed only if there is a “knowing misrepresentation.”⁸¹ The *Rossi* court went on to acknowledge that the good faith basis necessary to issue a takedown notice is a subjective standard rather than an objective one.⁸² In its motion to dismiss, Universal contended that the standard Lenz alleged in her complaint was one of objectiveness that the Ninth Circuit had explicitly rejected.⁸³ Judge Fogel agreed with Universal, and granted its motion to dismiss this claim, but granted Lenz leave to appeal. As to Count II, the state law claim of interference with contract, the court also granted Lenz leave to amend. The declaratory judgment claim was denied because the Northern District lacked subject matter jurisdiction.⁸⁴

Lenz then took her leave to file a second amended complaint (SAC), which was filed on April 18, 2008.⁸⁵ The SAC contained only one count, namely, for misrepresentation.⁸⁶ Lenz alleged that Universal “knowingly

materially misrepresented” that the “Let’s Go Crazy #1” video infringed on Universal’s copyright in violation of 17 U.S.C. § 512(f).⁸⁷ She claimed that her use of the Prince song was “self-evident non-infringing fair use under 17 U.S.C. § 107.”⁸⁸ She also implied that Universal acted with bad faith in issuing the takedown notice because Universal was just trying to appease Prince, who did not want any of his music on the Internet, rather than actually having a good faith belief that the video was infringing.⁸⁹ Regarding damages, Lenz alleged that she was injured by the harm caused to her free speech rights and also by the financial and personal expenses associated with responding to this infringement claim. She further requested attorney’s fees pursuant to section 512(f) of the safe harbor provision.⁹⁰

Universal made a 12(b)(6) motion to dismiss the SAC on May 23, 2008.⁹¹ Universal alleged that the notice it sent to YouTube regarding the allegedly infringing activity by Lenz was required by YouTube’s terms of policy, and not by the DMCA.⁹² Universal contends that YouTube should not even be eligible for protection under the DMCA safe harbor.⁹³ Regardless of whether a court would agree with this argument, Universal contended that “Plaintiff’s section 512(f) claim still fails” because Universal did not knowingly misrepresent that Lenz’ video was infringing.⁹⁴

Universal claimed that Lenz’s allegation that her use of the Prince song was “self-evident fair-use” undermines her entire misrepresentation claim, because fair use is only an affirmative defense to an infringement claim.⁹⁵ It stated that the fact that Lenz claimed her video was fair use meant that she conceded that her use of the song was infringing, which would be a valid basis for Universal’s takedown notice.⁹⁶ Moreover, Universal asserted that fair use could never be “self-evident,” since the affirmative defense is meant to be an ad hoc analysis of the four factors found in 17 U.S.C. § 107.⁹⁷ Universal’s motion to dismiss was denied on August 20, 2008, in the only published decision of the case thus far.⁹⁸

This decision was significant for several reasons. First, it seemed to establish that fair use is more than an affirmative defense, and that it actually constitutes a lawful use of copyright. The *Lenz* court quoted the statutory language of the Copyright Act, and noted that section 107 “provides explicitly that ‘the fair use of a copyrighted work...is not an infringement of copyright.’”⁹⁹ Moreover, the court went on to state that the only way a copyright owner can proceed under the DMCA with a good faith basis that allegedly infringing material is not authorized by law is to evaluate the material and give “proper consideration” as to whether it classifies as fair use.¹⁰⁰ Interestingly, the language of this decision essentially discounted the contention by Universal in its motion to dismiss that it was not in fact proceeding under the DMCA.

Although the court decided that Lenz had a cognizable claim at the pleading stage for misrepresentation under the DMCA, it doubted that Lenz would be able to further prove that Universal acted with the subjective bad faith required by *Rossi v. MPAA* in order to succeed on the merits of the case.¹⁰¹ Although Universal may not have analyzed the fair use factors before it issued its takedown notice, under the language of this opinion, that is likely not enough to constitute actual bad faith in its issuance of the notice. In order to meet the bad faith standard required by *Rossi*, Lenz would have to prove that Universal was in fact acting solely in Prince's interest when issuing the notice without regard for whether the use of the song was lawful; i.e., fair use.¹⁰² The court also acknowledged that Lenz had an "alleged cognizable injury under the DMCA" and noted that she may, at a maximum, be entitled to nominal damages.¹⁰³

On September 30, 2008, Universal filed its Answer to the SAC, which included seven affirmative defenses: failure to state a claim, bad faith, no damages, estoppel, waiver, failure to mitigate, and unclean hands.¹⁰⁴ On February 25, 2010, Lenz was granted partial summary judgment to six of Universal's seven affirmative defenses—all but failure to mitigate.¹⁰⁵

A notable section of Judge Fogel's order granting partial summary judgment to the plaintiff dealt with damages. The court noted that it was an "issue of first impression" as to what types of damages are recoverable for a misrepresentation claim under section 512(f) of the DMCA safe harbor provision.¹⁰⁶ Both Lenz and Universal submitted different theories of damage calculations based on the following statutory language:

Any person who knowingly materially misrepresents under this section...shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged infringer, by any copyright owner or copyright owner's authorized licensee, or by a service provider, who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing, or in replacing the removed material or ceasing to disable access to it.¹⁰⁷

Lenz argued that the plain language of the statute, "any damages," means that "any harm whatsoever" is compensable.¹⁰⁸ She also compared the plain language in the DMCA provision to the plain language of the damages section in the Copyright Act, which compensates "actual damages."¹⁰⁹ In addition, she further argued that the "as a result" language in section 512(f) establishes a "but for" causation requirement, and not a proximate

cause requirement; further, that the language is meant to limit the type of plaintiffs who have standing under this section, but not limit the type of damages available to those plaintiffs.¹¹⁰ Lenz asserted that misrepresentation under the DMCA is not analogous to common-law misrepresentation, and thus this case should not be governed by the common law standard of *Dura Pharmaceuticals, Inc. v. Broudo*,¹¹¹ which requires both proximate cause and actual economic loss to prove damages.¹¹²

Universal disagreed with Lenz on just about every point. It contended that "actual damages" should be compared with "statutory damages," and not "any damages" since the first two are typical damages awarded for copyright infringement.¹¹³ Universal also argued that the "as a result" language establishes a proximate cause requirement; under Lenz' interpretation, she or any other similarly situated plaintiff could just go out and file suit to fulfill the damages element of a misrepresentation cause of action.¹¹⁴ Universal also quoted the Senate Report of the DMCA, and noted that it defined damages as those "'including costs and attorneys' fees, incurred by any of these parties as a result of the service provider's reliance upon the misrepresentation.'"¹¹⁵ Further, Universal contended that *Dura* should govern the instant case, and thus Lenz should have to prove substantial economic damages proximately caused by the misrepresentation.¹¹⁶

The *Lenz* court ultimately found merit in both parties' arguments. The court agreed with Lenz in finding that substantial economic injury is not necessary to prove damages under section 512.¹¹⁷ This is because of the onerous task on a plaintiff to prove the subjective bad faith requirement necessary under *Rossi*. The court noted that requiring a plaintiff to prove both bad faith and substantial economic injury would "vitiating the deterrent effect of the statute."¹¹⁸ The court sided with Universal on the causation requirement, however, and decided that "but for" was not the correct standard.¹¹⁹ Instead, it developed its own interpretation of the statutory language: "[A] § 512 plaintiff's damages must be proximately caused by the *misrepresentation to the service provider and the service provider's reliance on the misrepresentation*."¹²⁰ The court acknowledged that this standard may deter plaintiffs from going to court unless they have suffered a substantial economic or pecuniary injury as a result of a misrepresentation, but that this is not necessarily out of line with Congressional intent that section 512 cases stay out of the court system and instead be solved through the counter notice procedure.¹²¹

As far as recovering attorney's fees and costs under section 512, the court held that fees incurred for work responding to the takedown notice and prior to the initiation of the suit are recoverable. The fees incurred after the commencement of the litigation are governed by 17 U.S.C. § 505:

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

In the instant case, however, the EFF is representing Lenz pro-bono. The court stated that in order for Universal to survive the motion for summary judgment on the affirmative defense of "no damages," Ninth Circuit precedent required Universal to show that there is a triable issue as to whether Lenz assumed either of the following: (1) a noncontingent obligation to repay the fees advanced on her behalf at some later time; or (2) a contingent obligation to repay the fees in the event of their eventual recovery.¹²² Either of these obligations would show that Lenz "incurred" attorney's fees.¹²³

The court stated that Universal would have show that there was a genuine issue of material fact as to all types of recoverable damages.¹²⁴ The court duly noted that Universal could not show that there was a genuine issue of triable fact as to whether Lenz incurred *some* damages as a result of her pre-litigation activities.¹²⁵ Thus, Lenz's summary judgment motion was granted as to the affirmative defense of no damages.¹²⁶ The court did not actually acknowledge whether Universal had shown that there was a triable issue regarding the pro-bono attorney's fees. That issue was brushed aside, since the court found that Lenz had incurred some damages through her own actions in responding to the takedown notice and engaging in other pre-litigation activities.

On October 18, 2010, Lenz filed a motion for summary judgment.¹²⁷ In her motion, Lenz argued that Universal "failed to form a good faith basis"¹²⁸ that the video was infringing and that at a minimum, recklessly disregarded whether the video was fair use and chose to be "willfully blind" to the possibility. Lenz heavily relied on the Order of Judge Fogel granting her partial summary judgment almost two years earlier; namely, the language that requires a copyright holder to give proper consideration to a fair use analysis before issuing a DMCA takedown notice.¹²⁹ Lenz then analyzed the four fair use factors to illustrate how her use of the Prince song was lawful, because it was "self-evident fair use."¹³⁰ Lenz further stated that "[i]f a defendant can establish subjective good faith through willful blindness to law or fact, this would eviscerate the protections Congress created in section 512(f)."¹³¹ For damages, she requested \$1,337.50 in costs plus nominal damages for abridgment of her right to free speech.¹³²

Universal also submitted a motion to dismiss on October 18, 2010.¹³³ Universal's main contention was that nowhere in section 512 does it require a copyright holder

to do a fair use analysis *ex ante*.¹³⁴ Moreover, Universal contended that even if it had to abide by Judge Fogel's holding that allegedly infringing material must be given "proper consideration" for fair use, Universal complied with that.¹³⁵ Utilizing all of the factors known to it at the time, Universal believed that the material was infringing. Additionally, Universal stated that there was no such thing as "self evident fair use" and that the plaintiff herself even acknowledged several times that her video was *not* fair use.¹³⁶ For example, Lenz publicly blogged [about her "Let's Go Crazy #1" video]: "Mine's not a fair use case at all."¹³⁷

Moreover, Universal argued that actual knowledge was the standard necessary to fulfill the bad faith requirement, and discounted Lenz's willful blindness argument.¹³⁸ Universal reiterated that Lenz sustained no economic damages as a result of the alleged misrepresentation and thus had no claim under section 512.¹³⁹

2. Questions Raised by Lenz

A. Is YouTube Even Covered by the DMCA Safe Harbor Provision?

While the parties in *Lenz* were set to meet for a hearing on February 8, 2011,¹⁴⁰ an issue raised by Universal in its motion for summary judgment in that case is currently being litigated in the Second Circuit, namely, whether YouTube should even be included in the protection of the DMCA safe harbor. On December 3, 2010, Viacom¹⁴¹ filed an appeal in the case of *Viacom v. YouTube*,¹⁴² a case where at trial, the Southern District of New York found that YouTube was covered by the safe harbor exception and could not be liable for knowledge of generally infringing activity occurring on the site.¹⁴³

In its appeal, Viacom contends that YouTube is "aware of facts or circumstances from which infringing activity [is] apparent," which violates the statutory language of 17 U.S.C. 512(c)(1)(A):

(c) Information residing on systems or networks at direction of users.—

(1) In general.—A service provider shall not be liable for monetary relief, or, except as provided in subsection (j), for injunctive or other equitable relief, for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider—

(A)(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;

(ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or

(iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material....¹⁴⁴

The district court in *Viacom* rejected this argument, stating that YouTube would have to know the specific location of the infringing material, and be able to identify the specific infringement in order to have the requisite “awareness” to violate the statute. In its motion to dismiss at the trial phase, Viacom argued that this requirement would nullify the distinction between the “actual knowledge” and the “awareness” language contained in the statute.¹⁴⁵

In its appeal, Viacom quoted correspondence from YouTube’s founders who estimated that 60 percent of YouTube’s videos contained infringing content. Moreover, the founder himself allegedly stated that “blatantly illegal” infringement was rampant on YouTube.¹⁴⁶ In the alternative, Viacom also argued that YouTube was willfully blind to the infringement, and that this should rise to the level of knowledge.¹⁴⁷ According to Viacom, the willful blindness was evident in YouTube’s limited implementation of filtering technology¹⁴⁸ and its removal of a community “flagging” mechanism¹⁴⁹ that targeted copyright.¹⁵⁰

However, the awareness argument loses some merit when compared to the legislative history of the DMCA. Congress was clear that the DMCA does not require ISPs to “police” their websites,¹⁵¹ and Viacom’s argument that general awareness of infringing activity is enough to constitute liability would force YouTube to do just that. If a court agreed with Viacom, and YouTube does not have knowledge of an actual specific infringing video, it will literally have to be on the hunt for infringing content due to its general awareness that subscribers post infringing content to the site. Otherwise, YouTube would be in violation of section 512(c)(1)(A)(iii), which requires it to “expeditiously” remove infringing content of which the ISP is aware.

The willful blindness argument would probably also fail. Requiring YouTube to activate a community flagging application for copyright infringements or to scan every video *sua sponte* for copyright infringements would basically defeat the purposes of the DMCA. The purpose of the safe harbor provision is to protect ISPs and not copyright holders.¹⁵² YouTube is protected by the safe harbor provision against liability from subscribers for taking down their videos since it is only responding to copyright owners’ requests, and the burden of identifying an infringement in good faith is on the copyright owner.

If YouTube had to implement software that would electronically remove all allegedly infringing material based on its metadata, it would technically be deviating from the terms of the safe harbor provision and could be liable to the subscribers if it mistakenly removes un-infringing material. Moreover, a video could be doctored so slightly that the identification software could miss it, but enough so that any viewer could enjoy the full benefit of the infringement. This could prompt a copyright owner to come after the ISP for failing to “reasonably implement” its policy that provides for termination of the infringing content, which is required by section 512. The only way to avoid this would be to have a “human” double check every removal, which would be too much of an administrative and fiscal burden on YouTube. Most importantly, the DMCA does not place any affirmative duty on an ISP to implement measures that would patrol for copyright infringement.¹⁵³ Imposing such a burden on YouTube would go against express Congressional intent.

Separate and distinct from the knowledge argument, Viacom argued that YouTube cannot be protected by the safe harbor provision because through its right to control and actual control of the site, it “profits from its users infringement” which violates 17 U.S.C. § 512(c)(1)(B) (“[a] service provider shall not be liable for monetary relief... if the service provider... (B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity....”).¹⁵⁴ Most of the argument focuses on the fact that YouTube does have “right and control,” because as the district court held that YouTube did not have actual control over the site, the lower court did not address the profit argument.¹⁵⁵ However, if “right and control” is established, there would be a strong argument that YouTube does profit from infringing activity: although it claims that it only allows ads to run on videos that are cleared of any infringement, the homepage of YouTube, which is what all subscribers see when they log on to the site, does feature ads.¹⁵⁶

B. Can YouTube Force a Copyright Holder to Proceed Under the DMCA?

In its motion to dismiss the SAC in *Lenz v. Universal Music Corporation*, Universal contended that when it issued YouTube a takedown notice concerning “Let’s Go Crazy #1,” it was not proceeding under the DMCA, but rather that it was merely abiding by the Terms of Service provided for by YouTube.¹⁵⁷ However, YouTube’s Terms of Service procedure for copyright infringement directly follows the safe harbor provision. The instructions even refer users with additional questions about the process to the U.S.C. section of the safe harbor.

YouTube is not alone in its decision to implement the safe harbor provision in its own policy for dealing with copyright infringement. In fact, most other major U.S. websites that host user generated content have done

the same thing, sites such as Amazon, AOL, CNN, eBay, Facebook, Google, and MySpace.¹⁵⁸ Interestingly, some legal scholars believe that it would actually be a breach of fiduciary duty to not include the safe harbor requirements in a company's copyright infringement policy.¹⁵⁹

Thus, it is almost impossible for a copyright holder such as Universal to avoid proceeding under the safe harbor provision when issuing an infringement notice to YouTube or any other similarly situated website. The only alternative would be to go after the individual infringers one by one. There are at least two drawbacks to this option, however.¹⁶⁰ First, it would be completely subverting the purpose of the DMCA, which is meant to facilitate cooperation among an ISP, its users and copyright holders by keeping all of the parties out of the court system and within the safe harbor's notice and takedown procedures.¹⁶¹ Second, it would be a fiscal impossibility.¹⁶² Litigating every individual claim would be expensive and time consuming, especially for a typical copyright holder that is not a multi-billion dollar entity, like Universal. This is evident in the fact that in the time immediately preceding the case of *Viacom v. YouTube*, Viacom alleged that there were over 100,000 videos posted on YouTube that infringed on its copyrights.¹⁶³ To take each alleged infringer to court would be out of the question.

It appears that Universal's argument that it was not proceeding under the DMCA has no merit. If YouTube has incorporated the safe harbor provisions into its own policy in order to protect itself, the only option Universal has is to either face liability for misrepresentation if it in bad faith fails to give proper consideration to whether a video is fair use, or to forgo its right to pursue the infringer altogether.¹⁶⁴ This latter option does not seem like such an equitable alternative for copyright holders such as Universal, but the safe harbor provision is primarily meant to protect ISPs from liability, and is not meant to allow copyright holders to alienate years of copyright law, namely, by refusing to consider fair use as a valid use of a copyrighted work.

C. What Does "Proper Consideration" Mean?

In *Lenz*, Judge Fogel found that a copyright holder must give "proper consideration" to whether an otherwise infringing video posted on YouTube is actually fair use. If a copyright holder in bad faith refuses to do this, and issues a takedown notice anyway, it will be liable to the subscriber for misrepresentation. Assuming this standard is upheld in any future appeals, the question becomes: what does "proper consideration" mean?

At the very least, proper consideration means that a copyright holder cannot simply set up an automated system that scans metadata of videos posted on YouTube and then issues takedown notices for videos flagged by the system. That is because this system cannot account for fair use of the video: it cannot determine whether the

copyrighted material is being parodied, commented upon or criticized, for example—uses that are generally considered to be fair use under the Copyright Act.¹⁶⁵ This means that a human would have to double check every video flagged by its identification software to see if it might qualify as fair use. This notion creates an interesting paradox proposed by Universal, but one which will not hold up in court: Universal believes that the proper consideration analysis is an added burden on the copyright owner that is not required by the DMCA, but it contends that YouTube should be fully implementing Video Identification Technology, which appears to be an affirmative burden to police its website—a duty that is not required by the DMCA.

Furthermore, since fair use is inherently a legal concept, does this mean that the person reviewing the videos must be a lawyer, or will a layperson receiving some form of training on how to spot fair use suffice? In *Lenz*, the video at issue was allegedly reviewed by a human. Universal claimed in its motion that Mr. Sean Johnson, an assistant in the legal department, was designated as the "YouTube person," and he reviewed the video "Let's Go Crazy #1" before the takedown notice was sent to YouTube. In fact, Universal contends that Mr. Johnson reviewed it twice to make sure that issuing a takedown notice was the correct course of action: Mr. Johnson stated that because the video contained the name of the Prince song "Let's Go Crazy," the video focused on the baby reacting to the music, and the music could be heard "right off the bat," he deemed the video to be infringing. The *Lenz* court was presumably aware of these facts, yet failed to mention whether this would qualify as proper consideration. The court did acknowledge that *Lenz* would be unlikely to prove that Universal had the requisite bad faith, but did not find whether Mr. Johnson's review of the video amounted to proper consideration and thus there would be no need to find bad faith, because he complied with the takedown procedure. Perhaps this is a question for a finder of fact, as to whether credit should be given to Mr. Johnson's testimony.

It seems that the only way to maintain the integrity of the DMCA is to find "proper consideration" as a low burden, especially since the responsibility of a claimant to prove bad faith in the opposing party is so great. This is in line with the language of Judge Fogel's opinion, that a "full investigation" of whether the video is fair use is not required.¹⁶⁶ Moreover, this would keep the respective duties of the parties more even, since technically in the future this burden could be explicitly or implicitly held to apply to subscribers—that they too must give proper consideration to whether their videos are fair use before issuing counter notices, rather than issuing them blindly in hopes of having their videos re-posted as soon as possible without regard for the law.

An available aid in a "proper consideration" analysis would be to encourage subscribers to give a brief synop-

sis of the basis of their videos. For example, a subscriber could explain or describe in its video's subtitle his or her good faith belief that the video is not infringing. Perhaps a subscriber could put a reviewer of the video on notice that it is a parody. Moreover, this type of action could encourage subscribers to research and become more familiar with copyright laws in order to maximize the possibility that their videos will not be infringing. This, in turn, will benefit copyright owners and help them protect their intellectual property rights in this digital age, which is one of the main purposes behind the DMCA, after all.

V. Conclusion

The facts presented in *Lenz v. Universal Music Corporation* show that a claim for misrepresentation under the DMCA safe harbor can exist after just one takedown notice referencing a 29-second YouTube video. Moreover, the case has established that substantial economic injury is not a requirement to bring suit for misrepresentation under the safe harbor. The court did acknowledge, however, how difficult it would be for Lenz specifically to succeed on the merits due to her probable inability to prove the requisite bad faith by Universal in using its takedown notice. It is likely that a plaintiff with a different set of facts could succeed on a misrepresentation claim. Lenz's comments about her video may have damaged any chance she had at proving bad faith on the part of Universal. There may be another situation in the future, however, where fair use is so clear that there would be no other explanation for flagging it other than bad faith by the copyright holder. Additionally, future decisions involving similar facts will hopefully clear up confusion on whether YouTube is actually covered under the safe harbor, whether there is a way for a copyright holder to avoid the safe harbor, and what "proper consideration" a copyright holder must give to a video in order to be protected under the safe harbor. Until then, however, we are left to ponder the questions created by this case...but "Let's [not] Go Crazy" over them.

Endnotes

1. *Lenz v. Universal Music Corp.*, 572 F.Supp.2d 1150, 1151–52 (N.D. Cal. 2008).
2. *Id.* at 1152.
3. *Id.*
4. *Id.*
5. *Id.*
6. Electronic Frontier Foundation, *Lenz v. Universal*, <https://www.eff.org/cases/lenz-v-universal> ("Last May, UMPG's parent company, Universal Music Group, sent a baseless copyright takedown demand to YouTube for a video podcast by political blogger Michelle Malkin. That video was quickly reposted after Malkin fought back.").
7. 572 F.Supp.2d 1150 (N.D. Cal. 2008).
8. David Kravets, *10 Years Later, Misunderstood DMCA is the Law that Saved the Web*, WIRED, Oct. 27, 2008, <http://www.wired.com/threatlevel/2008/10/ten-years-later/>.
9. See Patricia Samuelson, *Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need to be Revised*, 14 BERKELEY TECH. L. J. 519, 521 (1999).
10. Electronic Frontier Foundation, *Unintended Consequences: Twelve Years Under the DMCA*, Mar. 2010, https://www.eff.org/wp/unintended-consequences-under-dmca#footnoteref4_24z5sgr.
11. WIPO Copyright Treaty, Dec. 20, 1996. A PDF version can be found at: http://www.wipo.int/export/sites/www/treaties/en/ip/wct/pdf/trtdocs_wo033.pdf.
12. World Intellectual Property Organization (WIPO), About WIPO, http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=ANY&end_year=ANY&search_what=C&treaty_id=16.
13. See *supra* note 11, art. 11.
14. 17 U.S.C. § 1201(a)(1)(A) (1999).
15. See Samuelson, *supra* note 9, at 522.
16. See Electronic Frontier Foundation, *supra* note 10.
17. See KRAVETS, *supra* note 8.
18. See SAMUELSON, *supra* note 9, at 524. "Congress did not anticipate Web 2.0 business models and the proliferation of creative content on 'user-generated content' websites." See Samantha Schmidt, *What Does YouTube Know?*, CASRIP NEWSLETTER (University of Washington School of Law, Seattle WA) Summer 2007.
19. The Digital Millennium Copyright Act of 1998—United States Copyright Office Summary, Dec. 1998, at 1, available at <http://www.copyright.gov/legislation/dmca.pdf> [hereinafter Copyright Act].
20. See Electronic Frontier Foundation, *supra* note 10.
21. See Copyright Act, *supra* note 19, at 3–4 (emphasis in original).
22. 17 U.S.C. § 1201(a)(1)(A) (1999).
23. Copyright Act, *supra* note 19, at 4 (emphasis added).
24. Kravets, *supra* note 8, at 2.
25. 17 U.S.C. § 1201(a)(2)(A)-(C) (1999). There are six exceptions to this otherwise general rule: educational institution, reverse engineering, encryption research, protection of minors, personal privacy, and security testing. 17 U.S.C. § 1201.
26. Kravets, *supra* note 8, at 2–3.
27. *Id.* at 2.
28. See Copyright Act, *supra* note 19, at 7.
29. *Id.*
30. See generally 17 U.S.C. § 512 (1999).
31. See Copyright Act, *supra* note 19, at 8.
32. Chilling Effects Clearinghouse, Frequently Asked Questions (and Answers) about DMCA Safe Harbor, <http://www.chillingeffects.org/dmca512/faq>.
33. See Copyright Act, *supra* note 19, at 9.
34. *Id.*
35. *Id.*
36. 17 U.S.C. § 512(i) (1999).
37. See Copyright Act, *supra* note 19, at 11.
38. See 17 U.S.C. § 512(c). See also Cattleya M. Concepcion, *Beyond the Lens of Lenz: Looking to Protect Fair Use During the Safe Harbor Process Under the DMCA*, 18 GEO. MASON L. REV. 219, 229 (Fall 2010).
39. YouTube.com, Community Guidelines, http://www.youtube.com/t/community_guidelines.
40. See Copyright Act, *supra* note 19, at 12.
41. *Id.*

42. *Id.*
43. *Id.*
44. YouTube.com, About YouTube, http://www.youtube.com/t/fact_sheet ("People are watching 2 billion videos a day on YouTube and uploading hundreds of thousands of videos daily. In fact, every minute, 24 hours of video is uploaded to YouTube.").
45. See Copyright Act, *supra* note 19 at 12. Takedown notices may also be retracted by the issuer. See, e.g., Michelle Malkin, *UMG & YouTube retreat over Akon report*, MICHELLEMALKIN.COM (May 14, 2007) <http://michellemalkin.com/2007/05/14/umg-youtube-retreat-over-akon-report/> ("In response to your DMCA counter-notification, Universal Music Group has retracted its copyright claim with respect to the following videos..."). This is most likely to allow for corrections of erroneous notices. However, it could also be beneficial for a less legalized purpose, especially in the context of YouTube's three strike policy, see *infra* section (III)(A) (4). For example, a celebrity with a popular YouTube page who has just received a third DMCA take-down notice from MTV Networks could plead with the Network to rescind the third notice. This would enable that celebrity to keep his or her YouTube page. MTV Networks could choose to rescind at its own discretion.
46. Chilling Effects Clearinghouse, *supra* note 32.
47. *Id.* YouTube could discover potentially infringing material on its own through its Video ID software. See YouTube.com, Copyright Overview, available at http://www.youtube.com/t/dmca_policy.
48. 17 U.S.C. § 512(c)(1)(A)(iii) (1999).
49. § 512(c)(3)(B)(i).
50. § 512(g)(1).
51. See Copyright Act, *supra* note 19, at 12.
52. *Id.*
53. § 512(g)(3)(A)–(D).
54. § 512(g)(2)(C).
55. § 512(h).
56. Chilling Effects Clearinghouse, *supra* note 32. Interestingly, DMCA subpoenas cannot be used to identify individuals engaged in peer to peer file sharing, since this activity is not subject to the takedown/counter notice procedures. See Recording Industry Assoc. of America v. Verizon Internet Svcs., Inc., 351 F.3d 1229, 1231 (D.C. Cir. 2003).
57. 17 U.S.C. § 512 (j)(1)(A)(i)–(iii) (1999).
58. Chilling Effects Clearinghouse, *supra* note 32.
59. See 17 U.S.C. § 512(l) (1999).
60. § 512(f).
61. See *id.*
62. See *id.*
63. § 512(a).
64. § 512(j)(B)(i)–(ii). In considering whether to grant an injunction, courts must weigh the burden it would place on the ISP, the degree of harm the copyright owner would suffer without it, and the feasibility of narrowly tailoring the injunction so as not to affect non-infringing material. § 512(j)(2). ISPs are generally entitled to notice and an opportunity to respond before courts may issue an injunction on them.
65. R. Polk Wagner, *DMCA's Safe Harbor Is Dangerous For Business*, http://www.law.upenn.edu/blogs/polk/ip/archives/2007/02/dmcas_safe_harb.html.
66. § 512(i)(1).
67. *Id.*
68. § 512(i)(1)(a).
69. Mike Masnick, *YouTube's Three Strikes Rule Hits Again; Dance Company Has Over 300 Videos Taken Down*, TECHDIRT, July 15, 2010, <http://www.techdirt.com/articles/20100714/02491510209.shtml> ("If you get a DMCA notice, it can count as a "strike" against you, and when you hit three strikes, your entire account can be suspended.").
70. YouTube Help, What Will Happen if You Upload Infringing Content, <http://www.google.com/support/youtube/bin/answer.py?hl=en&answer=143456>.
71. *Is YouTube's three-strike rule fair to users?*, BBC WORLD NEWS AMERICA, May 21, 2010, http://news.bbc.co.uk/2/hi/programmes/click_online/8696716.stm ("The company operates a three-strike policy so a user is removed from their site after three complaints by copyright holders.").
72. *Viacom Int'l, Inc. v. YouTube*, 718 F.Supp.2d 514, 527–28 (S.D.N.Y. 2010) ("YouTube has implemented...a three-strike" repeat infringer policy....[t]hat YouTube counts as only one strike against a user both (1) a single DMCA take-down notice identifying multiple videos uploaded by the user, and (2) multiple take-down notices identifying videos uploaded by the user received by YouTube within a two-hour period, does not mean that the policy was not "reasonably implemented.").
73. See *Lenz v. Universal Music Corp.*, 572 F.Supp.2d 1150 (N.D. Cal. 2008).
74. See Complaint at 4, *Lenz v. Universal Music Corp.*, No. CV 07-03783 (N.D. Cal. July 24, 2007).
75. *Id.* at 4–5.
76. See Amended Complaint, *Lenz v. Universal Music Corp.*, No. CV 07-03783, 2007 WL 2888482 (N.D. Cal. Aug. 15, 2007).
77. See Defendant's Motion to Dismiss, *Lenz v. Universal Music Corp.*, No. CV 07-03783, 2007 WL 3232293 (N.D. Cal. Sep. 21, 2007).
78. See Order Granting Defendant's Motion to Dismiss, *Lenz v. Universal Music Corp.*, No. CV 07-03783, (N.D. Cal. Apr. 8, 2008).
79. *Id.* at 3, 5.
80. 391 F.3d 1000, 1004–05(9th Cir. 2004).
81. *Id.*
82. See *Lenz*, Order Granting Defendant's Motion to Dismiss at 4 (quoting *id.*) ("The court held that the 'interpretive case law and the statutory structure [of the DMCA] support the conclusion that the 'good faith belief' requirement...encompasses a subjective, rather than objective, requirement.'").
83. See *id.*
84. See *id.*
85. Second Amended Complaint, *Lenz v. Universal Music Corp.*, No. CV 07-03783, 2008 WL 2810556 (N.D. Cal. Apr. 18, 2008).
86. *Id.* at 6.
87. *Id.* at 7.
88. *Id.* at 6.
89. *Id.* at 5–6.
90. *Id.* at 7.
91. Motion to Dismiss Plaintiff's Second Amended Complaint, *Lenz v. Universal Music Corp.*, No. CV 07-03783, 2008 WL 2242356 (N.D. Cal. May 23, 2008).
92. *Id.* at 6. Under YouTube's Terms of Service and Content Manager sections, it provides the DMCA safe harbor process as the way for a copyright holder to notify YouTube of infringing material. Under "Content Manager-Copyright Infringement Notification," for example, YouTube lists the requirements needed for the infringement notice (which are identical to those in DMCA section 512(c)(3)), and in parentheses suggests that copyright holders consult the DMCA to confirm the requirements.

93. *Id.*
94. *Id.* at 7.
95. *Id.* at 9.
96. *Id.*
97. See *id.* The four factors are: purpose and character of use; nature of copyright; amount and substantiality of taking; and effect on market value. See 17 U.S.C. § 107(1992).
98. *Lenz v. Universal Music Corp.*, 572 F.Supp.2d 1150 (N.D. Cal. 2008).
99. 17 U.S.C. § 107 (1992). The *Lenz* court also quoted Supreme Court precedent on this issue: “[a]nyone...who makes a fair use of the work is not an infringer of the copyright with respect to such use.”). *Id.* at 1155 n.4 (quoting *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 433 (1984)).
100. See *Lenz*, 572 F.Supp.2d at 1155.
101. *Id.* at 1156.
102. See *id.*
103. *Id.* at 1157.
104. Answer, at 6–7, *Lenz v. Universal Music Corp.*, No. CV 07-03783, 2008 WL 4565838 (N.D. Cal. Sept. 30, 2008).
105. See Order Granting Partial Summary Judgment, *Lenz v. Universal Music Corp.*, No. C 07-3783 (N.D. Cal. Feb. 25, 2010).
106. *Id.* at 11.
107. 17 U.S.C. § 512(f) (1999).
108. See Order Granting Partial Summary Judgment, *supra* note 105, at 11.
109. *Id.*
110. *Id.* at 12.
111. 544 U.S. 336 (2005).
112. See Order Granting Partial Summary Judgment, *supra* note 105, at 13.
113. *Id.* at 12.
114. *Id.*
115. *Id.* at 13 (quoting S. REP. NO. 105-190, at 49).
116. See *id.* at 13.
117. *Id.* at 14.
118. *Id.*
119. *Id.*
120. *Id.* (emphasis in original).
121. See *id.* at 14–15 (quoting Laura Quilter & Jennifer M. Urban, *Efficient Process or “Chilling Effects”? Takedown Notices Under Section 512 of the Digital Millennium Copyright Act*, 22 SANTA CLARA COMPUTER & HIGH TECH L.J. 621, 631 (2006)).
122. See Order Granting Partial Summary Judgment, *supra* note 105, at 16 (quoting *Morrison v. C.I.R.*, 565 F.3d 658, 662 (9th Cir. 2009)).
123. *Morrison*, 565 F.3d at 662.
124. See Order Granting Partial Summary Judgment, *supra* note 105, at 16.
125. *Id.*
126. *Id.*
127. Plaintiff’s Motion for Summary Judgment, *Lenz v. Universal Music Corp.*, No. C 07-3783 (N.D. Cal. Oct. 18, 2010). The public copy is heavily redacted and at times hard to follow.
128. *Id.* at 8.
129. *Id.*
130. *Id.* at 12–15.
131. *Id.* at 19.
132. *Id.* at 23.
133. Defendant’s Motion for Summary Judgment, *Lenz v. Universal Music Corp.*, No. C 07-3783 (N.D. Cal. Oct. 18, 2010).
134. *Id.* at 2.
135. *Id.* at 3.
136. *Id.* at 2.
137. *Id.* Additionally, at a September 2009 deposition, when *Lenz* was asked, “Do you think anyone watching the video would have had to have known that it was fair use?,” she replied, “In my opinion, some people may have thought it was infringing, some wouldn’t.”) *Id.* at 11.
138. See *id.* at 13.
139. *Id.* at 23–24.
140. See Calendar for Northern District of California Magistrate Judge Howard R. Lloyd, <http://www.cand.uscourts.gov/CEO/cfd.aspx?71BN#top>. A hearing was originally scheduled for December 10, 2010 (see *Mom Asks Court to Declare Universal Violated Law in “Dancing Baby” Case*, ELECTRONIC FRONTIER FOUNDATION, <https://www.eff.org/deeplinks/2010/10/eff-asks-court-declare-universal-violated-law>), but at time of publication there was no record that a hearing occurred on that date.
141. Viacom owns MTV Networks (MTV, VH1, Nickelodeon, Comedy Central, etc.), BET Networks, and Paramount, to name a few of its brands.
142. *Viacom Int’l, Inc. v. YouTube*, 718 F.Supp.2d 514, 527–28 (S.D.N.Y. 2010).
143. See *id.* If the Second Circuit reverses the lower court’s decision and finds that YouTube is not privy to the protection of the safe harbor, however, this is not controlling on the Northern District of California, where *Lenz* is currently pending.
144. See Appellant’s Appellate Motion at 23, *Viacom International, Inc. v. YouTube*, Dec. 3, 2010, PDF available at <http://www.docstoc.com/docs/64929151/youtube-appeal>.
145. *Id.* at 27.
146. *Id.* at 34, 40.
147. *Id.* at 34.
148. *Id.* at 36–37. YouTube allegedly possessed identification software that could realize audio copyright at the moment of upload, but YouTube only offered it to copyright holders who granted YouTube a license for their copyrights. *Id.*
149. *Id.* at 36. Community flagging mechanisms allowed YouTube subscribers to flag each other’s videos for various forms of prohibited content, in this case, copyright infringement. This type of flagging was apparently only in use for two weeks, in September of 2005. *Id.*
150. *Id.* at 36–37.
151. See Kevin C. Hormann, *The Death of the DMCA? How Viacom v. YouTube May Define the Future of Digital Content*, 46 Hous. L. REV. 1345, 1365 (2009) (“Ultimately, YouTube does not have an affirmative duty to police the content uploaded by its users, no matter how rampant the infringement may be.”).
152. See *id.* at 1347–48.
153. See Hormann, *supra* note 151.
154. See Appellant’s Appellate Motion, *supra* note 144, at 40.
155. See *id.* at 18. While the right and control argument is questionable, the profit argument is strong: “The YouTube business model is based on generating advertising revenue, as there are no fees to upload video clips or to view these clips...[i]t can be argued that, in general, YouTube condones infringement since infringing videos increase the size of the audience viewing videos on YouTube and this, in turn, directly increases advertising revenues.” See John B.

Meisel, *Economic and Legal Issues Facing YouTube and similar Internet Hosting Websites*, 8 J. INTERNET L. 1, 12 (Feb. 2009).

156. See Meisel, *supra* note 155, at 12–13 (“YouTube sells ads only against video clips that are posted or approved by its media partners.”).
157. See *supra* text accompanying note 92.
158. Lital Helman, *Pull too Hard and the Rope May Break: On the Secondary Liability of Technology Provider’s for Copyright Infringement*, 19 TEX. INTELL. PROP. L.J. 111, 144 (Summer 2010). For example, Facebook’s policy can be found at: http://www.facebook.com/#!/legal/copyright.php?howto_appeal=1.
159. Edward Lee, *Decoding the DMCA Safe Harbors*, 32 COLUM. J.L. & ARTS 233, 233 (2009).
160. Mareasa M. Fortunato, *Let’s Not go Crazy: Why Lenz v. Universal Music Corp. Undermines the Notice and Takedown Process of the Digital Millennium Copyright Act*, 17 J. INTELL. PROP. L. 147, 171 (Fall 2009).
161. *Id.*
162. *Id.*
163. See David E. Ashley, *The Public as Creator and Infringer: Copyright Law Applied to the Creators of User-Generated Video Content*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 563, 575 (Winter 2010). Although, it has been alleged that Viacom initially requested the

removal of videos that Viacom employees posted themselves. See Sean P. Aune, *Viacom Is Suing YouTube Over Clips It Uploaded Itself?* TECHNOBUFFALO Mar. 22, 2010, <http://www.technobuffalo.com/blog/internet/viacom-is-suing-youtube-over-clips-it-uploaded-itself/> (“In fact, some of the very clips that Viacom is suing [YouTube] over were actually uploaded by Viacom itself.”).

164. See Fortunato, *supra* note 160.
165. See, e.g., *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994) (“We thus line up with the courts that have held that parody, like other comment or criticism, may claim fair use under § 107.”).
166. See *Lenz v. Universal Music Corp.*, 572 F.Supp.2d 1150, 1155–56 (N.D. Cal. 2008) (“A consideration of the applicability of the fair use doctrine simply is part of that initial review. As the Ninth Circuit observed in *Rossi*, a full investigation to verify the accuracy of a claim of infringement is not required.”).

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The Scope of the Model Rules of Professional Conduct and Ethical Problems for Attorney-Agents Representing Professional Athletes

By Sungho Cho

I. Introduction

This article examines the scope of the Model Rules of Professional Conduct (MRPC) and its ethical implications in the context of the representation of professional athletes. First, it briefly introduces the bodies of law governing a sport agent's conduct and raises potential ethical problems in light of the MRPC, e.g., fee arrangement, solicitation of business, and conflict of interest.

Secondly, it examines the scope of the MRPC, i.e., whether the ethical regulation governs an attorney-agent's conduct even if he or she only performs non-legal services for his or her clients, such as salary negotiations. Based upon the MRPC, relevant cases and its policy grounds, this article concludes that the ethical rule completely controls an attorney-agent's practice regardless of the types of services.

Given the broad enforceability of the MRPC, this article proposes two solutions: (1) obtaining client consent upon full disclosure of relevant information; and (2) adopting agency regulations of higher ethical standards that would level the playing field in the competition with non-attorney-agents for the clientele.

II. Analysis

1. Identification of Problem: Rules and Ethical Dilemma

A. Regulations Governing Attorney-Agents

There are multiple bodies of law that govern a sports agent's conduct whether he or she is an attorney, i.e., common law of agency, state and federal agency statutes, and regulations instituted by the players' associations. In addition, agent-attorneys are also subject to the MRPC.

(a) Common Law of Agency

An agency is a "fiduciary relation which results from the manifestation of consent by one person to another that the other shall act on his behalf and subject to his control, and consent by the other so to act."¹ "An agent must act with reasonable care in carrying out the agency."² The law of agency mandates that every sports agent is subject to the duty of fiduciary and reasonable care in acting on behalf of his or her principals, i.e., athlete-clients.

(b) State and Federal Agency Regulations

Agents are regulated by either state Uniform Athlete Agent statutes or the Sport Agent Responsibility and

Trust Act.³ A typical athlete-agency statute requires a sports agent to register under the statute; deposit surety bonds for transactions; use standardized contracts; file descriptions of performed services; maintain records; establish trust accounts; and refrain from conflicts of interest.⁴

Notwithstanding the fact that the agency regulations are mostly progenies of the model rule, i.e., the Uniform Athlete Agent Act, they do not have any uniformity in reality. They have also failed to provide any clear authority for multi-state applications or enforcement.⁵ Moreover, these regulations are primarily designed to protect college athletes from the predatory practices of sophisticated sports agencies.⁶ As a result, the statutes largely ignore the field of professional sports.

(c) Agency Regulations of Players' Associations

Under the National Labor Relations Act,⁷ a players' association of a professional league, as an exclusive collective bargaining unit, is entitled to the authority to monitor various activities of sports agents. An association may institute agency regulations governing them as a subpart of its collective bargaining agreement.⁸

Every players' association of the major sports now requires the agents to be certified for the representation of players in contract negotiations.⁹ An agency rule also provides guidelines for various ethical concerns, for example, the maximum agent fee, the process of certifications, and the issue of conflicts of interest.¹⁰ One commentator has strongly argued that these guidelines must be included in any primary ethical standards for a particular sports league because they have been approved by the players through the collective bargaining agreement.¹¹

(d) The Model Rules of Professional Conduct

The MRPC provides ethical standards for attorneys in the legal profession. The ABA House of Delegates adopted the first version of the rule in 1983.¹² The ABA has amended the MRPC over the years and the current version is mainly based upon the so-called "Ethics 2000."¹³

The ABA Model Rules are very stringent regulations in terms of their aspirations and expected ethical standards compared to other rules governing a sports agent's activities. For instance, while the MRPC strongly concerns and prohibits various types of representations that possibly create conflicting interests,¹⁴ the NFLPA's agency rules are somewhat vague and less restrictive in such matters.¹⁵

B. Dilemma: Competitive Pressure and the MRPC

Given the fierce competition in the market, the high ethical standards of the MRPC would place a significant burden on attorney-agents in the industry in terms of fees, solicitation and conflicts of interest.

In reality, only two practical choices are available for an attorney: (1) ignoring the ethical rule and taking the risk of potential bar discipline; or (2) limiting the service to strictly non-legal matters, which might be unrealistic at best or ineffective, because of reasons to be explained.

(a) Fee Arrangement

While the MRPC Rule 1.5(a) expressly prohibits any “unreasonable fee,”¹⁶ non-attorney agents are only restricted by fee cap rates provided by the agency rule set by the association.¹⁷ This remarkable inconsistency creates a serious competitive disadvantage for attorneys.

In fact, the MRPC allows a contingency fee agreement. Nevertheless, many salary deals completed in the sports agency market would lack the characteristics of a real “contingency,” which is a requirement for a contingency fee plan under the MRPC.¹⁸

For example, if an agent charges five percent of the value of the negotiated contract for a \$10 million deal and worked 10 hours, his or her hourly rate would be \$50,000 per hour. However, this would likely not be considered genuine or reasonable “contingency” in light of the MRPC. At worst, the agent could have earned a smaller fee from an ensuing arbitration. Due to this absence of the “contingency,” the fee should be estimated in terms of an hourly charge, as the \$50,000 per hour rate would probably be “unreasonable” according to the MRPC standards.¹⁹ It is therefore a substantial disadvantage for an attorney that is bound by the rigid fee guidelines of the MRPC, while non-attorneys may charge contingency fees without fear of being disciplined.

(b) Solicitation of Business

Rule 7.3 of the MRPC is another source of disadvantage for an attorney-agent.²⁰ It expressly prohibits an attorney from any in-person contact for seeking a retainer agreement. “A lawyer shall not by in person, live telephone or real time electronic contact solicit professional employment from a prospective client when a significant motive for the lawyer’s doing so is the lawyer’s pecuniary gain.”²¹

This rule reflects *Ohralik*, in which a lawyer went to a hospital to get a contingency retainer agreement from patients who were nearly comatose.²² In a later decision, the court somewhat limited the scope of the rule by stating that it did not intend for all professional services to be subject to *Ohralik*.²³ However, the MRPC still follows the notion of *Ohralik* and the rule expressly prohibits the in-person solicitations.

Given the idiosyncratic nature of the sports agency market, the MRPC’s complete ban of the personal contact sets an insurmountable entry barrier against attorneys in the industry.²⁴

(c) Conflict of Interest

The MRPC is far more stringent in the matters of conflicting interest than the associations’ rules. For instance, while the National Basketball Players Association (NBPA), Major League Baseball Players Association (MLBPA) and National Hockey League Players Association (NHLPA) allow the representation of multiple players within one team, the MRPC Rule 1.7 is likely to ban that practice.²⁵

Under the NBPA’s rule, an agent is disallowed to engage in “any other activity which creates an actual or potential conflict of interest with the effective representation of NBA players.”²⁶ Nevertheless, it also provides that “the representation of two or more players on any one club shall not itself be deemed to be prohibited.”²⁷

By contrast, the MRPC sets out that: “a lawyer shall not represent a client if the representation involves a concurrent conflict of interest.”²⁸ It further provides: “a concurrent conflict of interest exists if: (1) the representation...will be directly adverse to another client; or (2) ...the representation...will be materially limited by the...responsibilities to another client...or by a personal interest of the lawyer.”²⁹

According to the MRPC, a substantial number of representations in the industry would create inherent conflicts of interest. The language of the MRPC suggests that there would be conflicts of interest when an agent represents: (1) multiple players, if they play for the same position in a team for a limited source of income; (2) players and coaches; (3) players in the same draft class; (4) players and the associations; and (5) an endorsement deal in which an agent has a proprietary interest.³⁰

One of the most noticeable trends in the sports agency market is the consolidation of agencies. As a result, a few mega-size firms now represent a number of players in a league.³¹ It is unrealistic to insist that an agency must represent only one player in a team. Practically, this MRPC rule is almost unenforceable because only attorneys are subject to the rule while the competition is extremely fierce.

Given the MRPC’s impractically high standards, an attorney-agent may face a dilemma that he or she must either ignore the rule and be disciplined or abandon his or her bar membership.

2. The Scope of the MRPC

Currently, an attorney-agent is likely to take various roles without direct legal implications, e.g., role of personal manager, career advisor, psychologist, and financial

adviser.³² Given the high ethical standard mandated by the MRPC, an attorney would have to assert that he or she must not be subject to the regulations because he or she is not a lawyer when performing these non-legal services. Unfortunately, the MRPC, relevant cases and policy background suggest that the attorney-agent would nonetheless be bound by the rule.

A. MRPC Rule 5.7

Rule 5.7 of the MRPC is specifically on the point. “(a) A lawyer shall be subject to the [MRPC] with respect to the provision of law-related services, as defined in paragraph (b).”³³ “(b) The term [law related services] denotes services that might reasonably be performed in conjunction with and in substance are related to the provision of legal services, and that are not prohibited as unauthorized practice of law when provided by a nonlawyer.”³⁴

This provision, in conjunction with a comment on the point,³⁵ expressly provides that an attorney may not be able to opt out from the scope of the MRPC whether she performs a service directly related to her legal expertise. It is true that most of the services delivered by a sports agent are “law-related services.” The comment also expressly declares that the rule is controlling “even when the lawyer does not provide any legal services to the person.”³⁶

B. Case Law

Notwithstanding Rule 5.7, an attorney would insist that it is so unreasonable that the MRPC’s ethical standards completely control his or her conduct even if the services are totally irrelevant to his or her legal expertise. Nevertheless, cases and public policy instruct that the MRPC would be enforceable regardless of the nature of delivered service.³⁷

In *In re Dwight*,³⁸ an attorney was a CPA and primarily conducted investment and accounting services for his client.³⁹ Over a period of approximately 10 years, he had managed his client’s fund and participated in a number of investment ventures.⁴⁰ The client filed a civil action for misrepresentations of material facts when the investment ventures resulted in a loss. A bar disciplinary proceeding followed. The Supreme Court of Arizona decided that the attorney’s conduct during the investment services at issue constituted multiple violations of the state version of the MRPC. The court disbarred him.

Dwight points out that an attorney’s conduct is subject to the MRPC even if non-legal services are performed. “As long as a lawyer is engaged in the practice of law, he is bound by the ethical requirements of that profession, and he may not defend his actions by contending that he was engaged in some other kind of professional activity.”⁴¹

The Supreme Court of Ohio applied the *Dwight* rule to an attorney who acted as a sports agent in *Cuyahoga*

County Bar Ass’n v. Glenn.⁴² In *Glenn*, the attorney represented a National Football League (NFL) player, Richard Dent, in salary negotiations as well as some personal matters. When the court found that the attorney held and commingled the client’s fund without his consent, it ordered a one-year suspension and full restitution of the fund.⁴³ *Glenn* announced that an attorney-agent was still subject to the MRPC, even if he or she exclusively performed non-legal services.

On the contrary, at least one case shows that a sports agent who had performed only isolated investment activities on behalf of his athlete-client may not be subject to the federal statute that was designed to police the investment consulting service. In *Zinn v. Parrish*,⁴⁴ an agent representing an NFL player performed various personal services, including investment consultations. Upon the client’s unilateral termination of the relationship, the agent filed an action to recover a remaining balance of his agent fee.⁴⁵ The district court decided that the agent was not a registered consultant under the Federal Investment Advisers Act, so his action was void.⁴⁶

The Circuit Court reversed the decision. It first examined whether Zinn’s activities would be subject to the federal statute. It concluded that the isolated transactions at issue may not place Zinn under the requirement provisions of the federal law. It opined that “the definitional requirements of the statute must be interpreted so as not to sweep in persons whose activities Congress did not intend to regulate.”⁴⁷ “[I]solated transactions...do not constitute engaging in the business of advising others on investment securities.”⁴⁸ *Zinn* declared that courts would make a distinction between a sports agent’s one specific role and another at least in the area of personal investment consulting.

Nevertheless, *Zinn* is clearly distinguishable from the cases dealing with attorneys’ activities. *Zinn* was mainly grounded in the rationale that the sports agent’s activities were not the conduct Congress intended to regulate by the legislation. It would be hardly persuasive that the MRPC was not designed to regulate an attorney’s conduct if he or she carries out some non-legal service. *Zinn* may not be controlling in a disciplinary proceeding for an attorney’s misconduct.

In conclusion, the case law instructs that an attorney is still subject to the MRPC even if he or she represents clients exclusively in the non-legal matters.

C. Public Policy: 24/7 Attorney

The protection of the general public is one of the most fundamental policy grounds for the MRPC. “The profession has a responsibility to assure that its regulations are conceived in the public interest and not in furtherance of parochial or self-interested concerns of the bar.”⁴⁹ Given this policy statement, an attorney is subject to the rule regardless of what kind of services are performed for his

or her clients⁵⁰ “[because] only in this way can full protection be afforded to the public which is the court’s role in the disciplinary process.”⁵¹

It suggests that as long as the clients are drawn to an attorney-agent because they feel the attorney can provide legal expertise that other non-attorney-agents may not provide, every aspect of the representation, whether legal or non-legal, is subject to the MRPC.

Conclusively, the cases as well as the policy ground declare that the MRPC controls an attorney-agent’s conduct at all times. “[I]t seems clear that the [MRPC] apply to attorneys acting as sports agents.”⁵²

3. Prophylactic Measures for Attorneys

This section discusses two safe harbors for attorney-agents: (1) obtaining informed consent upon full disclosure of relevant facts; and (2) adoption of self-governing agency regulations that would level the playing field for attorney-agents.

A. Client Consent

Obtaining clients’ consent upon full disclosure of all relevant information would provide a safe harbor for an attorney-agent who faces a conflict of interest.

Rule 1.7(b) provides that: “[n]otwithstanding the existence of a concurrent conflict of interest...a lawyer may represent a client if:...(4) each affected client gives informed consent, confirmed in writing.”⁵³ “Informed consent denotes the agreement by a person to a proposed course of conduct after the lawyer has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct.”⁵⁴

The disclosure of relevant information should be affirmative. *In re Shannon*⁵⁵ underscores the full disclosure of all relevant information.⁵⁶ The *Shannon* court opined that it must be a revelation of all facts, legal implications, possible effects, and other circumstances relating to the proposed representation.⁵⁷ “The fact that a client has knowledge of the existence of his attorney’s other representation does not alone constitute full disclosure.”⁵⁸ An article enumerates the types of information that must be disclosed for consent to be valid.⁵⁹

In light of the particularity of the sports agency market, a blanket prohibition of all representations with possible conflicts of interest would be impractical.⁶⁰ “What is required is more consistent adherence to the requirement of informed, actual consent when an athlete waives a conflict of interest.”⁶¹ When an attorney actually informs his or her client of a conflict of interest, the client may refuse to accept the situation and may retain another agent.⁶² At least the information gap between the attorney and client would be significantly narrowed.⁶³ Ideally, it would benefit all constituents of the industry in a long term.

Although it is theoretically achievable, the effectiveness of the consent in reality would be questionable. First, some conflicts of interest are too complicated for many young unsophisticated athletes to fully recognize and understand.⁶⁴ If they may not completely understand the nature of some conflicting interest, the requirement of consent would be groundless. Second, the competitive pressure in the market may frustrate the system if it only applies to attorney-agents. When clients simply walk away from attorneys and try to find non-attorney-agents, the attorneys may feel a tremendous competitive pressure. Then the consent requirement is merely another competitive disadvantage.

B. Amending League Regulations

Given the remarkable gap between the standards of the MRPC and the regulations of the players’ associations, an article written by Mark Doman suggests that the associations must adopt well-tailored rules bearing stringent ethical standards similar to those of the MRPC.⁶⁵ Doman offers that the well-tailored agency regulations are expected to level the playing field and reduce the competitive disadvantage that only attorney-agents may face.⁶⁶ Eventually, new rules would facilitate the infusion of the higher ethical standards under the MRPC in the entire agency industry.

Generally speaking, a competent attorney-agent might be a more qualified candidate for the representation of athletes than a non-attorney-agent in a complicated transaction or negotiation. “All things considered equal, athletes should select an attorney, versus a non-attorney, who is probably more competent at deciphering complex contract language.”⁶⁷ Approximately half of sports agents are from the legal profession. Their contribution in the industry has raised the standard of a “competent” representation. If the generally expected competency is roughly equivalent to that of the legal profession, the industry’s ethical standard should also be equivalent.

Players’ associations do not need to adopt an agency code that is identical to the MRPC. They can adopt the MRPC as a starting point and may structure the ethical rules governing agents in consideration of the customary practices and idiosyncrasy of the particular industry. In conjunction with the general notions of the MRPC, a players’ association would be able to develop a comprehensive regulatory scheme that is well tailored to accommodate the particularities of the league.

For instance, currently, the percentage rates of agent fees in the industry vary based on the amount of work undertaken by an agent and the client’s record of success.⁶⁸ Then, it is reasonably extrapolated that a superstar is paying a lower percentage of his or her gross compensation and a new player is paying higher.⁶⁹ If a fee regulation accommodates this notion, it would accord with the “reasonableness” standard under the MRPC while giving deference to the customary practice of the industry.

The players' associations may also draw a line in the murky area of conflicts of interest. The issue of conflicts of interest in the agency market must be viewed in consideration of the industry's particularities. "Rather than focus on whether a conflict exists, the modern view...[should] recognize that conflicts are unavoidable and [should] center around an analysis of the risk of material, adverse harm to either the quality of the attorney's representation of the client or the attorney-client relationship."⁷⁰

Based upon the foregoing view, players' associations would draft instructive rules regulating the problem. While they may completely prohibit any conflict of interest that clearly violates a fiduciary duty proscribed in the rule, they may scrutinize whether the harm from the conflicting interest is really material if it is at a lesser degree.

For instance, a provision may place a sanction on an agent who fails to disclose a material fact that clearly implicates a conflict of interest, e.g., representing both a player and team.⁷¹ Another provision may allow the representation of multiple players in one team if they do not compete for a same position in the team and the source of their salaries is not limited. These provisions might not be inconsistent with the MRPC while providing an instructive ethical standard.

III. Conclusion

In spite of its noticeable impracticality, the regulatory schemes of the MRPC still govern every corner of an attorney-agent's practice. As a result of the lack of conformity between the ethical standards set by the MRPC and the other ethical rules, attorney-agents may face serious competitive disadvantages.

Although the requirement of client consent upon the full disclosure of all relevant information would theoretically be a plausible prophylactic measure, its actual effectiveness is somewhat questionable. Instead, if players' associations adopt well-tailored new agency rules that maintain ethical standards roughly equivalent to those of the MRPC, they would effectively reduce the competitive disadvantages at issue while giving some deference to customary practices in the leagues.

The industry is in transition. The structure of the market and its constituents certainly need more predictable and realistic regulatory schemes. The ethical standards of the MRPC are likely to provide some useful starting points for new agency regulations.

Endnotes

1. Restatement (Second) of Agency § 1 (1957).
2. ROBERT W. HAMILTON, BUSINESS ORGANIZATIONS: UNINCORPORATED BUSINESS AND CLOSELY HELD CORPORATIONS (Aspen Publishers 1997).
3. Tamara L. Barner, *Show Me the...Ethics?: The Implications of the Model Rules of Ethics on Attorneys in the Sports Industry*, 16 GEO. J. LEGAL ETHICS 519, 530 (2003).
4. *Id.* at 530.
5. *Id.* at 530.
6. Linda S. Calvert Hanson, *The Florida Legislature Revisits the Regulation and Liability of Sports Agents and Student Athletes*, 25 STETSON L. REV. 1067, 1067 (1996).
7. 29 U.S.C.A. 159(a) (2007).
8. This agency regulation, however, only governs the matters of contract negotiation. See Scott R. Rosner, *Conflicts of Interest and the Shifting Paradigm of Athlete Representation*, 11 UCLA ENT. L. REV. 193, 239 (2004).
9. *Id.*
10. For instance, the MLB Players Association mandates that "[p]layer agents shall provide the individual players whom they represent with effective representation free from any actual or potential conflict of interest." *Id.* at 240.
11. Mark Doman, *Attorneys as Athlete-Agents: Reconciling the ABA Rules of Prof'l Conduct with the Practice of Athlete Representation*, 5 TEX. REV. ENT. & SPORTS L. 37 (2003).
12. THOMAS D. MORGAN & RONALD D. ROTUNDA, 2007 SELECTED STANDARDS ON PROFESSIONAL RESPONSIBILITY 1 (Foundation Press 2007).
13. After the Enron collapse, the ABA additionally amended Rule 1.6 "Confidentiality of Information" and 1.13 "Organization as Client." *Id.* at 1.
14. Rule 1.7(a): "Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if: (1) the representation of one client will be directly adverse to another client; or (2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer." Model Rules of Prof'l Conduct R. 1.7(a) (2007).
15. The NFLPA rule prohibits an agent from engaging in the following conduct: "6. Holding or seeking to hold, either directly or indirectly, a financial interest in any professional football Club or in any other business entity when such investment could create an actual conflict of interest or the appearance of a conflict of interest in the representation of NFL players; 7. Engaging in any other activity which creates an actual or potential conflict of interest with the effective representation of NFL players; Soliciting or accepting money or anything of value from any NFL Club in a way that would create an actual or apparent conflict with the interests of any player Contract Advisor represents." NFLPA Regulations Governing Contract Advisors § 3 (2007).
16. "A lawyer shall not make...an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following: (1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly; (2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer; (3) the fee customarily charged in the locality for similar legal services; (4) the amount involved and the results obtained; (5) the time limitations imposed by the client or by the circumstances; (6) the nature and length of the professional relationship with the client; (7) the experience, reputation, and ability of the lawyer or lawyers performing the services; and (8) whether the fee is fixed or contingent. Model Rules of Prof'l Conduct R.1.5(a) (2007).
17. The NFLPA sets at 3%; NBPA has 4%; MLBPA has no maximum fee. Barner, *supra* note 3, at 525.
18. Courts have made case-by-case decisions in determining whether or not contingency fee is not unreasonable. In *In re Hanna*, 362 S.E.2d 632 (S.C. 1987), the lawyer charged a contingency fee to collect the no-fault benefits under a client's auto policy. Because

- the benefit was “no-fault” basis, there was no real “contingency.” The court publicly reprimanded the lawyer and ordered him to make restitution.
19. However, a counterargument is available. “The players themselves have spoken on the [fee issue] by setting a ceiling or other fee guidelines in their CBA, so one could argue that they have already accepted the resulting fees as reasonable.” Barner, *supra* note 3, at 525.
 20. Doman, *supra* note 11, at 38.
 21. Model Rule of Prof’l Conduct R. 7.3(a) (2007).
 22. Ohralik v. Ohio State Bar Ass’n, 436 U.S. 447 (1978).
 23. Edenfield v. Fane, 507 U.S. 761 (1993).
 24. Barner, *supra* note 3, at 529.
 25. Rosner, *supra* note 8, at 240-241.
 26. *Id.* at 240.
 27. *Id.* at 241.
 28. Model Rules of Prof’l Conduct R. 1.7(a) (2007).
 29. *Id.*
 30. Jamie E. Brown, *The Battle the Fans Never See: Conflicts of Interest for Sports Lawyers*, 7 GEO. J. LEGAL ETHICS 813 (Winter 1994). Moreover, sometimes a parent company would own the agencies as well as the teams.
 31. Rosner, *supra* note 8, at 196-7.
 32. JOHN SAHL AND KENNETH J. ABDO, PATENTS, COPYRIGHTS, TRADEMARKS, AND LITERARY PROPERTY COURSE HANDBOOK SERIES; COUNSELING CLIENTS IN THE ENTERTAINMENT INDUSTRY 1425 (P.L.I. 2004).
 33. Model Rules of Prof’l Conduct R. 5.7(a) (2007).
 34. Model Rules of Prof’l Conduct R. 5.7(b) (emphasis added) (2007).
 35. “Rule applies to the provision of law-related services by a lawyer even when the lawyer does not provide any legal services to the person for whom the law-related services are performed and whether the law-related services are performed through a law firm or a separate entity.” Model Rules of Prof’l Conduct R. 5.7 (comment 2) (2007).
 36. *Id.*
 37. Rosner, *supra* note 8, at 217.
 38. 573 P.2d 481 (1977).
 39. *Id.* at 482.
 40. *Id.* at 482.
 41. *Id.* at 484.
 42. 649 N.E.2d 1213 (Ohio 1995).
 43. *Id.* at 1215.
 44. 644 F.2d 360 (7th Cir. 1981).
 45. *Id.* at 362.
 46. *Id.* at 363.
 47. *Id.* at 363.
 48. *Id.* at 364.
 49. Model Rules of Prof’l Conduct Preamble § 12 (2007).
 50. *In re Dwight*, 573 P.2d 481, 484 (Ariz. 1978).
 51. *Id.* at 484.
 52. Doman, *supra* note 11, at 44-5.
 53. Model Rules of Prof’l Conduct R. 1.7(b) (2007).
 54. Model Rules of Prof’l Conduct R. 1.0(e) (2007).
 55. *In re Shannon*, 876 P.2d 548 (Ariz. 1994).
 56. John A. Walton, *Conflicts for Sports and Entertainment Attorneys: the Good News, the Bad News, and the Ugly Consequences*, 5 VILL. SPORTS & ENT. L.J. 259, 278 (1998).
 57. *Id.*
 58. *Id.*
 59. (1) The matter(s) in which the attorney represents the other party; (2) whether the conflicting situation would happen on a regular basis; (3) whether the attorney continues to represent the other party; (4) relationship of the other party to the present matter; (5) whether any matter that the attorney has worked for the other party is substantially related to the present matter; (6) whether the attorney has received any confidential information from the present client that is related to the other party; (7) whether the attorney has received any confidential information from the other party that is related to the present matter; (8) whether the attorney believes that the representation of the other party by her would adversely affect her ability to represent the present client; (9) the fact that the other party has given consent to the representation after discussion of the matter upon the present client’s permission; (10) the fact that the other party has indicated the consent to the representation notwithstanding the conflict of interest. Walton, *supra* note 56, at 285.
 60. Brown, *supra* note 30, at 836.
 61. *Id.* at 835.
 62. *Id.* at 836.
 63. *Id.*
 64. Rosner, *supra* note 8, at 237.
 65. Doman, *supra* note 11, at 67.
 66. *Id.* at 72.
 67. *Id.* at 38.
 68. John P. Sahl and Kenneth J. Abdo, *A Professional Responsibility Primer for Today’s Entertainment Lawyer*, 18 ENTERTAINMENT AND SPORTS LAWYER 3, 7 (2000).
 69. *Id.* at 7.
 70. Doman, *supra* note 11, at 67.
 71. Detroit Lions v. Argovitz, 580 F.Supp. 542 (1984); *aff’d in part, rev’d in part*, Detroit Lions v. Argovitz, 767 F.2d 919 (6th Cir. 1985).

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A Jeté in the Right Direction, Copyright Law for Dance Choreography: But Whom Does the Law Really Protect?

By Brooke Nuoffer

It is July and time for Nationals in the competitive dance circuit. A choreographer's works come to fruition and are ready to be put into the spotlight, so to speak. Months of hard work and creativity have come down to this moment when dancers will take the stage and perform everything for which the choreographer and they have worked. The dance group competed in regional competitions to test out the number and worked out any problems; the choreographer was confident that the dance was near perfection. The group has paid its competition fees, the choreographer's number is scheduled in the program, and her dancers are ready to represent their studio and win high score. Five other numbers in the group's category, all from competing studios, look for the top prize and ultimately recognition as the best studio.

The choreographer takes her seat in the back of the auditorium and starts to watch the competition. Three numbers before her dancers are set to perform she notices something is wrong. Another studio's dancers are on stage ready to perform, the music begins to play and it just happens to be the same song used with the choreographer's work. Thirty seconds into the performance many of the moves seem familiar, not because they are common dance steps that most dancers use, but because the combination of steps, the timing of the music, and the flow of the movement are all hers. It is then that she realizes her work, her creation, her ideas, her expression have all been taken from her.

This story is all too real to some choreographers in the dance world, but the current copyright protection afforded to choreographers under the Copyright Act of 1976 fails to protect many choreographers at all.¹ The Copyright Act may be seen as both a blessing and a burden to the dance community. While it finally recognized that choreography was worthy of protection, it failed to adequately provide standards of protection that the dance community wanted to and actually could use. Although there are unwritten rules in the dance community about stealing choreography, theft is still an issue against which many choreographers have little recourse.² Members of the dance community want to protect their creativity and freedom of expression.³

The purpose of this article is to demonstrate how the Copyright Act fails to provide protection particularly for lower level choreographers. It will also argue, however, that the Copyright Act is not completely ineffective, and if improved could be more beneficial to a wider range of choreographers in the dance community.

I. Copyright Protection of Choreography Under the Copyright Act of 1976

Before 1976 there was no statutory protection for choreographic works. Choreographers could try to copyright their works under the category of "dramatic works"; however, dance is not drama and many choreographers were reluctant to label it as so.⁴ Under this "dramatic works" category of the 1909 Copyright Act, dance choreography would have "had to tell a story, be a part of a dramatic work, or convey a dramatic idea."⁵ Choreography that was part of a musical could potentially be copyrighted, but "abstract" dances without storylines or theatrics were not protected.⁶ In 1976 Congress included dance choreography in the Copyright Act by adding the category "choreographic works."⁷ The problem with the addition of choreographic works to the Copyright Act is that Congress intentionally left the term choreographic work undefined because its members thought that choreographers and dancers would understand what it meant.⁸ In fact, in the House Report for the Copyright Act of 1976 it was stated, "choreographic works—have fairly settled meanings."⁹ The problem with this conclusion that a choreographic work has a fairly settled meaning is that it does not.¹⁰ A lack of definition for choreography can cause many problems for a court because the term is open to interpretation. Choreography for a professional dancer may mean something very different to a judge with little knowledge of dance technique. The only attempt that the House made in trying to narrow the scope of what choreographic works meant was when it stated later in the House Report that it was not "necessary to specify that 'choreographic works' do not include social dance steps and simple routines."¹¹

In 1984 the Copyright Office set out to fill in the definitional gaps for the Copyright Act's inclusion of choreography.¹² The Copyright Office published the *Compendium II: Compendium of Copyright Office Practices* to establish regulations that attempted to define what could or could not be copyrighted.¹³

The *Compendium II* contains a definition for choreographic works and standards for choreographic content, fixation, and derivative choreographic works.¹⁴ Choreography is defined as "the composition and arrangement of dance movements and patterns...usually intended to be accompanied by music. Dance is static and kinetic successions of bodily movement in certain rhythmic and spatial relationships."¹⁵ The *Compendium II* further states that the "related series of dance movements...must be more than mere exercises, such as 'jumping jacks' or walking

steps.”¹⁶ Furthermore, social dance steps and simple routines are not copyrightable, but these steps and routines may be incorporated into a copyrightable choreographic work.¹⁷

The *Compendium II* provides some guidance for a court to rely on but there still seems to be room for confusion about how to effectively copyright dance choreography. The Second Circuit in *Horgan v. MacMillan* attempted to define choreography in order to determine whether a book of still photographs taken of George Balanchine’s ballet *The Nutcracker* constituted infringement of the ballet.¹⁸ The attorneys for MacMillan argued that the essence of dance was the “flow of movement.”¹⁹ While the court rejected this interpretation of dance,²⁰ using this interpretation could become helpful in a substantial similarity analysis for copyright infringement. The flow of the movement is something that can separate simple dance steps from a copyrightable dance piece. The idea of flow of the movement could also aid in a discussion of originality, which is required for copyright protection under the Copyright Act of 1976.²¹

A. Requirements for Copyright Protection: Originality

Section 102 of the Copyright Act grants copyright protection to “original works of authorship fixed in any tangible medium of expression.”²² While the statute provides a definition for fixation, the statute does not provide a definition for originality. Similar to the term “choreographic work,” Congress also intentionally left the term “original works of authorship” undefined.²³ According to Nimmer, Congress believed it unnecessary to define originality and accepted the standards for the term, which were established by case law under the Copyright Act of 1909.²⁴

Case law has provided the most guidance in determining what an “original” work is. Nimmer summarizes case law under the 1909 Act by stating that originality means that “the work owes its origin to the author...is independently created, and not copied from other works.”²⁵ In *Sheldon v. Metro-Goldwyn Pictures Corp.*, Judge Learned Hand entertained the idea that two works may be identical, but if they were both independently created they are still original.²⁶ Independent creation is only one part of what makes a work original, but this aspect does not help to determine how much originality is required for copyright. What is known for sure is that facts and works that are in the public domain are not considered original. Facts and works in the public domain can be accessed by anyone and do not require any level of creativity.

The Supreme Court in *Bleistein v. Donaldson Lithographing Company* seemed to suggest that uniqueness is important for determining whether a work is original.²⁷ The court recognized that a truly original work would have some sort of “personality” and that it would have “something irreducible, which is one man’s alone.”²⁸

Bleistein was decided before *Sheldon*, but both courts agreed that an original work would have some distinct mark of an author; Nimmer refers to this distinctive mark as “creativity.”²⁹ According to Nimmer, a work requires minimal creativity; however, the less creativity there is in a work, the lower the level of copyright protection.³⁰

In *Feist Publications, Inc. v. Rural Telephone Service Company, Inc.*, the Supreme Court further defined originality.³¹ In that case, the Court held that names and addresses themselves were not copyrightable information, but that a compilation of these facts may meet the originality requirement for copyright protection.³² Adding to Nimmer’s explanation of originality, the Court stated that “originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying.”³³ While *Feist* dealt with compilations, the Court’s emphasis on selection and arrangement can be applied to dance choreography.³⁴ The Supreme Court explained that as long as choices of selection and arrangement were independently made and contained a “minimal degree of creativity” they would meet the originality requirement.³⁵ If a choreographer’s selection and arrangement of basic dance steps were independently chosen by him or her and were sufficiently creative, the piece would be original.

To be original, dance choreography should be the unique creation of a choreographer. A choreographer should create a dance piece that portrays his or her own message or story through his or her own movement that is unique. Just as facts are not copyrightable, simple routines and basic steps are not copyrightable; however,³⁶ the work of a choreographer is created from basic steps and simple routines. The *Compendium II* referred to individual dance steps as a choreographer’s “basic material,” and compared the use of these steps to a writer’s use of words when writing a literary work.³⁷ The *Feist* decision, if applied to dance, helps choreographers because it recognizes that some pieces may look similar as a result of available basic steps, but the pieces may still be original.³⁸ When a choreographer creates a dance piece utilizing numerous dance steps, including transitional movements, and adding something more to make the piece authentic and more than a simple routine, the dance should be considered original. While it is possible for a choreographer to create an original dance piece, it is still undetermined what level a dance must reach to become a copyrighted work. Further complicating matters for choreographers are the issues involved in the area of fixation.

B. Fixation

In order to obtain copyright protection for a dance, the dance must be “fixed in a tangible medium.”³⁹ A work is “fixed” when it is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”⁴⁰

Fixation creates unique problems for choreographers not only because of the forms of fixation that are available but because these forms can be expensive for an average choreographer.

In the *Compendium II* regulations Congress expanded on the fixation requirements under Section 102 of the Copyright Act.⁴¹ Under Section 450.05 a choreographic work must contain at least a certain “minimal amount of copyrightable matter.”⁴² In other words, the work must have more than just basic steps and must add something more, such as transitions, in between the movements. Another suggestion for fixation of a choreographic work is that the fixed work be capable of performance as submitted.⁴³ A dance piece must be sufficiently captured so that it not only can be performed technically but can also convey the choreographer’s message or theme. Many choreographers create pieces with a certain theme or message. Many dances are to be performed with a certain mood or feeling in mind. Dance choreographers are a unique group of people. Being artistic, choreographers have a passion and seek to create pieces that can move people. Many choreographers may believe that it is difficult, if not impossible, to capture a mood or feeling of a dance on a videotape from a rehearsal or written on a piece of paper.

The problem with fixation is that it is very expensive, especially if the person seeking copyright protection is a small studio owner. Often small studio owners and lesser known choreographers will not obtain copyright protection for their works because it is not cost effective to fix their works. Another concern of choreographers is that if the work is fixed, the choreographer may not be able to make any significant changes. Unlike many other copyrightable works, dance is not fixed at creation; it requires an extra step that can create problems that are not present for other creative forms.⁴⁴ Dance relies on performance by people other than the author. A choreographer may have a vision for a number, but may need to change the number to accommodate the dancers’ abilities. A dance may go through several changes depending on where it is performed and who is performing. These concerns are further magnified when one looks at the methods of fixation available to choreographers.

Under Section 450.07 of the *Compendium II* there are four different suggestions for how a choreographic work may be fixed.⁴⁵ These four options include film, notation, textual descriptions and a combination of the first three.⁴⁶ One may think that because there are several options for fixation, a choreographer should be able to find at least one method of fixation; however, each option has its disadvantages.

The first option for fixation is embodiment in motion picture form.⁴⁷ If a dance is filmed, the copyright registration only extends “to what is disclosed therein.”⁴⁸ This statement tends to cause choreographers to be reluctant to use this option. One concern for a choreographer is that if

a rehearsal is taped, mistakes or slight variations may be captured on film. If a mistake is captured, there is concern that this mistake will be included in the copyrighted submission. While re-recording or editing could remedy a mistake, fixing it could be costly and time consuming. If a dance has to be re-recorded every time a mistake or variation is made, a dance could potentially be recorded forever. It is likely impossible to record a dance exactly how it was envisioned.

Choreographers are also concerned that a videotape of a performance will not adequately capture the intended feeling or interpretation attached to a dance.⁴⁹ Many times a piece will move an audience more as a live performance than a recorded performance because of the atmosphere surrounding it. Fixing a dance on film may take away the freedom that dancers and choreographers have when performing live. A dance that is fixed on film would have to be performed the same way every time it is performed on the recording. Film also presents a problem because it is a two-dimensional medium and does not show a dance from every angle unless there are numerous cameras.⁵⁰ A piece may not be adequately represented in the recording. Lakes argues that exact placements may be lost unless the dance is taped from various angles.⁵¹ The addition of more cameras again becomes more costly for a choreographer who may be unable to pay.

Included in film recording is simultaneous recording of a live performance. While a dance can be fixed in this manner, there are similar concerns with this form as there are with the taping of a rehearsal. Live performance of dance choreography presents special problems that do not exist for other live performances, such as those of an orchestra. When an orchestra performs live, it is generally performing from sheet music. Although a recorded musical performance may contain mistakes, the actual pieces of music played are fixed in an alternative medium; if there are mistakes in the recording, the music is still preserved correctly on paper. A live dance performance may contain mistakes or additions that occur at the spur of the moment; anything unexpected can happen. The problem with a live dance performance is that the choreography, most likely, is not already fixed in another medium. Due to dance’s interpretative nature and its reliance on the abilities of different dancers, it is unlikely that it can be performed from a prior fixed form with the accuracy that an orchestra can perform from sheet music. There is also a special concern with live broadcast performances. Popular dancing shows such as *Dancing With the Stars* and *So You Think You Can Dance?* consist of broadcast live performances. Individual choreographers choreograph the pieces performed in these dance shows; however, the recordings of the performances may become works for hire.⁵²

Under Section 450.07(b) a choreographer also has the option of using notation systems.⁵³ Recognized notation systems include, but are not limited to, Labanotation,

Sutton Movement Shorthand and Benesch Choreology.⁵⁴ Written notation requires hiring an expert in one of the foregoing systems who uses special marks and denotations to represent the movements and placements of dancers.⁵⁵ Notation marks are made in correspondence to bar lines and counts in music. It requires a meticulous amount of detail and a great amount of time.

Written notation is even more costly than filming. Lakes mentions in her article that notation can cost up to \$12,000 for 20 minutes worth of work, while the average ballet may be around 10,000 hours of work.⁵⁶ The exorbitant cost for written notation generally turns choreographers away from this method of fixation. For a choreographer in a local studio who receives only a few thousand dollars for his or her choreography, the cost of notation is neither affordable nor worthwhile. Unless a choreographer is famous and significantly profiting from his or her works, the average dance teacher often disregards written notation.

The *Compendium II* also suggests that a textual description of a choreographic work is an accepted form of fixation.⁵⁷ A textual description calls for “precise explanations in narrative form...If the description is specific enough to indicate detailed movements of dancers.”⁵⁸ This form of fixation seems more feasible for the everyday choreographer because it may not require the use of an expert. However, while textual descriptions may not require an expert, there is one caveat: a great attention to detail is required for the piece to be registered in this form. If a description is not “sufficiently specific,” the work will not be registered as a choreographic work but could be registered as a literary work.⁵⁹

The chance that a dance piece may only be registered as a literary work creates a big risk for a choreographer who decides to write a narrative on his or her own. It is inconceivable to think that a choreographer would want to copyright a work only as a literary work after spending the time to describe the piece in great detail. A dance piece that is registered as a literary work is practically useless to a choreographer who wishes to have the piece performed. Like written notation, a narrative description of a number loses a number’s emotional pull and personality. It is nearly impossible to adequately capture the tone of a piece by writing it down on paper. Even a dancer’s movements cannot be accurately portrayed in writing; every dancer is shaped and moves differently. Written accounts of choreography may fail a choreographer who seeks protection of the total feel of a dance and makes fixation less desirable.

A form of fixation worth mentioning but that is left out of the *Compendium II* is computer notation.⁶⁰ Given that the *Compendium II* was created before computer programs for notation were well developed, it would make sense that it was not included. Computer notation is generally initially created on a computer.⁶¹ The program

requires that basic steps and other moves be entered into the computer from which routines are created; this input process can be very time consuming to acquire enough moves for a whole piece.⁶² There are several programs on the market that allow a choreographer to generate full pieces with steps, counts, pathways, motions and virtually any other aspect of a piece.⁶³ These programs can range from \$250 for a one-year subscription to \$600 for a two-year subscription.⁶⁴ Such computer programs may be useful for dance teachers trying to create dances for their students. Computer notation seems to be more cost effective for the average choreographer, and as technology progresses, this type of fixation may become a form more readily accepted by the dance community.

While more traditional choreographers may resist computer-generated choreography, some others may embrace computer notation. For instance, college dance team choreographers may find computer notation helpful in visualizing dances before they are actually created. Other choreographers may find that while computer notation may not be useful in terms of particular dance steps and movements, a computer-generated piece may help with staging. Since this is new technology, an amendment to the *Compendium II* that would include computer notation may provide more protection for a choreographer. An amendment to the definitions in the *Compendium II* would at least provide more options for fixation.

Section 450.07(d) mentions that a choreographic work may be fixed through a combination of various forms.⁶⁵ This section refers to graphic diagrams and verbal narration with music as examples.⁶⁶ While the *Compendium II* is not actual law, it is relied upon by the courts and has had a significant impact on decisions in the copyright area. This last section seems to leave open a door for different possibilities for fixing a choreographic work. It could be said that allowing a choreographer to use various forms of fixation may aid a choreographer to fill holes that individual forms of fixation may leave.

However, choreographers are still hesitant to fulfill the fixation requirement because they potentially have artistic freedom at stake. While it is possible for dance choreography to successfully meet the requirements for copyright protection of originality and fixation, the dance community still seems reluctant to register its pieces for copyright. This reluctance to register may not necessarily be justifiable in the age of the computer. Many dance competitions are posting videos of high scoring performances on their websites. If these dance pieces are not copyrighted, anyone who watches the videos can steal choreography and use it. With new computer technology videos go viral and can reach millions of people anywhere in the world, which could eventually put a choreographer’s work into the public domain. Alternatively, computer technology makes fixation more cost effective and could make registration more appealing to a choreographer. It is important to provide different avenues

for choreographers to fix their dances in order to make copyright protection more desirable.

II. Problems Associated with Copyrighting Dance Choreography

Copyright protection can prove to be beneficial for the Martha Grahams and George Balanchines of the dance community, but what about the local studio owner for whom copyright protection is often not economically desirable? Dance is a unique art; it requires a lot of time and effort on the part of both the choreographer and the dancers involved.⁶⁷ The Copyright Act of 1976 can be quite problematic for the choreographers who do not have the monetary means to effectively copyright their choreography. Dance choreography also presents challenges in the area of copyright ownership.

A. Works For Hire

One issue that arises in the dance community is whether a dance piece is a work for hire. In many instances there is a sole choreographer for each piece; however, it is not uncommon for there to be more than one choreographer per piece. Take, for example, the following hypothetical: During a dance convention, local dance studio owner Michelle approaches Justin, a choreographer, and asks him to choreograph a piece for a group of her dancers. A month later Justin comes to the studio for one weekend and is paid a flat fee to choreograph a jazz piece for Michelle's dancers. After Justin leaves, Michelle changes parts of the number that were not working so that the choreography better suits her dancers.

A work made for hire is either a "work prepared by an employee within the scope of his or her employment" or "a work specially ordered or commissioned...if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire."⁶⁸ Under Section 101 there are nine categories of ordered or commissioned works that generally (but not exclusively) deal with educational or "instructional" type texts.⁶⁹ Under the statute the employer is considered the author in a works for hire situation.⁷⁰ An employer-employee relationship is determined by common law agency rules. In *CCNV v. Reid*, the Supreme Court looked at 12 factors to determine whether the relationship between a sculptor and a nonprofit agency was an employer-employee relationship.⁷¹

The *Martha Graham* case is the main case dealing with works for hire and also with dance choreography.⁷² In that case the Second Circuit had to determine whether a number of dances choreographed by Martha Graham were works for hire and whether these numbers were owned by the dance school she founded or by her beneficiary to whom she bequeathed her dances in her will.⁷³ The court performed an in-depth analysis of the 70 dances in question, determining which pieces were works for hire, which had entered the public domain and which

dances belonged to Protas, her beneficiary.⁷⁴ At the end of the decision over 30 dances were held to be works for hire.⁷⁵ These dances were all created while Graham was an employee of the school and hired to teach and direct dances at the school.⁷⁶

In the work for hire hypothetical, Justin's work would not qualify because although Michelle had asked him to create this piece for her, dance choreography does not fall under one of the nine categories of the work for hire definition. Additionally, unless the choreographer is extremely successful and well known, a choreographer like Justin and a studio owner usually will not sign a contract. Since there is no contract agreement between the two, and dance is not a statutorily defined work for hire under Section 101(2), Justin's choreography will not be treated as such and it is unclear who really owns the piece. Justin is also not considered an employee of Michelle under Section 101(1) because his work was not created within his usual scope of employment. Michelle did not regularly employ Justin; Justin would not satisfy the agency factors. Justin was only hired to come in and choreograph for about two days at most and Michelle did not supervise his work. While Justin's work is not considered a work for hire, it may be possible to consider Justin as a joint author.

B. Joint Authorship

A jointly authored work is a work "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole."⁷⁷ Under Section 201(a) of the Copyright Act of 1976, "authors of a joint work are co-owners of copyright in the work."⁷⁸ Joint authors receive the same rights that are guaranteed to a single author under the Copyright Act. For example joint authors have shared rights to royalties, recognition as authors, and for dancers, one of the most important rights for joint authors is the right to perform their pieces.

Several courts have dealt with joint authorship, including the Seventh Circuit in the case *Erickson v. Trinity Theatre, Inc.*⁷⁹ In that case, Erickson, a playwright, sought an injunction against a theater that was performing his works under the assumption that the theater was a joint author.⁸⁰ Similar to *Erickson*, in the Justin and Michelle hypothetical, there has been some sort of collaborative effort but it is unclear whether there was requisite intent to be joint authors. The Seventh Circuit court addressed this and agreed with the Second Circuit in the *Childress* case that joint authorship requires the authors to intend to merge their contributions into one work under Section 101 of the Copyright Act.⁸¹ The court also acknowledged that there are two tests applied by other courts to assess multiple authors' contributions, which are Nimmer's *de minimis* test and Goldstein's copyrightability test.⁸²

Nimmer's *de minimis* test requires that a joint author make more than a *de minimis* contribution.⁸³ Nimmer

defines *de minimis* as something “more than a word or line.”⁸⁴ The *Erickson* court objected to use of this test because it allowed for copyright protection of ideas.⁸⁵ The test also allows room for minor contributors to claim joint authorship.⁸⁶ Nimmer’s test does not aid in the determination of whether a contribution was significant enough to be copyrightable. It seems the court was concerned that Nimmer’s test was too amorphous.

The second test is Goldstein’s copyrightability test. Under this test a contribution will not be considered a joint work unless it could “stand on its own as the subject matter of copyright.”⁸⁷ Goldstein also requires that there be intent to be joint authors as well. The court upheld Goldstein as the applicable test because it drew a concrete line for when a work would be considered a joint work.

Judge Posner from the Seventh Circuit stated that for a person to claim joint authorship there has to be “some original expression contributed by anyone who claims to be a co-author, and the rule...is that his contribution must be independently copyrightable.”⁸⁸ Posner’s test differs from Goldstein’s by changing the first element of intent to a contribution with original expression. Furthermore, Posner distinguishes co-authors from a person who only contributes editorial changes or gives suggestions that do not alter the expressive parts of a work.⁸⁹ This test opposes the copyrightability test by rejecting the idea that a contribution must be able to stand on its own for a copyright. Judge Posner provides an exception in his analysis of joint authorship, which applies when the contribution to the joint work cannot “stand alone because of the nature of the particular creative process that had produced it.”⁹⁰ Posner would apply this exception to the case in which a finished work is copyrightable, but each individual contribution necessary to create the finished work would not be.⁹¹

The Second and Ninth circuits applied tests similar to Goldstein’s copyrightability test.⁹² The Ninth Circuit in *Aalmuhammed v. Lee* held that contributions must be independently copyrightable.⁹³ The court found that a contribution “must be turned into an expression in a form subject to copyright.”⁹⁴ The Second Circuit similarly held that the two important elements of joint authorship were independently copyrightable contributions and full intent to be co-authors.⁹⁵ The court further explained that intent should not be a subjective standard.⁹⁶ The Second Circuit also added to the copyrightability test that an “important indicator of authorship is a contributor’s decision-making authority over what changes are made and included in a work.”⁹⁷ For purposes of this article the test that will be applied is the test adopted by the Seventh Circuit, where the authors must show an intent to be joint authors, and that the contributions need to be independently copyrightable. Several circuits seem to follow this test as a basis for their own decisions and it is one of the leading tests for joint authorship. The Seventh Circuit test will be

used here to show problems that may arise if the majority views are applied to dance choreography.

There are two requirements to declare a work a joint authorship: 1) intent to be joint authors, and 2) the contributions to the work need to be independently copyrightable. In the above hypothetical, whether the work Justin created for Michelle is a joint authorship turns on whether Justin and Michelle intended to author the work together. Generally, in the dance community, it is understood that the teacher in a local studio who hires a choreographer to come in and teach a piece to her students will inevitably change parts of what had been choreographed. At dance competitions and other public performances, both the choreographer and the dance teacher are usually credited for the dance. Credit in general does not give a presumption of ownership; however, credit has been considered evidence of intent to create a joint work.⁹⁸

Usually the owner of a dance studio, like Michelle, will also be a choreographer. It is common for these owners to hire outside choreographers to bring fresh dance styles to the studio.⁹⁹ As Michelle is a choreographer herself, it would be appropriate for her to make changes or additions to a piece because she has knowledge about choreography. If a choreographer is a contributor to a work, it may help to create a presumption of intent to be joint authors, because a choreographer like Justin may expect an owner like Michelle to change his piece once it is created. It may be best to limit joint authorship to choreographers as opposed to dancers in a piece because it would be easier to determine the extent of a choreographer’s contributions.

In order to determine whether Michelle is a joint author the court will also have to determine whether Michelle’s contributions are independently copyrightable. As discussed earlier, basic steps are not copyrightable. If Michelle were to add only one or two steps or to change a transitory step, her contributions would not be independently copyrightable. In this situation, under Posner’s test, Michelle may be considered the equivalent of an editor, who merely makes suggestions to a work.¹⁰⁰ If considered to be a type of editor Michelle would not be considered a joint author, which is why Posner’s test may not be beneficial to her. Michelle could use Posner’s Seventh Circuit exception and assert that a dance piece by its nature is full of contributions that could not “stand alone” (i.e., basic dance steps); however, the other Circuits have not used this exception.¹⁰¹ Often a teacher will find that sections of a piece do not work for his or her dancers. It is not uncommon in the dance area for a dance teacher to change entire parts of a piece. If Michelle were to totally rearrange a one-minute section, the new section may be independently copyrightable. Group numbers created at local studios are usually choreographed for dance competitions and are about three minutes long. A dance choreographer who changes a one minute section of a

number is the equivalent of a contributing author who changes four chapters of a 12-chapter novel. If this much of a piece is changed, it may be argued that a new work was created, impinging on a copyright owner's right to create derivative works. Typically, however, a teacher like Michelle will not substantially alter a piece.

If, however, Michelle changes a portion of a number that contains more than just basic steps, then she will most likely be considered a joint author. Unless a major choreographer is involved, most dance teachers and choreographers will not sign contracts. There is a mutual understanding between a choreographer like Justin and a dance teacher like Michelle that Justin is creating a piece for Michelle's dancers to perform in competitions and other venues. Justin would most likely expect for his number to be publicly performed and altered after he has finished choreographing.

Conversely, joint authorship may cause problems for choreographers like Justin and Michelle. As a joint author, he will have the right to produce derivative works or to reproduce his dance choreography. Justin could travel to another state and teach the same routine or a similar number to another studio. If Michelle were a joint author of the choreography Justin has now reused at another studio, would the new studio owner also become a joint author? If the new studio owner did not make any changes or additions to the choreography, then she would have no claim of authorship. The lines in between who is an author of the piece become muddled, however, if the new studio owner does alter the choreography. Ownership of the dance would depend on how much the new studio owner contributed to the piece, and how much the piece has changed from Justin and Michelle's choreography. Justin should be free to make a derivative work, but if another studio performs the same or similar number to the one Michelle's studio performs, there is a potential risk of reputational damage. Moreover, if Justin is free to use his choreography at other studios across the country, the routine may become commonplace and fall into the public domain. Justin could teach his routine at an unlimited number of studios or conventions where potentially hundreds or even thousands of students could learn the piece. If large numbers of students and other choreographers have access to this routine, parts of the routine could become typical elements of other studios' pieces.

If Michelle was the sole owner of the choreography, she would have greater protection of her routines and reputation, but Justin would be left without recognition (unless the parties agreed otherwise). If Justin was the sole owner he could reuse his choreography, but any studio owner that used it would run the risk of coming across the piece being performed by another studio. This joint authorship issue shows why copyright law does not adequately protect dance because dance has many different nuances that other creative works do not have.

C. Cost

Since choreographic works did not become copyrightable until 1978, the dance community relied on custom to protect its works from being misappropriated.¹⁰² Many choreographers forgo copyrighting their works or litigation to protect their copyrights because they believe that custom and tradition in the dance community will protect a choreographer's works at least as effectively as the statute.¹⁰³ Barbara Singer's article best set out the plight of a choreographer and advocated that dance custom offered the best protection for a choreographer's work.¹⁰⁴

While Singer's article was written in 1984, her arguments still apply today; copyright protection is undesirable for choreographers. Many choreographers do not copyright their pieces because it is expensive. Since the focus of this article is on the local everyday dance choreographer, it is important to emphasize that copyrighting choreography is not cost effective. Take, for example, Justin; he was probably paid a flat, fairly minimal fee for his choreography.¹⁰⁵ If Justin is making less than \$5,000 on a piece he choreographed for Michelle, there is no incentive to litigate if the piece is copied by another studio or misused. The costs to litigate outweigh the amount of profits to be made from the piece.¹⁰⁶

Most choreographers want recognition or credit for their works.¹⁰⁷ The Copyright Act of 1976 provides economic legal recourse for infringement but it does not give a remedy in terms of what Singer refers to as "publicity rights,"¹⁰⁸ which is comparable to attribution. Singer's article points out that the Berne Convention recognizes the moral rights of an artist, including paternity and integrity rights.¹⁰⁹ These rights deal with rights to recognition, credit and the right to retain control to edit or change a work as is commonly required with dance choreography.¹¹⁰ Dance choreographers want the right to be recognized for their creations. Section 106A of the Copyright Act of 1976 recognizes that there are integrity rights, but only affords protection for visual works, so dance is left unprotected.¹¹¹ While 106A may only be about visual works of art, its central ideas may touch upon part of what a dance choreographer needs or wants. Choreographers want to be able to create a certain reputation from their works. Choreographers do not want others to be able to take their pieces and alter them; they also do not want their dances confused with someone else's. It may not be correct or necessary to add dance under Section 106A exactly, but it may be beneficial to amend the Copyright Act to create something comparable that would recognize choreographers' attribution rights. If what a choreographer is truly trying to protect are reputation and artistic control, the current Copyright Act protections do little to help.

III. Fair Use: Drawing the Line Between Stealing and Borrowing

The Fair Use Doctrine derived from common law and is now a statutory defense to copyright infringement. Under Section 107 of the Copyright Act of 1976, fair use is the “use by reproduction in copies...or by any other means...for purposes such as criticism, comment...teaching, scholarship, or research.”¹¹² Section 107 also sets out factors to analyze a fair use claim, which are:¹¹³

- (1) the nature and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyright work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.¹¹⁴

This section of the article will first discuss the Supreme Court’s analysis of the four statutory factors for determining fair use. Then, applying the requirements of the Fair Use Doctrine to the facts in the opening hypothetical, it will show why it is difficult to use fair use as a defense. This difficulty may prove to be advantageous for the original choreographer but the application of the fair use doctrine to dance itself may be inadequate as a defense altogether. This section will also discuss when an appropriated piece becomes transformative enough to become a new original work.

A. Supreme Court Analyzes Fair Use

The most famous Supreme Court case dealing with fair use is *Campbell v. Acuff-Rose*.¹¹⁵ In this case the Court set forth an analysis of the Section 107 factors that are to be applied in a claim for fair use. *Campbell v. Acuff-Rose* dealt with whether 2 Live Crew’s parody of the Roy Orbison song “Oh Pretty Woman” was considered fair.¹¹⁶ The Court reviewed the four factors and provided some guidance as to how each should be analyzed. According to the Court, the factors are to be considered together and not in isolation of each other.¹¹⁷

When analyzing the first factor of purpose and character of the use, the Court looked at whether the new work “merely supersedes the objects of the original... or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.”¹¹⁸ The Court also looked at whether the new work was a commercial venture or non-profit. While not required for a finding of fair use, one important aspect of the first factor is whether the new work is transformative.¹¹⁹ The more transformative a work is

the less significant the other factors become.¹²⁰ Whether a dance piece is transformative enough may prove difficult to determine.

The second factor is the nature of the copyrighted work, where the Court pointed out that some works “are closer to the core of intended copyright protection than others.”¹²¹ It is important to look at the type of medium in which the new work was created. If the original work is a sound recording, as was the case in *Campbell*, and the new work is also a sound recording, a court may move more towards a finding of fair use. The line between stealing and fair use may become blurred with dance choreography because the mediums will always be the same.

It is also helpful for a court to look at the message and theme of the work to help distinguish a new work from an original. Dance choreography is problematic with this aspect, because a dance is often created to convey a particular theme or message. If someone copied a choreographer’s piece, the copy is likely to have the same theme or message as the original. Having a similar theme or message could be beneficial for the first choreographer, because it would make it harder for the second choreographer to show that no copying was made. However, in the dance community, particularly the local competition dance community, dances tend to revolve around the same themes from year to year. It may become difficult to determine when a particular theme or message becomes the equivalent of a *scènes-a-faire* in movies or books. It might be possible that particular themes become popular in the dance competition circuit and are used by more than one studio.¹²² If these themes and messages are common in the dance community, it may be difficult for the original choreographer to claim that the theme has been copied.

The third factor, the amount and substantiality of the portion used, looks at whether the heart of the original work was taken, or whether only a small, insignificant portion was used.¹²³ The court is to look at not only quantity, but quality as well. Another element of this factor is whether “more was taken than necessary” and whether the portion that was taken was “of the essence of the original.”¹²⁴

The last factor used by the Court in *Campbell* is the effect of the use upon the potential market of the copyrighted work.¹²⁵ This harm on the potential market requires consideration of whether this type of use by the defendant or any other similar user would result in an “adverse impact” on the original.¹²⁶ A court should also look at the harm to the potential market for derivative works.¹²⁷ The defendant asserting fair use would have to show evidence that there would be little to no effect on the potential market in order to support a claim. This last factor differs from the fourth factor in *Harper & Row v. The Nation*, which was a prior case that dealt with the misappropriation of President Ford’s manuscript for a news magazine

article.¹²⁸ In *Harper & Row*, the Court discussed proof of actual damages and a “causal connection between the infringement and a loss of revenue,” rather than proof of potential harm on the plaintiff’s marketability.¹²⁹

In the next section, these four factors will be applied to the hypothetical about the Nationals in the beginning of the article, to show why it is difficult to distinguish between misappropriation and fair use. Since dance is left up to interpretation and can change constantly the lines between stealing and fair use may become blurred.

B. Fair Use in the Dance Context

In the opening hypothetical, a choreographer’s group number was misappropriated by another studio. Assuming that the choreographer had a valid copyright for her dance and that there was copyright infringement, the appropriating team could assert a fair use defense. For purposes of the fair use analysis it may help to refer to the original studio/choreographer as Studio A, and the misappropriating studio as Studio B.

The first prong of the fair use test is the purpose and character of the use.¹³⁰ Here the court would look at whether Studio B’s use for the dance piece was commercial or nonprofit. In this situation, there is an argument that the performance of the piece is a commercial use. In the competition circuit, dances are entered in hopes that the studio will win top score and win money. If one considers the winnings as a profit, it could be argued that the purpose of the use was commercial. On the other hand, the use may be considered nonprofit if no winnings are expected, and the work is performed for exhibition only; here, Studio B would be looking for recognition rather than winning money. Even with this argument, however, the use may have commercial undertones if the purpose of performing the piece was to increase reputation and create business for the studio.

A court would also look at whether Studio B’s piece is transformative. A court should look at Studio B’s dance to see if it adds something new and changes the effect or message of Studio A’s piece. In the case of a misappropriated dance piece, it may be difficult to prove transformative value. If the song is the same for both pieces, it may be difficult to convey a different message, because music controls much of the feel of the dance piece. If most of the steps and movements of Studio B’s dance are the same as Studio A’s, then this adds to the likelihood that Studio B’s piece will convey a similar message. It is arguable that a change of costume or the addition of props may add something new to the piece, but it seems unlikely that Studio A would be able to prove that its piece was transformative.

After evaluating the first factor, a court would evaluate the nature of the copyrighted work.¹³¹ In this situation the copyrighted work is Studio A’s dance piece. Studio B’s work is also a dance piece. Here there could

be a greater argument for a finding of fair use because the two works are in the same medium. If the two works were in different media, a court could find that Studio B’s number infringed on Studio A’s exclusive rights to make derivative works.¹³² Yet because the two works are in the same medium, the music is the same, and the dances are the same genre, there could be an argument in favor of a finding of fair use for Studio B. In the local dance competition circuit it is very common for many studios to use the same songs. Studio B could argue that the song was popular and that other studios have used it. The song also generally determines the genre of the dance. Studio B may be able to argue that it was not copying Studio A’s piece, but that that particular song warrants a particular genre of dance so the dances may appear to be similar. This second factor causes problems for Studio A because in the local dance context, the nature of the works will be similar by default.

Where Studio B gains some momentum with the second factor, the third factor works against it. Suppose that Studio A’s piece was three minutes long. If Studio B’s piece contains one and a half minutes of Studio A’s piece, is what is taken more than is necessary for a fair use analysis?¹³³ Since half of the piece was taken there is a strong argument in favor of Studio A that more than necessary was taken to create Studio B’s piece. It is very likely that if Studio B used half of the original number, the heart of Studio A’s piece would be misappropriated. In addition to the amount of the movement that was copied, the music is the same as well. Combining the music and the amount of movement taken from the piece, it would be difficult for Studio B to prove that it did not take “the heart” of Studio A’s piece.¹³⁴ The one problem with the third factor is that with dance, the steps that are used to create a piece generally look the same. If a studio used signature moves, it would be easier to prove that the copied movements went to the heart of the work. However, often in the dance competition circuit, studios learn new moves and routines from conventions, and stylistically dances start to look the same. The sequencing of a routine can be a deciding factor of whether a dance has been misappropriated. Particularly after the *Feist* decision, sequencing is an important aspect of originality needed to copyright a work.¹³⁵ Since Studio A’s piece is copyrighted, its particular sequencing of dance steps is probably the crux of the copyright. If Studio B copied the sequencing of the Studio A’s piece it would most likely fail in a fair use analysis of this factor.

The real issue with fair use in the dance context comes with the fourth factor, the effect of the use on the potential market for the original.¹³⁶ The most obvious effect of Studio B’s misappropriation of Studio A’s piece is that Studio A can no longer use its piece in the future. If Studio A were to use its piece again, it could be subject to ridicule from people thinking that it copied the piece from Studio B. Studio A would also be unable to sell its chore-

ography of the piece to another studio. This inability to sell the choreography would be a violation of Studio A's exclusive right to distribute the work through sale under Section 106 of the Copyright Act.¹³⁷ Studio A would also lose the ability to make derivative works of its original piece.¹³⁸ The problem with this factor is that copyright protection covers the economic value of a dance piece, but the choreographer has no recourse for the reputational loss.

The Fair Use Doctrine does not seem to provide adequate protection for either Studio A or Studio B. Arguments could be made for either studio because of dance's uniqueness, and it is not clear which studio would be likely to prevail. Unlike movies or books that can be transformed into other media and can be altered significantly, dance choreography is not as flexible. In a local dance community, different dance songs, themes, and steps are borrowed and shared on a more intimate level. While a studio with copyrighted works like Studio A would have some protection from its copyright, Studio B may easily argue that its piece is not a copy. On the contrary, Studio A's copyright might make it hard for Studio B to create a similar piece without having to assert fair use as a defense. Studio B might fail a fair use analysis, and it and other studios may be stifled in their options for routines, defeating the purpose of copyright law "to promote the Progress of Science and useful Arts."¹³⁹

Fair use becomes problematic in the competitive dance world because dance styles in this day and age are very similar. Many choreographers and studios are learning routines from the same major choreographers. Fair use becomes an even bigger issue when convention choreographers choreograph the same pieces for multiple studios. If the major choreographer does not copyright his or her pieces, the dance studios may claim ownership of them and it makes it harder to prove that dances were just taught to multiple studios, rather than copied. It would be beneficial under the law and in the dance area to come up with solutions to resolve these problems that would not stifle artistic creation.

IV. Recommendations and Conclusion

It is important for the legal world to realize the concerns and fears that choreographers have about legal recourse. Instead of just leaving definitions under the Copyright Act open to interpretation, it would be more beneficial to devise a definition of choreographic works that would appeal to a majority of choreographers.

While an exact definition may never be reached, there are certain clauses that could be added to a definition for the term that could aid courts in determining whether a piece is a choreographic work. A more concrete definition would give courts better guidance in determining copyright infringement of a choreographic work. Perhaps adding a clause about dance being about transitional move-

ments, or finding some term to account for movements or time in between basic steps, would create a more effective definition for the courts to use.

The law needs to reflect the situation of the average choreographer who may not have the monetary means to copyright his or her works under the current statutory language. It may be suggested that Congress add special protections for choreographic works in the way it does for visual works.¹⁴⁰ If Congress can include attribution and integrity rights for visual works, it may be possible to give these rights to choreographic works as well.¹⁴¹ If that occurs, choreographers may be more inclined to pursue copyright protection.

It may also be possible that there is no real solution to provide choreographers with adequate copyright protection. Like the old adage: "You can lead a horse to water, but you cannot force it to drink," protection can be provided for a choreographer, but the choreographer cannot be forced to take advantage of it. Copyright protection may just be something for major choreographers who have the most to lose if their works are misappropriated. In the meantime, the average choreographer will have to become more creative in order to protect creative works, or rely on years of tradition and hope for the best.

Endnotes

1. 17 U.S.C. § 101 (2009).
2. Edwina M. Watkins, *May I Have This Dance?: Establishing a Liability Standard for Infringement of Choreographic Works*, 10 J. INTEL. PROP. L. 437 (2003).
3. *Id.*
4. See Barbara Singer, *In Search of Adequate Protection for Choreographic Works: Legislative and Judicial Alternatives v. The Custom of the Dance Community*, 38 U. MIAMI L. REV. 287, 298 (1984).
5. Adaline J. Hilgard, *Can Choreography and Copyright Waltz Together in the Wake of Horgan v. MacMillan, Inc.*?, 27 U.C. DAVIS L. REV. 757, 762-63 (1994).
6. *Id.* at 763.
7. 17 U.S.C. § 102(a)(4) (2009).
8. H.R. Rep. No. 94-1476, at 53 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5666-67.
9. *Id.*
10. See Joi Michelle Lakes, *A Pas De Deux for Choreography and Copyright*, 80 N.Y.U. L. REV. 1829, 1842-43 (2005).
11. H.R. REP. NO. 94-1476, at 53.
12. Lakes, *supra* note 10, at 1843.
13. U.S. Copyright Office, *Compendium II: Compendium of Copyright Office Practices § 450* (1984) [hereinafter *Compendium II*], available at <http://www.copyrightcompendium.com/#450>.
14. *Id.*
15. *Id.* § 450.01.
16. *Id.* § 450.03(a).
17. *Id.*
18. *Horgan v. MacMillan*, 789 F.2d 157 (2d Cir. 1986).
19. *Id.* at 161.

20. See Hilgard, *supra* note 5, at 776. The author provides an in-depth analysis of the court's decision arguing that the court inadequately defined dance choreography leaving choreographers with little incentive to protect their works. *Id.* at 783.
21. 17 U.S.C. § 102 (2009).
22. *Id.*
23. MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.01 (2009) [hereinafter NIMMER].
24. *Id.*
25. *Id.*
26. Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49, 54 (2d Cir. 1936)).
27. 188 U.S. 249, 300 (1903).
28. *Id.* at 250.
29. See NIMMER § 2.01[B].
30. *Id.*
31. 499 U.S. 340, 345 (1991).
32. *Id.*
33. *Id.*
34. *Id.* at 348–50.
35. *Id.* at 348.
36. H.R. REP. NO. 94-1476, at 53.
37. See Compendium II, *supra* note 13, § 450.06.
38. Feist, 499 U.S. at 345.
39. 17 U.S.C. § 102 (2009).
40. *Id.*
41. See Compendium II, *supra* note 13, § 450.
42. *Id.*
43. *Id.*
44. See Lakes, *supra* note 10, at 1854–55.
45. See Compendium II, *supra* note 13, at § 450.07.
46. *Id.*
47. *Id.* at § 450.07(a).
48. *Id.*
49. See Singer, *supra* note 4, at 302.
50. *Id.* at 303.
51. Lakes, *supra* note 10, at 1855.
52. For a discussion on works for hire see *infra* Part III.
53. Compendium II, *supra* note 13, at § 450.07(b).
54. *Id.*
55. For a more detailed explanation of notation systems see <http://www.dancenotation.org/lnbasics/frame0.html>.
56. Lakes, *supra* note 10, at 1854.
57. Compendium II, *supra* note 13, at § 450.07(c).
58. *Id.*
59. *Id.*
60. See Lakes, *supra* note 10, at 1855.
61. *Id.*
62. *Id.*
63. See, e.g., Choreopro, <http://www.choreopro.com/> (a computer notation program that choreographers can purchase for use).
64. *Id.*
65. Compendium II, *supra* note 13, § 450.07(d).
66. *Id.*
67. See Watkins, *supra* note 2, at 447.
68. 17 U.S.C. § 101 (2009).
69. A work that is considered a work for hire is a work that is created as a “contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas....” *Id.*
70. Sharon Connelly, Authorship, Ownership, and Control: Balancing the Economic and Artistic Issues Raised by the Martha Graham Copyright Case, 15 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 837, 863 (2005).
71. The twelve factors that the court looked at were the hiring party's right to control the manner and means by which the work was created, the skill required, the source of the instrumentalities and tools, the location of the work, the duration of the relationship between the parties, whether the hiring party has the right to assign additional projects to the hired party, the extent of the hired party's discretion over when and how long to work, the method of payment, the hired party's role in hiring assistants, whether the work is part of the regular business of the hiring party, whether the hiring party is in business and the employee benefits and tax treatment of the hired party. 490 U.S. 730, 751-52 (1989).
72. See *Martha Graham School and Dance Found. Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.*, 380 F.3d 624 (2d Cir. 2004).
73. *Id.* at 628.
74. Connelly, *supra* note 70, at 861.
75. *Id.*
76. See *generally Graham*, 380 F.3d at 636 (discussing the different works choreographed by Graham separated into different periods of employment with the school).
77. 17 U.S.C. § 101 (2009).
78. 17 U.S.C. § 201(a) (2009).
79. See, e.g., Erickson v. Trinity Theatre, 13 F.3d 1061 (7th Cir. 1994).
80. *Id.* at 1063.
81. See *id.* at 1068 (citing Childress v. Taylor, 945 F.2d 500, 505-06 (2d Cir. 1991)).
82. *Id.* at 1069.
83. See NIMMER, *supra* note 23, § 6.07, at 6–21.
84. *Id.*
85. Erickson, 13 F.3d at 1070.
86. *Id.*
87. *Id.* (citing PAUL GOLDSTEIN, COPYRIGHT: PRINCIPLES, LAW, AND PRACTICE § 4.2.1.2, at 379 (1989)).
88. See *generally Gaiman v. McFarlane*, 360 F.3d 644, 658 (7th Cir. 2004) (discussing whether a comic book publisher was the joint owner of comic book character copyrights).
89. *Id.* at 658.
90. *Id.* at 659.
91. *Id.*
92. See *generally*, Steven S. Kan, *Court Standards on Joint Inventorship and Authorship*, 19 DEPAUL J. ART, TECH. & INTELL. PROP. L. 267, 280 (2009) (discussing various courts standards for joint authorship).
93. See *generally* 202 F.3d 1227, 1231 (9th Cir. 2000) (discussing plaintiff's scholarly help, translating lines for actors, and other contributions to the movie Malcolm X and whether they were independently copyrightable contributions).
94. *Id.*

95. See *Thompson v. Larson*, 147 F.3d 195, 200 (2d Cir. 1998) (discussing Thompson's contributions to the play *Rent* and whether he was a joint author).
96. *Id.* at 201.
97. *Id.* at 202–03.
98. See *Erickson*, 13 F.3d at 1072 (citing *Childress*, 945 F.2d at 508 (2d Cir. 1991)).
99. Jen Jones, *Choosing a Competition Choreographer Who Is Right For You*, Feb. 1, 2005, <http://www.dancespirit.com/articles/1380>.
100. *Gaiman*, 360 F.3d at 658.
101. *Id.* at 659.
102. *Singer*, *supra* note 4, at 290.
103. *Id.*
104. *Id.*
105. See Jones, *supra* note 99.
106. *Singer*, *supra* note 4, at 296.
107. *Id.* at 292.
108. *Id.* at 307.
109. *Id.* at 308.
110. *Id.* at 310.
111. 17 U.S.C. § 106A (2009).
112. 17 U.S.C. § 107 (2009).
113. *Id.*
114. *Id.*
115. 510 U.S. 569 (1994).
116. *Id.* at 572.
117. See *id.* at 578.
118. *Id.* at 579.
119. *Id.*
120. *Id.*
121. *Id.* at 586.
122. For instance, after the movie *Schindler's List* came out, many studios have since performed pieces with themes about the Holocaust. It is also very common to see dances sending messages about death and angels, heartache, and on a lighter note, many interpretations of different Broadway musicals.
123. See *Campbell*, 510 U.S. at 586.
124. *Id.* at 587.
125. *Id.* at 590.
126. *Id.*
127. *Id.*
128. See, e.g., *Harper & Row*, 471 U.S. 539. The Supreme Court in *Campbell v. Acuff-Rose* expanded on the four factors given in *Harper & Row*. For purposes of this paper, I used the analysis of the four factors from *Campbell* as the Court builds on the reasoning from *Harper & Row* in its analysis.
129. *Id.* at 567.
130. 17 U.S.C. § 107(1) (2009).
131. 17 U.S.C. § 107(2) (2009).
132. See *Campbell*, 510 U.S. at 593. While the Court directly discusses the fourth factor here, the court discusses the impact a work may have on the market for derivative works.
133. *Id.* at 587.
134. *Id.* at 586.
135. *Feist*, 499 U.S. at 348–50.
136. *Id.* at 590.
137. 17 U.S.C. § 106(3) (2009).
138. *Id.* at § 106(2).
139. U.S. Const. art. I, § 8, cl. 8.
140. 17 U.S.C. § 106A (2009).
141. 17 U.S.C. § 106A (2009).

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Stealing Home— *Major League Baseball Properties, Inc. v. Sed Non Olet Denarius, Ltd.* and the Glory, Heartbreak, and Nostalgia of the Brooklyn Dodgers

By David Krell

The Brooklyn Dodgers do not exist but for the memory, heart, and soul of those who refuse to yield their passion for the legacy, lore, and history of the Dodgers.

Indeed, their passion is relentless. Their heartbreak, legendary.

When the Dodgers moved from Brooklyn to Los Angeles after the 1957 baseball season, the Dodger Faithful responded by turning shades of red with fury, green with envy, and gray with depression. No longer would they collectively pray in a brick-faced cathedral called Ebbets Field.

The Dodgers boasted a new metropolitan home where sunshine reigned during most of the year, people traveled by automobiles on freeways instead of subway cars on tracks, and a new stadium—Dodger Stadium—eclipsed Ebbets Field in look, feel, and modernity when it debuted in 1962. Meanwhile, the team's departure from Brooklyn relegated Ebbets Field to the baseball stadium graveyard. Obsolete, Ebbets Field—the ballpark occupying one city block bordered by Bedford Avenue, Sullivan Place, McKeever Place, and Montgomery Street in the Flatbush section of Brooklyn—faced its demise. The death knell sounded on February 23, 1960 when demolition began with a wrecking ball painted like a baseball shattering the visitors' dugout.

Bobby Thomson's playoff home run in 1951 may have been the Shot Heard 'Round the World, but the destruction of Ebbets Field was the shot straight through the heart, soul, and core of Brooklyn.

The Dodgers' departure left a massive, indefinable, and soulless void in the borough. Frank Sinatra sentimentally lamented Ebbets Field's absence in the song *There Used To Be A Ballpark*. Undeniably, Ebbets Field's destruction emphatically placed an exclamation point on the incalculable depression, gloom, and rage running rampant throughout Brooklyn.

The transformation of the Brooklyn Dodgers to the Los Angeles Dodgers was not a result of a simple aban-

donment, however. It was, in fact, a result of complex layers of political, sociological, and financial forces competing for attention, power, and favor.

Whatever the reason, though, the Brooklyn Dodgers are long gone.

A restaurant in Brooklyn—The Brooklyn Dodger Sports Bar and Restaurant—proactively kept the proverbial candle of Brooklyn Dodgerdom lit by using the team's name. The use reflected a deliberate attempt to capitalize on sentiment.

Baseball metaphors naturally come to mind to describe the subsequent action—the Dodgers returned to Brooklyn to play on the field where a judge rules instead of an umpire, where verbal barrages carom off a courtroom wall faster than line drives off the idiosyncratic outfield wall at Ebbets Field, and where the rule of law decides the winner instead of runs scored.

Plainly, the Dodgers wanted the name of the borough it dispatched with ignominy to the bench. To reach its goal, the Dodgers organization hurled fastballs, curveballs, and knuckleballs in the form of legal arguments claiming ownership of the Brooklyn Dodgers name.

To use another metaphor, the chickens came home to roost.

Specifically, they came to the Southern District of New York in *Major League Baseball Properties, Inc. v. Sed Non Olet Denarius, Ltd.*¹

Play ball!

1st Inning: The Birth of Baseball

Baseball is a timeless game steeped in legend, decorated by myth, and obsessed with facts, statistics, and trivia. As children, we learn the game and adapt versions beyond groomed Little League ball fields to other sites of play—backyards, driveways, and streets. Mostly, standard rules apply for the batter—four balls equal a walk and three strikes equal an out.

Wiffle® Ball can be played with two or more players. The basic equipment consists of an authorized Wiffle® bat and ball—at the very least, the game requires a pitcher and a batter. Typically, “invisible” players represent base runners—“Invisible Runner on Second. A hit over your head past the rose bushes counts as a single, so Invisible Runner will score.”

Stickball is an urban game, classically played with a broomstick and tennis ball or pink spaldeen ball in the streets of northeastern cities—“Anything past the Buick on a fly is a home run.”

From rural meadows to suburban greenbelts to metropolitan asphalt, baseball is entrenched in America. The 1989 movie *Field of Dreams* reflects baseball’s allure, power, and unvarying continuity. Based on the 1982 book *Shoeless Joe* by W.P. Kinsella, *Field of Dreams* revolves around Ray Kinsella, an Iowa farmer who hears a voice proclaiming, “If you build it, he will come.” The “it” is a baseball field carved out of the farmer’s farmland. Foul lines, base paths, and an outfield replace rows of corn. Soon, the rows of corn left untouched to provide an outfield fence become an entry point for magically resurrected deceased players to enter the field and play baseball. Among the players—the legendary Shoeless Joe Jackson.

At the end of the movie, Ray faces a decision—keep the ball field or sell the farmland to the bank to avoid bankruptcy. Ray’s idol, an author named Terence Mann (based on J.D. Salinger), authoritatively articulates baseball’s command in an appeal to keep the ball field.

The one constant through all the years,
Ray, has been baseball. America has
rolled by like an army of steamrollers.
It’s been erased like a blackboard, re-
built, and erased again. But baseball has
marked the time. This field, this game, is
a part of our past, Ray. It reminds us of all
that once was good, and could be again.
Ohhhhhhhh, people will come, Ray.
People will most definitely come.²

Indeed, baseball’s aura of romance, constancy, and reliability is rooted firmly in America’s psyche as a genuinely engaging pastime across generations. Largely, baseball’s archaeology consists of 20th century players, teams, and stadiums as topics triggering conversation, debate, and memory. Who could pitch faster—Nolan Ryan or Walter “Train” Johnson? Who would win in a match-up—1927 New York Yankees or 1977 New York Yankees? Which stadium favored the home team with a bigger advantage—the majestic, intimidating, and overpowering Yankee Stadium for the New York Yankees or the tricky, challenging, and intimate Ebbets Field for the Brooklyn Dodgers?

Good questions, all.

Baseball archaeology revealing the genesis, evolution, and establishment of the game fosters debate among historians, enthusiasts, and insiders. The sport appears to descend from Great Britain, though rules in American versions may be fluid.

Children have hit balls with bats as long as there have been children, but baseball’s most direct ancestors were two British games: cricket, a stately pastime divided into innings and supervised by umpires, and rounders, a children’s stick-and-ball game brought to New England by the earliest colonists. Soon there were many American variations and even more names: ‘old cat,’ ‘one old cat,’ ‘two old cat,’ ‘three old cat,’ ‘goal ball,’ ‘town ball,’ ‘barn ball,’ ‘sting ball,’ ‘soak ball,’ ‘stick ball,’ ‘burn ball,’ ‘round ball,’ ‘base,’ and ‘Base Ball.’

Boys played one version or another on college campuses and village greens, in schoolyards and farmers’ fields and city streets. Revolutionary War soldiers played ball at Valley Forge. Slave children played in the South, sometimes using a tree limb for a bat and a walnut wrapped in rags for a ball. On their way home from crossing the continent, Meriwether Lewis and William Clark tried to teach the Nez Percé Indians to play the ‘game of base.’

The game varied from state to state, town to town, but town ball was the most popular. Under its rules, the infield was square. There were no foul lines and no fixed positions in the field. Eight to fifteen men usually played on a side, but room could be found for as many as fifty. The ‘feeder’ was the least important player: it was his job merely to toss the ball to the ‘striker,’ who was allowed to demand that the ball arrive either high or low and then to wait and wait, if necessary, until he got his wish. A single out retired the side, and a runner was out if the ball was caught on the fly or if he was ‘soaked’—hit with the ball while running between bases.³

The creation myth linked with baseball centers on Abner Doubleday. Doubleday, according to the myth, codified rules for the sport of baseball after playing town ball for Otsego Academy against Green’s Select School. The time was Summer 1839. Geoffrey C. Ward, author of *Baseball: An Illustrated History*, concisely explains the factual contradiction to the myth. “[H]e was at West Point, not

Cooperstown, in the summer of 1839. He never claimed to have had anything to do with baseball, and may never have seen a game.”⁴

The Doubleday link owes its existence to patriotic pride. Sporting goods mogul Albert Spalding inspired the Doubleday story to dissuade adherers to the evolution theory of baseball descending from British games. David Block details the Spalding mandate in *Baseball’s Earliest Rules?*, an article posted on the website of the Society for American Baseball Research.

[Baseball historian Henry] Chadwick, who was born in 1824 in the town of Exeter in western England, recalled playing rounders as a child. Because baseball reminded him of his childhood pastime, he naturally concluded that rounders was the ancestor of the American game. Beginning in 1860, Chadwick included his baseball-from-rounders theory in virtually every one of the innumerable writings on baseball he produced over the next 40 years.

Of course, it was this ‘un-American’ theory that provoked Albert Spalding into convening the Mills Commission, which ultimately saddled us with the Doubleday myth. Then in 1839, New York librarian and pioneer baseball researcher Robert W. Henderson, in his essay ‘Baseball and Rounders,’ disproved the Doubleday fiction. Using sources such as the 1828 rules for rounders that appeared in *The Boy’s Own Book*, he demonstrated conclusively that baseball derived from that particular old English game. Or did he? While most baseball historians since Henderson have repeated the baseball-from-rounders theory, few have conducted fresh research on the subject.⁵

Block theorizes that baseball evolved on a separate track from rounders. His evidence is a 1796 book by Johann Christoph Friedrich Guts Muth—*Spiele zur Uebung und Erholung des Körpers und Geistes für die Jugend, ihre Erzieher und alle Freunde Unschuldiger Jugendfreuden* (Translation: *Games for the Exercise and Recreation of Body and Spirit for the Youth and His Educator and All Friends of Innocent Joys of Youth*). Guts Muth describes a German ball game and an English ball game in his book. His descriptions provide fodder for Block’s advocacy of a decreasing status for rounders as a baseball progenitor.

Perhaps the discovery of the 1796 Guts Muths book can help set the record straight. Now it can be shown that a set of kindred rules for a game called ‘base-

ball’ preceded the well known 1828 rules for rounders, which have long propped up the baseball-from-rounders hypothesis. Also instructive is the fact that the name ‘rounders’ cannot be found in the historical record prior to the year 1828, whereas the word ‘base-ball’ shows up at least five times in 18th century writings. Within the pantheon of baseball mythology, Abner Doubleday may reign supreme. Yet, in terms of longevity, the rounders ancestry myth is a formidable [sic] challenger.⁶

Also at risk of losing its accepted prominence in baseball lore is the date of June 19, 1846 as the first date of organized baseball. At Hoboken, New Jersey’s Elysian Fields, “a grassy picnic grove overlooking the [Hudson] River,” the New York Knickerbocker Base Ball Club played the first game under official rules created by Alexander Cartwright and Daniel Lucius “Doc” Adams. The Knickerbockers lost to the New York Base Ball Club by a score of 23-1.⁷

George A. Thompson, Jr., a New York University librarian, discovered two articles from now-defunct New York City newspapers predating the 1846 game by approximately 20 years. The articles mention “base ball” with implications of a sport reflecting organized rules and regular teams. Absent from the articles, however, are team names. The first article appeared in 1823 in *The National Advocate*. The second article appeared in 1825 in *The New-York Gazette and General Advertiser*.⁸

Thompson’s discovery lends credence to a baseball evolution theory rather than a creationist theory. Consequently, the 1846 game is an extension of previous incarnations of organized baseball rather than the starting point.

The Advocate article has no description of the game it refers to. Many rules of the modern game, like foul territory and throwing to a base to get a player out, were not known to have been formally introduced until the 1846 match in Hoboken. Other elements, like nine innings in a game and nine players to a team, did not become the norm until the following decade, scholars say.

So, the 1823 game could have resembled any of the ancestors of baseball that were being played at the time. For example, a game called town ball (probably played before or after a town meeting) required a player to be hit with the ball to be called out. In cricket and rounders, all the players took a turn at bat. Variations

of another game, known as ol' cat, used holes as bases and required players to stick their bats in them as they raced from one to the next.⁹

Delving into the rich prehistory of baseball yields pre-20th century findings adding to the tremendous spirit, embrace, and evolution surrounding the sport. Its advancement as a sport of business developed from a pastime of recreation.

Ball games involving bases were mentioned in print as early as the 18th century, said David Q. Voigt, a retired professor of sociology and anthropology at Albright College in Reading, Pa., and the author of a three-volume history of baseball.

For instance, a doctor in George Washington's army in Valley Forge, Pa., wrote of a game where players ran from base to base, he said. Children's books of that century described a similar game. And [baseball historian John] Thorn points out that an Englishwoman named Lady Hervey wrote in a letter in 1748 that the family of the Prince of Wales was 'diverting themselves with baseball, a play all who are or have been schoolboys are well acquainted with.'¹⁰

In the infant days of organized baseball, Brooklyn contributed greatly to the sport's advancement.

Baseball had been played in Brooklyn as far back as 1849 by a succession of amateur clubs called the Atlantics, the Excelsiors, the Putnams and the Eckfords. The Atlantics, in fact, were Brooklyn's first championship team. They won titles in 1864 and 1866 while playing in a loosely knit federation called the National Organization of Baseball Players. A few years later, they carved for themselves a small but enduring niche in baseball history when they defeated the Cincinnati Red Stockings, at the time the only professional team in the country.¹¹

In 1871, the Brooklyn Eckfords attempted joining the first professional baseball league—the newly formed National Association of Professional Players.¹² The team's initial defiance of a required monetary payment caused a late entry with a subsequent revocation of league membership.

The Brooklyn Eckfords were to be one of the charter members, but the team's representative balked at paying the \$10.00

admission fee. Brooklyn finally agreed to join the league in August, when the Fort Wayne franchise folded. But the Eckfords' tenure was short-lived. At a post-season convention, the league voted to strip their games from the record on the basis of their late entry. Twelve years would pass before Brooklyn had a professional team of its own.¹³

In 1883, the efforts of a newspaperman culminated in a team for Brooklyn. George Taylor, city editor of the *New York Herald*, convinced three friends to join him in his sports business endeavor—two friends were businessmen Charles Byrne and Joseph Doyle. The third friend was Ferdinand Abell.

[Abell] ran a gambling house in Nar-ragansett, Rhode Island. With Abell putting up most of the money, the three men obtained a franchise in the Interstate League and built a ball park on a site in the Park Slope section of Brooklyn where George Washington and his troops had fought the Battle of Long Island. The park was named Washington Park. The team was called the Grays, after the color of their uniforms, and it was an immediate success. It drew its share of spectators, turned a nice profit, and won the pennant in its first year of operation.¹⁴

As the team's president, Byrne hired a 24-year-old office worker "[t]o perform a variety of routine chores."¹⁵ The new employee contributed wherever needed.

[H]e did a little bit of everything for the club. He kept the books, sold tickets and scorecards, and tidied up around the office. The job might have seemed small potatoes to man of [his] background. Though barely of mature years, he had already been an architectural draftsman, a small-time book publisher, and served as an assemblyman in the State Legislature. But it was in baseball that [he] saw the cast of his future, and the future was approaching rapidly.¹⁶

Eventually, Byrne's hiring choice proved prophetic—the man's name was Charles Ebbets.

2nd Inning: Birth of the Brooklyn Dodgers

If the Dodgers organization ever creates a coat of arms to reflect its rich history, remarkable legacy, and indelible contribution to baseball, the Ebbets name will undoubtedly enjoy a prominent place. Although no such escutcheon currently exists, verbal and written heraldry

of Charles Ebbets mirrors the substantial prism of baseball colors that he added to the Brooklyn spectrum in general and Brooklyn baseball in specific.

From 1887 to 1889, Brooklyn baseball fans gave a label to the team based on the newfound marital status of many Brooklyn players—Bridegrooms.¹⁷ In 1890, the Bridegrooms joined the National League.¹⁸ A rival start-up league also boasted a Brooklyn team.

The 1890 season had been marked by the emergence of a new professional league which also had a Brooklyn franchise. It was called the Players' League, and though it would not last beyond its first season, it managed to leave its mark. The new teams began filling their rosters with players from the other two leagues, touching off what became known as the Brotherhood War. The war, though brief, was a costly one. The Players' League folded. The American Association was crippled beyond repair. At the end of the 1890 season, the two Brooklyn franchises agreed to a merger of sorts, with Byrne, Doyle, and Abell retaining control of the club.¹⁹

The merged Brooklyn team then acquired a nickname based on a custom throughout the borough. "By this time the fans had taken to calling the Brooklyn team the 'Trolley Dodgers,' since that practice was becoming either an attendant charm or a daunting facet of Brooklyn life."²⁰

The geography of the new home field reinforced the nickname's appropriateness.

The first, most discernible change was a sanguine one for Brooklyn. The team moved into the spanking new ballpark that had been built for the Players' League club in 1890. The new stadium, called Eastern Park, was located in the East New York section of Brooklyn. Though far from the borough's center of population, it was conveniently situated at the intersection of a number of trolley and streetcar lines. To get to the park from the nearest trolley stop, however, a visitor was obliged to work his way across the tracks of the New York & Manhattan Beach Railroad, dodging trolleys and streetcars as he went. Thus the Brooklyn team became increasingly referred to as the Trolley Dodgers, or simply the Dodgers.²¹

The Brooklyn Base Ball Club either suffered or enjoyed fluidity in its team name, depending on one's point

of view. "The term 'Trolley Dodgers' was attached to the Brooklyn ballclub due to the complex maze of trolley cars that weaved its way through the borough of Brooklyn. The name was then shortened to just 'Dodgers.' During the 1890s, other popular nicknames were Ward's Wonders, Foutz's Fillies and Hanlon's Superbas."²²

The Trolley Dodgers attracted an investor—George Chauncey. Chauncey, a former player on the Brooklyn Excelsiors team, found financial success as a real estate investor and financier. He was also one of the investors of the Brooklyn Wonders, a team in the Players' League.²³

Chauncey got involved in more than financial investments concerning the Trolley Dodgers. For example, Chauncey "[c]onvinced the baseball champions to move out of Washington Park in South Brooklyn over to Eastern Park."²⁴ Chauncey also spearheaded the firing of the team's manager, Bill McGunnigle, despite the team's success.²⁵

The Dodgers formalized its ownership by incorporating under the name "Brooklyn Baseball Club" and issuing stock—" [T]he stock of 100 shares capitalized at \$250,000 with the Byrne-Doyle-Abell group taking just over 50 percent (Taylor had sold his interest in 1885) and the Chauncey group, with associates E.F. Linton and H.J. Robinson, taking the balance."²⁶

Chauncey offered Ebbets the opportunity to buy stock because he noticed Ebbets's zeal, skill, and value. "He was the first to recognize that Charlie Ebbets's zest for the game of baseball was matched by an unusual flair for its operations. He sold the young man half of his stock in the club. Then, when Charles Byrne died in 1898, Chauncey sponsored the election of Ebbets as president of the club. It was a move that gave new shape and direction to the growth of the franchise."²⁷

Ebbets built upon his stock ownership. On January 1, 1898, an announcement confirmed Ebbets's purchase of a block of stock.

Ebbets had purchased 40 percent of the team from the old Brotherhood interests in a deal consummated the previous day in Alfred M. Kiddle's office in New York's Potter Building. By using his savings and borrowing as much as he could, Ebbets had bought up the minority interest. Meanwhile his partner Ferdinand Abell, tired of the losses that had begun with the advent of the Players' League and that had continued throughout the 1890s, was only too happy to give Ebbets an option on his shares until February 1. Although Charley agreed to make the purchase and it would have brought his holdings up to 85 percent, he ultimately

wasn't able to swing it. Abell, not anxious to sell to anyone else, held the shares.²⁸

Abell and Chauncey agreed to allow Ebbets to run the Brooklyn Base Ball Club. Ebbets used this authority to mandate a new home for the team. Erected in 1898, this new ballpark in South Brooklyn was the second Washington Park, located between the parallels of First Street and Third Street and corresponding parallels of Third Avenue and Fourth Avenue. It was on a north and west diagonal from the first Washington Park.²⁹

Ebbets's exuberance, dedication, and acumen encountered a formidable obstacle that put ownership and control of the team at risk—Harry Von der Horst, owner of the Baltimore Orioles, saw a financial opportunity in Brooklyn. "Von der Horst received a substantial interest in the Brooklyn team in a stock swap, picking up some of Abell's and Chauncey's stock as well as some of the Byrne and Doyle shares when those heirs disposed of their holdings. Ebbets, still a minor stockholder, picked up some shares in the deal and also was reelected president, while Hanlon was cut in as a minor stockholder."³⁰

After the 1902 season, though, Von der Horst and Abell decided to sell their respective blocks of Brooklyn Base Ball Club stock. Naturally, Abell sold his shares to Ebbets who also wanted Von der Horst's shares. He needed a financial backer to fulfill his ambition.

When American League president Ban Johnson had his way and the Baltimore franchise was moved to New York to become the Highlanders in 1903, Brooklyn manager Hanlon became convinced that he should attempt to buy Von der Horst's shares, combine them with his own, and move the Brooklyn club down to Baltimore.

Ebbets refused to consider moving the Superbas out of Brooklyn. All of his money had gone toward purchasing Abell's stock, but now, to outbid Hanlon for Von der Horst's, he turned to a friend, Henry Medicus, who owned a furniture company. Medicus gave Ebbets the cash he needed, and Hanlon's bid to control the team's fortunes and whereabouts was thwarted.³¹

Hanlon continued managing the team until he left to manage the Reds after the 1905 season. "By 1907 Ebbets and Medicus had bought out the remaining few shares that still had been held by Hanlon, consolidating their holdings."³²

With cemented control of the team, Ebbets pursued his vision of a modern stadium with expanded capacity. He found his site in a run-down section of Brooklyn

called, appropriately, Pigtown—pigs fed there. "[I]t was a four-and-a-half acre slum that consisted of a garbage dump surrounded by clusters of rundown squatters' shanties."³³

Ebbets based his Pigtown site choice in the "south-west part of an area called Crow Hill"³⁴ on emerging trends. "The specific piece of land that Charley wanted was east of Grand Army Plaza, down the first few blocks of Eastern Parkway and then several streets south on Bedford Avenue. It was bounded by Bedford Avenue on the east, Cedar Place on the west, Montgomery Street on the north, and Sullivan Place, misidentified on later blueprints as Sullivan Street, on the south."³⁵ A ballpark would benefit from the area's development, according to the paradigm envisioned by Ebbets. He based his vision on his political experience and his network.

Ebbets felt optimistic about his intended site because Brooklyn was growing on each side of it. He knew from his City Council days and through his business contacts just how the land would develop, and he knew that people would be able to get to this spot largely because of the improved service offered by the Brooklyn Rapid Transit Company. A handful of trolleys would pass nearby and so, ultimately, would the Brighton line of the new subway system. Charley was seeing something the others weren't.³⁶

Ebbets's pursuit proved costly. He invested his own money in the quest for a concrete stadium as wood was a fire hazard. "Charley had kept his share of the proceeds after an old family business property at 41 Broad Street in Manhattan was sold, adding to it assiduously until he had \$125,000 saved, a threshold reached in 1907."³⁷

A clear vision of the Dodgers' future battled clouds of real estate intricacies. Ebbets needed to patiently consolidate the target site in piecemeal fashion. He persisted despite the challenges. "[T]he land, he soon discovered, was encumbered by more than 40 claims of ownership, some by deed, others by squatters' rights. He spent more than three years putting the parcel together, piece by piece. He tapped all of his savings, borrowed as much as the banks would lend him; and on March 5, 1912, ground for the stadium was finally broken."³⁸

The new park had no moniker. Ebbets responded to a reporter's question concerning the name by defaulting to the Washington Park label. It would have been the name had the reporter kept silent. Instead, the reporter replied, "Why don't you call it Ebbets Field? It was your idea and nobody else's, and you've put yourself in hock to build it. It's going to be your monument, whether you like to think about it that way or not."³⁹

Indeed, Ebbets Field stood as a monument to Charles Ebbets' dedication to the fans, the team, and the borough of Brooklyn. "It had cost \$750,000 to build—an exorbitant sum in those years—but it was everything Charlie Ebbets had hoped for. By the standards of the time, it was a palatial structure. It was made of concrete and steel with a tile-inlaid entrance rotunda that lent it a special distinction through all of its years."⁴⁰

Ebbets found a source of capital in the McKeever brothers—Steve and Ed McKeever, successful Brooklyn contractors. They owned the construction company building the ballpark. To finance the park's completion, Ebbets sold 50 percent of his stock to the McKeeveres.

On April 5, 1913, Ebbets Field opened with an exhibition game against the Yankees. The Dodgers won 3-2. Rookie Dodgers outfielder Casey Stengel hit an inside the park home run.

3rd Inning: The Daffiness Boys, Uncle Robbie, and Walter O'Malley

Wilbert Robinson succeeded Bill Dahlen as the team's manager with an enduring tenure from 1914 to 1931, influenced the change of the team's name to the Robins, and held power off the field. When Ebbets died in 1925, "[n]one of the other club officials knew anything about running a baseball team. They chose the manager, loveable Uncle Robbie, as Dodger president."⁴¹

Baseball in Brooklyn during the "Uncle Robbie" era was poor, if not pathetic.

Those Brooklyn teams, however, have become not so much the property of history as of legend. They are remembered most fondly as the clown princes who brought comic relief to the game of baseball: outfielders mystified by the course of fly balls; batters unable to decipher a coach's signs; runners losing their direction on the base paths. It was during those years that they became known as the Daffy Dodgers, or the Daffiness Boys, a name pinned on them by the then-sportswriter Westbrook Pegler."⁴²

Despite the team's inadequate performance on the baseball diamond, Brooklynites did not waver in their support, loyalty, or enthusiasm. They persevered for reasons beyond fandom. Simply, the Dodgers served as a collective identity symbol.

To the fans the Dodgers were an extension of their family, representatives of their borough, and an important part of their lives, and they were proud of the Dodgers no matter how poorly they played, much as parents might still love

a child with a D-plus average in school. Dodger fans were always able to rejoice in the small victories, a well-pitched game or a rare home run that won a game.

The Dodger players during the dark days of the Depression were blue-collar workers who had to scrap and scuffle every day on very little money, just like their fans had to, and the attempt was enough. No matter how poorly the team was doing, the residents of Brooklyn loved their Dodgers with a lifetime, all-encompassing passion never seen before or since.⁴³

Indeed, the passion fostered, nurtured, and amplified by the fans went deeper than watching a baseball game for entertainment, leisure, and escape. In their eyes, the Dodgers were not athletic paragons. Rather, they were human beings with the flaws, foibles, and failings commensurate with imperfection.

Still, the '20s and '30s were anything but dull in the borough of Brooklyn. It was during those years that the Dodgers began to project the image that would stamp their identity and fuse a bond between a team and its fans that had no equal. The image was one of adorable losers and lovable clowns, bizarre and zany free spirits who brought to each game an impromptu recklessness that appeared to leave the outcome in hands other than their own. They managed to lose with more flair than other teams could muster in victory. And the fans loved them.

Brooklyn, during the '20s, had grown into a haven for a largely working-class, immigrant population up from the teeming tenements of Manhattan's Lower East Side. It was a citizenry that had long ago learned to measure success in small doses. The Dodgers of that era were a team scaled to the same dimension as their fans. They appeared to be ill-suited for prosperity and disdainful of its gifts. Even when they won, they seemed unable or unwilling to abide success. After winning the pennant in 1916, they plummeted to seventh place; following another pennant in 1920, they fell to fifth, then to sixth a year later, and there they remained for six of the next seven seasons. Only once did they come up for air. That was in 1924, and their emergence was quite unexpected.⁴⁴

Wilbert Robinson was gone after the 1931 season, replaced by Max Carey from 1932-33, followed by Casey Stengel from 1934-1936 and Burleigh Grimes from 1937-1938. The revolving management on the field paled in comparison to a change in the front office influenced by financial issues—the Dodgers faced a change in ownership. George V. McLaughlin, president of the Brooklyn Trust Company, held the proverbial trump card as the Dodgers's creditor.

Indeed, by 1937, the club's financial crisis had brought it to the edge of bankruptcy. Its debts amount to well over a million dollars, no small sum in that era of depression. McLaughlin felt he could go no farther. He told Dodger management that future credit would be severely limited unless the team put itself in the hands of new leadership. The Dodgers' board of directors sought the counsel of Ford Frick, president of the National League. They asked him if he could recommend someone who might turn things around in a hurry. Frick's recommendation was Leland Stanford MacPhail, a former general manager of the Cincinnati Reds and recently at liberty.⁴⁵

In 1938, MacPhail introduced night baseball to Brooklyn. Its debut provided the background for a baseball record. Johnny Vander Meer of the Cincinnati Reds pitched a no-hitter against Brooklyn on June 15, 1938, an amazing feat compounded by Vander Meer's pitching a no-hitter against the Boston Braves four days prior. Vander Meer's consecutive no-hit games is an accomplishment not matched since or before.

Ignominy. Sorrow. Defeat. Whatever the word of choice, it aptly describes the aura surrounding the Dodgers. In 1941, the Dodgers suffered an error during the World Series that may have ultimately changed the series in the rival Yankees's favor. The Yankees led the Dodgers in the World Series, two games to one. In Game 4 at Ebbets Field, the Yankees had two outs in the top of the ninth inning with the Dodgers owning a 4-3 lead. One more out and the Series would be even at two games apiece. With a full count—3-2—on Tommy Henrich, Hugh Casey threw a pitch that Henrich swung at and missed. The game was seemingly over, but a split-second later, the game changed—catcher Mickey Owen could not hold on to the ball. Under baseball rules, Henrich was allowed to go to first base. The Yankees then scored four runs to take a 7-4 lead. They stopped the Dodgers in the bottom of the ninth to secure a 3-1 lead in games. The Yankees won the next game. The victory gave the Yankees the required four games for a World Series Championship.

On September 24, 1942, MacPhail resigned. Simply, MacPhail's financial management displeased Dodger

management. "Even before the season was out, the Dodger stockholders, led by George V. McLaughlin, representing the Brooklyn Trust Company, decided that MacPhail was no longer stable enough to run the team."⁴⁶

At his final press conference, MacPhail used statistics to prove his record, worth, and commitment to the Dodgers.

It is true I spent a lot of money around here. I have spent about a million for ballplayers, and this year alone, I spent \$250,000 on repairs to the ball park. But I leave the Brooklyn club with \$300,000 in the bank and in a position to pay off the mortgage. We have paid off \$600,000 we owed the Brooklyn Trust Company and have reduced the mortgage another \$600,000, to \$320,000. I have sold the radio rights for 1943 for \$150,000. We have drawn a paid attendance of more than a million at home in each of the last four years, and whether we win the pennant or not, and it doesn't look as if we will, since we're two games behind with only three to play, the future of the club is bright, even under wartime conditions.⁴⁷

Branch Rickey replaced MacPhail—Rickey joined the Dodgers as president and general manager after the 1942 season ended. He left his previous employer, the St. Louis Cardinals, on a high note—the Cardinals beat the Yankees in the 1942 World Series.

Rickey's transfer in 1942 to the Brooklyn Dodgers, which led to baseball's integration, was as unlikely as it was unexpected. Most observers deemed it unthinkable that Rickey would relinquish his St. Louis post. Nor did there appear to be an opening in Brooklyn, where MacPhail had rejuvenated a struggling Dodger franchise, transformed it into a pennant contender, and more than doubled attendance in four short years. In the late 1930s, however, personal differences and business disagreements soured relations between Rickey and Cardinal owner Sam Breadon. By 1941 an irreparable breach had emerged. To the surprise of the baseball world Rickey announced the end of his twenty-five-year Cardinal reign. At the same time the abrasive MacPhail had alienated the Dodger owners. When he marched off to Washington to join the war effort, they breathed a sigh of relief, and named Rickey to replace his former protégé as the Dodger general manager.⁴⁸

Another addition to the Dodgers management was Walter O'Malley—engineer, attorney, and future villain or visionary, depending on one's vantage point. "His Manhattan law practice included performing legal services for the Brooklyn Trust Company. In 1941, George McLaughlin, the Bank's president, had him appointed attorney for the Dodgers. Within three years, he had purchased enough stock to own a 25 percent share in the club."⁴⁹

On November 1, 1944, O'Malley, Rickey, and Brooklyn insurance executive Andrew Schmitz collectively bought 25 percent of the Dodger stock from the Ed McKeever estate.⁵⁰

On August 13, 1945, O'Malley and Rickey amplified their ownership when they joined with John L. Smith, President of Pfizer Chemical Company, to buy 50 percent of the Dodger stock through the Brooklyn Trust Company. The company was one of three executors of Charles Ebbets's estate. In this transaction, Schmitz sold his stock to Rickey, O'Malley, and Smith. That left 25 percent of Dodger stock owned by Steve McKeever's daughter—Dearie McKeever Mulvey.⁵¹

Rickey left the Dodgers in 1950. His departure set off a consequent solidification of ownership of the Dodgers. "The ownership arrangement continued until October 26, 1950, when O'Malley purchased Rickey's shares of stock for \$1,050,000 and became Dodger President, expanding his ownership interest to 50 percent. Later, O'Malley purchased stock from Smith's estate to increase his holdings to 66 2/3 percent, and he became the sole owner with the acquisition of stock from the Mulvey family in the early 1970s."⁵²

Rickey's tenure with the Dodgers marked an absolute revolution in baseball. Rickey originated the farm system that developed younger players with raw talent when he worked for the St. Louis Cardinals. His system proved effective—it either refined that talent or sifted it out. He brought that innovation to the Dodgers.

Rickey visualized a chain of minor-league teams of various classifications—a kindergarten, grade school, preparatory school and a university of baseball—which eventually would graduate shining Phi Beta Kappa students of the game—Hornsbys, Frisches, Sislers, Cobbs, Speakers and Mathewsons.⁵³

Sam Breadon offered a sympathetic ear to Rickey's revolutionary idea. "Rickey talked about his dream at every opportunity, and in 1920 a man came along who listened to him. The man was Sam Breadon, aggressive, with a square jaw, and a willingness to back up his judgment with his dollars."⁵⁴

In 1917, Breadon invested \$2,000 in the Cardinals for 80 shares of stock. In 1920, he invested \$5,000 and joined

the board of directors.⁵⁵ "Breadon quickly became outstanding among the stockholders because of his interest, his enthusiasm, and his holdings; on January 13, 1920, he replaced Rickey as president. Through that year and the next he increased his holdings, and in November, 1922, he bought 1048 shares of common stock from J.C. Jones, thereby gaining a controlling interest."⁵⁶

Breadon also bought out Fuzzy Anderson, owner of the second largest block of Cardinals' stock. Consequently, he locked out Anderson from a vice presidency. Rickey was also gone as team manager after the 1925 season, though Breadon kept him in the Cardinals' nest, albeit in a different capacity.

A miffed Anderson decided to sell out completely and leave baseball. With the aid of a loan from Breadon, Branch Rickey bought Anderson's stock, which amounted to less than 20 percent of the total shares. The 'Cardinal Idea' of community ownership was now officially dead.

One of Breadon's first acts as team president was to offer Anderson's vice presidency to Branch Rickey. He accepted the position, and it was more than just balm for Rickey's ego because he had been removed as president. Keeping a front office title was also important because the National League had recently passed regulations preventing field managers from sitting in on league councils. As vice president and the executive in charge of the baseball side of the Cardinals, Rickey would still be able to keep his finger on the pulse of the other franchises in the Major and Minor Leagues.⁵⁷

Rickey's idea to buy minor league teams provided a bedrock of independence for the Cardinals and a blueprint for player development that soon became a baseball industry standard. Through a "farm system" that cultivated, nurtured, and strengthened talent, a major league team would logically reap benefits from its investment. The idea made good baseball sense and good financial sense.

Even more frugal than Rickey, Breadon liked the idea of signing players cheaply and watching them develop until they were ready 'to ripen into money.' The phrase was Rickey's, but the idea was very palatable to Breadon, who, as a businessman, easily grasped the basic principle of the farm system: buy raw talent inexpensively, watch it develop under the best managers, coaches, and

instructors, and patiently wait to reap the profit from the finished product while trading away the surplus players for cash and maybe other prospects. No longer would the Cardinals have to be at the mercy of a 'handshake' agreement with Minor League owners for rights to Minor League players. Too often in the past the Minor League businessman had violated the arrangement the moment a higher bid came in.⁵⁸

Rickey's other revolution occurred when he masterminded integration of Major League Baseball. With tremendous talent barred from playing in Major League Baseball because of an unwritten yet closely held rule disallowing black players, Rickey scoured the Negro Leagues for a player who embodied the mental toughness, emotional strength, and athletic ability required to be a racial groundbreaker in baseball.

The Negro Leagues provided a deep reservoir of baseball talent. Rickey's mission was to find a black player to be a model of baseball acumen—explosive actions on the field that could help the Dodgers win baseball games combined with emotional restraint in the face of taunts, teases, and ethnic slurs.

Rickey's selection of Jack Roosevelt "Jackie" Robinson also marked the beginning of the end for Negro League Baseball, an entity that richly contributed to baseball's history.

4th Inning: Soul of the Game

Although Jackie Robinson was the first black Major League Baseball player, a hyper-technical slice through the prism of his accomplishment reveals that he was not the first black professional baseball player. That accomplishment belongs to John W. "Bud" Fowler.

In 1867, just two years after the end of the Civil War, organized baseball made its first attempt to ban blacks. The National Association of Baseball Players refused to allow an all black team from Philadelphia to join the league.

During the next twenty-five years, more than 50 blacks managed to play on white teams and Bud Fowler was the first when he joined a white professional team in New Castle, Pennsylvania in 1878.⁵⁹

Fowler's place in baseball history does not, in any way, diminish Robinson's immeasurable contribution to baseball. Robinson and those who followed him in an exodus from the Negro Leagues created a new vista of social progress. Integration of Major League Baseball ultimately led to the end of Negro League Baseball, however.

Black baseball players followed Fowler. In 1884, for example, Moses and Weldy Walker played for the Toledo team in the American Association. While Fowler was the first black player in professional baseball, the Walker brothers were the first black players in major league baseball—the American Association was a major league.⁶⁰ The tenure for black players, though, was short at the major league level.

But the doors began to swing shut in 1887 when future Hall of Famer Cap Anson announced that he would not let his Chicago White Stockings take the field for an exhibition game against Newark if Newark's star pitcher, a black man named George Stovey, was allowed to play. Stovey's manager backed down, saying the pitcher was sick. Other managers soon followed Anson's lead, no doubt fearing that black men would take jobs from white players. Before long, Newark dropped Stovey from its roster, and by the mid-1890s, the color line was clearly set. Black athletes began forming their own teams.⁶¹

Negro League Baseball's exalted history began in 1887 with the League of Colored Base Ball Clubs. It lasted one week.⁶²

Actually, dozens of all-black professional and semi-professional baseball teams played throughout the United States in the first half of the 20th century. At the top level the best Negro League teams competed in leagues that were regarded as the black 'majors.'

The Negro National League, founded in 1920 by Hall-of-Famer Rube Foster, was the first financially successful all-black league. During the 1930s and 1940s a new Negro National League (formed by Gus Greenlee, owner of the Pittsburgh Crawfords) and the Negro American League represented black baseball's premier leagues, although the Negro Southern League and the Texas Negro League also fielded high caliber professional teams and were regarded, at least by their fans, as being of major league quality.⁶³

Teams sometimes relied on more than talent to lure fans to the ballparks. Baseball, after all, is entertainment providing a leisurely distraction from the everyday pressures of life. Ball playing might not be enough, despite the excellent level of play. So, teams turned to comedy. Indeed, comedy was king in the land of Negro League baseball diamonds.

William Brashler's 1973 novel *The Bingo Long Traveling All-Stars & Motor Kings* reflects this aspect of Negro League Baseball by depicting the comedic antics of Negro League players who create their own barnstorming team. A 1976 movie of the same title stars Billy Dee Williams as Bingo Long. Long creates his team after clashing with his unreasonable, tightfisted, and miserly owner. To achieve independence, draw fans, and compete with the Negro League establishment, Long composes a team comprised of its players.

Bingo Long reflects the deep-rooted comedic nature of certain Negro League players and traveling barnstorming teams who matched comedy with baseball acumen. Long's antics as the team's pitcher, for example, recall those of Satchel Paige.

Among black teams, several semiprofessional clubs returned to the world of comedy, a once prevalent aspect in black baseball's early days that had become nearly extinct by the 1920s. Inspired by the success of white novelty teams, black promoter Charlie Henry organized the Zulu Cannibal Giants in the mid-1930s, featuring players clad in grass skirts, headdresses, and war paint. Pandering to white America's worst attitudes and most stereotypical views of blacks, the players entertained fans between games with various 'comedy' acts including staged fights with spears and shields along with a crap game featuring loaded dice and players brandishing razors.⁶⁴

While the antics, gimmicks, and showmanship amused fans, they also propelled a contrast with the dawn of white America accepting black athletes in the mainstream. The dawn began with Joe Louis.

Louis was not the first black boxing champion. In 1902, Joe Gans won the Lightweight Championship. In 1908, Jack Johnson won the World Heavyweight Championship. But Louis's bouts against Schmeling went deeper than black versus white. They indicated a geopolitical pressure beyond race because of the Nazi rise to power in 1930s Germany, Schmeling's home country.

Louis lost his first fight with Schmeling. It took place on June 19, 1936 at Yankee Stadium in Bronx, New York. Yankee Stadium was the site for the rematch on June 22, 1938. Louis pummeled Schmeling for a technical knockout in the first round.

Jesse Owens struck another Nazi nerve when he dominated the 1936 Summer Olympics in Berlin by winning four track and field gold medals for the United States.

The victories of Louis and Owens neither changed social mores overnight nor triggered a revolution in Jim

Crow policies. They did, however, open the door for white America to begin embracing the idea of a black superstar athlete as equal to, and perhaps superior to, athletes in the segregated sports leagues. Sportswriters took notice. "The dramatic triumphs of Jesse Owens at the 1936 Berlin Olympics and his alleged snubbing by Adolph Hitler also injected the race issue into the sports pages. If Americans could cheer the efforts of Joe Louis and Jesse Owens, why should they object to blacks in baseball?"⁶⁵

For a baseball purist, integration made sense. It would regularly pit might against might, power against power, and skill against skill. No longer would black stars face white stars in barnstorming leagues or special games. Integration would unify the sport of baseball.

Presently, however, the Negro Leagues players, teams, and owners had the same primary concern as Major League Baseball players, teams, and owners—attendance. The antics regularly employed by teams and players in the Negro Leagues served the mission to draw fans to the ballparks. The downside revealed itself—a perpetuation of labels, myths, and prejudices against black athletes. The Ethiopian Clowns, for example, traveled to play teams. Though popular, the Clowns employed humor, fun, and nonsense at a risk.

Despite the success of the Clowns, the club appeared unlikely to become part of the black professional baseball establishment. While fans valued 'color' in both black and white players, the comedy stylings of the Clowns not only appeared out of place in an organization striving to parallel white Organized Baseball but also seemed to cater to the expectations and stereotypes of white America.⁶⁶

Economically, though, the Negro Leagues did well. Excluded from playing in white Organized Baseball (a.k.a. Major League Baseball), black players participated in a black business enterprise for a largely black customer base.

During the first three decades of the twentieth century, white Organized Baseball, like numerous other major American industries, ignored or evaded the issue of integration. Moreover, despite scattered protests from both African Americans and whites, no sustained articulate movement emerged to admit black players to major or minor league teams. Discouraged by white indifference and hostility, many blacks viewed economic self-development, rather than agitation, as a more sensible and fruitful path to follow. The establishment of the first

permanent leagues during the 1920s reflected this trend, creating opportunities for black players in a structure separate but roughly parallel to white professional organizations.⁶⁷

With integration hovering over baseball as a post-World War II reality, the Negro Leagues were vulnerable. A possible solution would be to integrate the leagues in a formal business alliance. By joining forces with Organized Baseball, the Negro Leagues would insure against dissolution, a likely prospect given the lack of formal infrastructures. The question for team owners in the Negro Leagues, then, was not one of social progress, but one of financial survival.

If some owners were truly resistant, their response was typical of other black entrepreneurs who recognized the long-term social benefits of integration but feared its immediate negative economic ramifications. Removed from its segregated context and stripped of its best players, black professional baseball as an enterprise appeared unlikely to achieve the same level of prosperity. Fay Young, however, noted that white minor league teams remained viable despite selling their top players and questioned why the NNL and NAL could not follow a similar pattern. Moreover, player sales to Organized Baseball might offset any loss in patronage, although several owners doubted they would receive true market value for any of their men. [Newark Bears owner] Effa Manley, for instance, correctly observed that ‘Negro baseball isn’t organized to the point where we’d be protected if the big leagues suddenly decided to let in colored players. In fact, they could walk in and grab off any player they wanted for any named amount of money without the owner getting a nickel.’

Affiliation with white Organized Baseball offered the only solution that might allow black professional baseball to function within an integrated setting. Black baseball would not only gain protection from potential major league raids and possible financial assistance but would also receive the same rights as other minor league organizations.⁶⁸

The Negro Leagues boasted unparalleled talent. Indeed, many players vaulted to the majors after Jackie Robinson broke the color line—Satchel Paige, Willie Mays, Hank Aaron, Monte Irvin, Roy Campanella, Ernie Banks, to name a few—while some players stayed in the

Negro Leagues, for example, Buck O’Neil. Integration not only posed an economic threat to the Negro Leagues, however, it also jeopardized the profitable bottom line for Major League Baseball.

In fact, major league baseball [sic] had an investment to protect, and that investment was in segregation. Many clubs rented their ballparks when they traveled to Negro League teams. The Yankees, White Sox, and Washington Senators, for example, commonly earned more than \$100,000 a year by hiring out Yankee Stadium, Comiskey Park, and Griffith Stadium for Negro League games. It was a steady, almost leisurely source of income that major league owners wanted to keep.⁶⁹

Despite the negative financial impact, integration was inevitable. Integration required a delicate selection process because the first black baseball player in Major League Baseball would, in effect, be alone—the price of his success would be isolation. No one would know his challenges precisely because no one had suffered them previously. He would need superhuman emotional strength to endure vicious taunts, slurs, and insults based on ignorance, prejudice, and bias while proving his worth on the baseball diamond. He would not succeed on talent alone.

Branch Rickey masterminded the search for the first black baseball player from the Dodgers offices at 215 Montague Street in Brooklyn. On October 23, 1945, he formally completed the search as the player signed a contract with the Dodgers.

The player was Jack Roosevelt Robinson—the First.

5th Inning: Did You See Jackie Robinson Hit That Ball?

In a review of the 1981 Broadway play *The First*, baseball historian Robert W. Creamer summarizes Robinson’s attributes in praising Robinson’s portrayer. “David Alan Grier, the 25-year-old Yale Drama School graduate who plays Robinson, evokes the first black major-leaguer’s imposing presence, his intelligence, his restlessness, his smoldering fury. Without resorting to obvious imitation, Grier re-creates Robinson’s distinctive pigeon-toed walk, the way he ran with his hands flailing in front of him, the arrogant, dignified curl of his lip.”⁷⁰

Indeed, Robinson volcanically exploded on the baseball diamond. Ability was not the only reason that inspired Rickey to sign Robinson, though. Rickey saw the Negro Leagues as a providential gold mine of baseball talent, but he needed someone with the emotional strength to withstand a cauldron of prejudice, bigotry, and intoler-

ance in the era of separate but equal. He needed someone to react to taunts, slurs, and teases solely with sheer baseball prowess—stolen bases, brilliant base running, and clutch hitting—instead of fists, punches, and insults.

The candidate did not have to be the best black ballplayer, though he naturally needed superior skills. Rather, he had to be the most likely to maintain his talents at a competitive peak while withstanding pressure and abuse. He needed the self-control to avoid reacting to his tormentors without sacrificing his dignity.⁷¹

Notwithstanding the play of Fowler and the brothers Walker in the latter part of the 19th century, the first black baseball player in the 20th century would get the recognition, accolades, and hero worship commensurate with breaking the color barrier. Rickey's search for that player culminated in choosing Robinson, but it was neither easy nor simple.

It began during World War II as major league baseball players served in uniform.

The Dodgers had won the pennant in 1941 and just missed a year later, but the call to service had depleted their roster. Many of their stars would be past their primes by the time the war ended. It was not too soon to plan for the future. In January 1943, Rickey took his case to George V. McLaughlin. The Brooklyn Trust Company, at the time, controlled 50 percent of the Ebbets family's stock in the team, and McLaughlin's position was stronger than ever. Rickey knew exactly how to approach him. He emphasized the need to search for new talent and said that he wanted to step up his scouting operation. Almost parenthetically, he added that he might consider looking at some Negro prospects. The integration of the major leagues was inevitable, he explained, and New York, a liberal city, would be the right place to start. Besides, Rickey pointed out, it would be great for attendance. McLaughlin responded as Rickey expected a practical businessman would.

'If you're doing this to help the ball club, go ahead,' he said. 'But if you're doing it for the emancipation of the Negro, then forget it.'

That was all the encouragement Rickey needed. The search for the right black ballplayer began immediately. To assure its secrecy, Rickey announced that he was

thinking of establishing a new Negro League with a franchise in Brooklyn; that was why his scouts were out assessing the available talent.⁷²

Rickey labeled the new six-team Negro League—United States League (USL). At a press conference on May 7, 1945, Rickey announced a 100-game schedule to begin in June 1945 with six teams—Brooklyn, Chicago, Detroit, Pittsburgh, Philadelphia, Toldeo.⁷³ The USL provided a Trojan horse. Rickey could dispense scouts under the guise of looking to fill the roster of his new USL team, the Brooklyn Brown Dodgers. Although the USL did not get off the ground, it proved valuable for Rickey as he moved forward with his plan to integrate the Brooklyn Dodgers.

In August 1945, Rickey dispatched Clyde Sukeforth to evaluate Robinson. Sukeforth was a ten-year Major League catcher. "Earlier in the 1945 season, at age forty-three, Sukeforth had even caught some games for the Dodgers when Leo Durocher's squad was strapped for healthy bodies."⁷⁴

Sukeforth was the only Rickey evaluator who had not yet seen Robinson play. On August 24, 1945, Sukeforth met Robinson at Comiskey Park in Chicago. After introducing himself as a Brooklyn Brown Dodgers scout, Sukeforth requested that Robinson make a few underhand throws from shortstop to first base, which Sukeforth manned in his street clothes. The scout invited Robinson to travel to Brooklyn and meet Rickey.⁷⁵

On August 28, 1945, Rickey revealed that the Brooklyn Brown Dodgers team was a ruse, at least as it concerned Robinson. "I want you to play for the Brooklyn Dodgers organization. Perhaps on Montreal to start with."⁷⁶ The Montreal Royals was the Brooklyn Dodgers' Triple-A minor league team.

Rickey then explained an intangible requirement concerning Robinson's emotional fortitude.

Branch Rickey, the dramatic actor manqué, Lionel Barrymore playing Thaddeus Stevens, began to describe vividly and act out physically the threats Robinson would endure as the first black player in twentieth-century Major League Baseball. Rickey took off his jacket and got down on the floor, imitating a base runner sliding into second, kicking Robinson in the shins, imitating the actions of a racist opponent barreling into Robinson with spikes vengefully high. He probably shouted the 'n' word and voiced other epithets that opponents would yell at Robinson. He asked the stunned athlete how he would react when white waiters wouldn't serve him on the road, railroad conductors turned their backs on him,

and other situations of discrimination in America arose that Rickey deplored but felt that he could change through the actions of a great black baseball player. The key to the success, Rickey stressed, was that Robinson could not fight back against the indignities.⁷⁷

An astute baseball executive, Rickey assessed Robinson as a player with potential for the future, if not the moment. “He is not now major league stuff.”⁷⁸ Rickey sent Robinson to the Montreal Royals of the International League for the 1946 season. “Rickey’s intention was to give fans and players more time to get used to the idea of integration, and to give Robinson more time to polish his skills. And if problems arose, better to have them arise in Montreal than in Brooklyn.”⁷⁹

Jackie Robinson was not merely a baseball player who could run, hit, field, and throw. He was a graduate of UCLA—the first UCLA varsity letterman in four sports: track, baseball, basketball, and football. He was also a military officer.

Robinson’s military service occurred because of the draft in World War II. Jim Crow still ruled, so Robinson ran into massive obstacles at Fort Riley, Kansas preventing him from serving as a United States Army officer. Joe Louis, the championship boxer, intervened.

At Fort Riley in 1942, Louis used his prestige to try to help the young black men, including Robinson, who wanted to be officers, although exactly what he accomplished is open to question. According to Louis’s old friend Truman K. Gibson, an attorney who was then an assistant to William Hastie, the black civilian aide to the secretary of war, Louis telephoned him about Robinson’s plight. Gibson then flew to Fort Riley to investigate conditions there. At a meeting organized by Louis, he met with Robinson, Louis, and other blacks to hear their grievances. On another occasion, Gibson pointed out that the wheels were already in motion to take those men toward OCS. What is certain is that after waiting in limbo for about three months, Jack and a small group of other blacks at Fort Riley were accepted into OCS. Around November 1, and after Jack had served for some time as a squad leader, they began their thirteen weeks of training in a class of just over eighty candidates.⁸⁰

Robinson then found himself the target of a court-martial when he refused to move to the back of a bus on July 6, 1945 in Texas. A bad ankle set the relevant events

in motion. Robinson wanted to go overseas to serve in combat, but the Army required a physical examination and a waiver “[r]eleasing the Army from any financial claim or benefit in case of reinjury to his ankle.”⁸¹

Stationed at Camp Hood (now Fort Hood) near Killeen, Texas, Robinson was a patient undergoing an examination at McCloskey Hospital in Temple, Texas. He left the hospital to return to Camp Hood at approximately 5:30 p.m. Camp Hood was about an hour’s drive from the hospital. Robinson went to the colored officers’ club at the camp around 7:30 p.m. He began the return trip back to the hospital around 11:00 p.m. when he boarded a Camp Hood bus.⁸²

Robinson refused to move to the back of the bus. “On the ride from Temple to the camp, Robinson had obeyed Texas law requiring Jim Crow seating on the bus. But he also knew that the Army now forbade segregation on its military bases.”⁸³

The bus driver, Milton N. Renegar, called the Military Police. On August 2, 1945, Jackie Robinson’s court-martial began—*The United States v. 2nd Lieutenant Jack R. Robinson, 0-10315861, Cavalry, Company C, 758th Tank Battalion*—with nine men hearing the case. Conviction required six votes. Robinson secured a vote of not guilty.⁸⁴

The United States Army gave Robinson an honorable discharge on November 28, 1944.⁸⁵ A chance encounter gave Robinson his next career move. “One day, passing by a baseball field at Camp Breckinridge in Kentucky, Jack notices a black man snapping off some impressive curves. The player turned out to be Ted Alexander, now a soldier, but previously a member of the Kansas City Monarchs in the Negro National League. Suddenly it occurred to Jack that this might be an avenue worth pursuing.”⁸⁶

Following Alexander’s counsel, Robinson sent a letter to the owner of the Monarchs, Thomas Y. Baird, inquiring about opportunity. Baird gave him one.⁸⁷

In 1945, America mourned the death of President Franklin Delano Roosevelt, celebrated its victory in World War II on V-E Day and V-J Day, and continued going to ballparks to watch great athletes play the game linked by lore to Abner Doubleday. Jackie Robinson played in some of those ballparks for the Kansas City Monarchs, albeit within a societal structure segregating him and other great baseball talent.

Rickey’s selection of Robinson broke the segregation barrier. Robinson spent the 1946 season playing for the Montreal Royals. To say that Robinson was dominant in his debut would be an understatement. On April 18, 1946, the Royals played the Jersey City Giants at Roosevelt Field in Jersey City. Robinson went 4-for-5, hit a home run, stole two bases, and scored four times. The Royals won the game 14-1.

Robinson won the International League's Most Valuable Player Award with a .349 batting average, 66 Runs Batted In, and 113 Runs Scored. He contributed greatly to a team that won the 1946 Little World Series against the Louisville Colonels. The time had come for Jackie Robinson to climb up to the top rung of the baseball ladder—Major League Baseball.

Within the Dodger enclave, however, resistance built around a group of Southern veterans: Hugh Casey—Pitcher (Georgia), Kirby Higbe—Pitcher (South Carolina), Bobby Bragan—Catcher (Alabama), Dixie Walker—Outfielder (Alabama). Carl Furillo, an outfielder from Reading, Pennsylvania, also opposed Robinson's playing for the Dodgers. In his 1967 memoir *The High Hard One*, Higbe claimed that he, along with Walker, Bragan, Furillo, and shortstop Pee Wee Reese, complained to Rickey. Higbe alleged that Reese "[c]hanged his mind about playing with Robinson."⁸⁸

The opposers were steadfast. "But few outsiders knew the full extent of the players' opposition. Just before the start of the three-game series in Panama [against the Montreal Royals], a petition began to circulate seeking to keep Robinson off the Dodgers."⁸⁹

The southern uprising threatened Rickey's design to integrate baseball and, consequently, improve the Dodgers's chances to compete effectively in the National League. Rickey needed to stop the snowball of complaint before it became a destructive avalanche. He turned to the team's manager, Leo Durocher.

Durocher gathered the Dodger players for a midnight meeting in a kitchen behind the mess hall where the team ate its meals. With sleepy athletes sitting on chopping blocks and counters or leaning against stoves and refrigerators, Durocher, bedecked in pajamas and a bright yellow bathrobe, harangued his troops about the Robinson situation. 'I don't care if a guy is yellow or black, or if he has stripes like a fuckin' zebra,' [Dodgers Traveling Secretary Harold] Parrott quotes Durocher as saying. 'I'm the manager of this team and I say he plays.' Durocher barked to the rebels to take the petition and 'wipe your ass with it,' because Robinson was 'going to put money in your pockets and money in mine.'⁹⁰

Rickey and Durocher identified the threat, acted quickly, and calmed a potential firestorm. The dissidents acquiesced. Rickey took further action by trading Higbe to the Pittsburgh Pirates. Robinson would open the 1947 season as a Brooklyn Dodger.

On April 15, 1947, Jackie Robinson faced pitcher Johnny Sain and the Boston Braves at Brooklyn's Ebbets Field. Robinson went 0-for-3 in his debut.

Rickey believed in him. The Dodgers played with him. The fans cheered for him. Yet he was alone on the field, in the dugout, and in the clubhouse as the only black baseball player in Major League Baseball.

Alone to receive the taunts and not fight back.

Alone to live up to expectations of Rickey.

Alone to set the standard for every Negro League player who thought of following Robinson.

At an Ebbets Field homestand against the Phillies, the Dodgers consolidated behind Robinson when Phillies Manager Ben Chapman led a tirade of verbal slurs. A native of Alabama, Chapman crossed over the undrawn line of bench jockeying. "The Phillies verbal assault on Robinson in 1947 exceeded even baseball's broadly defined sense of propriety. Fans seated near the Phillies dugout wrote letters of protest to Commissioner Chandler, and newsman Walter Winchell attacked Chapman on his national Sunday night broadcast. Chandler notified Philadelphia owner Robert Carpenter that the harassment of Robinson must cease or he would be forced to invoke punitive measures."⁹¹

Eddie Stanky, the Dodgers second baseman, reached his boiling point by the third and final game of the series. "Listen, you yellow-bellied cowards," he cried out, "why don't you yell at somebody who can answer back?"⁹² Rickey stated that the Phillies incident anchored Robinson as a Dodger teammate. "When [Chapman] poured out that string of unconscionable abuse he solidified and unified thirty men, not one of whom was willing to sit by and see someone kick around a man who had his hands tied behind his back."⁹³

Robinson granted a request by Rickey to pose for a photograph shaking hands with Chapman. "Mr. Rickey thought it would be gracious and generous if I posed for a picture shaking hands with Chapman. The idea was also promoted by the baseball commissioner. I was somewhat sold—but not altogether—on the concept that a display of such harmony would be 'good for the game.' I have to admit, though, that having my picture taken with this man was one of the most difficult things I had to make myself do."⁹⁴

Rickey's old team, the St. Louis Cardinals, presented another racist obstacle. Stanley Woodward, a sports editor for the *New York Herald Tribune*, broke the story about a Cardinals strike possibly being the tip of an iceberg for an entire National League strike. In *The Era*, Roger Kahn describes the chain of events leading to Woodward's story, beginning with the team doctor for the Cardinals.

The Cardinals' team physician, a doctor named Robert Hyland, liked to hear himself described as the surgeon general of baseball. Like most team physicians, Hyland was a ball fan and he enjoyed the camaraderie of major league athletes. Someone, no one remembers who, told Hyland of the strike plan. Hyland sought out Terry Moore, the St. Louis captain, called 'the greatest center fielder I ever saw' by Joe DiMaggio. Moore was thirty-five years old, approaching the end of an outstanding career.

Hyland told Moore that he had heard about the strike and that the players ought to be pretty damn careful. He wasn't saying anybody had to like 'nigras.' He just wanted to tell them they were heading for trouble.⁹⁵

Hyland revealed the strike plan to Sam Breadon, the owner of the Cardinals. The Cardinals were in New York City for an upcoming series against the Dodgers. "Dr. Hyland felt honor bound to report what he knew to his employer, flinty old Sam Breadon, who was now planning to sell the Cardinals to secure himself a pecunious quiet old age. Breadon was no social activist, but as a businessman he recognized that the strike could tear down the value of his franchise."⁹⁶

After going to the New Yorker Hotel to meet with some of the Cardinals players, Breadon confirmed the strike plan. He then debriefed Ford Frick, President of the National League. In turn, Frick met with the potential strikers individually at Ebbets Field on May 6, 1947. He laid down the law in no uncertain terms.

If you strike, you will be suspended from the league. You will find the friends you think you have in the press box will not support you. You will be outcasts. I do not care if half the league strikes. Those who do will encounter quick retribution. All will be suspended. I don't care if it wrecks the National League for five years. This is the United States of America and one citizen has as much right to play as another....You will find if you go through with your intention that you will have been guilty of complete madness.⁹⁷

Hyland also revealed the strike plan to a member of the fourth estate—Rud Rennie of the *New York Herald Tribune*. Hyland and Rennie sang together in a barbershop quartet. Rennie knew that if he wrote the story, Hyland's position as a confidential source might be compromised because of the friendship. Even an amateur sleuth could figure out the connection. To protect his friend while

pursuing a great scoop, Rennie turned the story's reins over to his sports editor, Stanley Woodward. Woodward's story got published in the May 9, 1947 edition of the *Herald Tribune*. Woodward won the E.P. Dutton Award for best sports reporting in 1947.⁹⁸

In 1947, Robinson played in 151 of 154 games, had a .297 batting average, got 175 hits (including 12 home runs), stole a league-leading 29 bases, drew 74 walks, scored 125 runs, and struck out 36 times. For his efforts, effectiveness, and efficiency, Robinson received the National League Rookie of the Year Award.

Jackie Robinson had the unquestioned support of his boss, his teammates, and baseball's inner sanctum of power. A golden era of baseball launched, while the sun began to set on the Negro Leagues.

6th Inning: Wait 'Til Next Year

The Brooklyn Dodgers lost the '47 World Series to their cross-town rivals—the New York Yankees. The battle began a pattern that continued throughout the next ten years. During this heyday of New York City baseball, the Brooklyn Dodgers captured an essence of magic, mourning, and majesty that courses through fans of the Brooklyn Dodgers decades after the team left for Los Angeles. It is an essence unfamiliar to other teams that no longer play in their origin cities—Philadelphia Athletics, Washington Senators, St. Louis Browns, New York Giants, Boston Braves, Milwaukee Braves.

Roger Kahn covered the Dodgers in 1952-53 for *The New York Herald*—a dream job, considering Kahn grew up fervently following the team. In his 1972 landmark book *The Boys of Summer*, Kahn catches up with the Dodger standouts from the glory years. He recounts their exploits on and off the field through the eyes, opinions, and memories of a young reporter.

One did not go to Ebbets Field for sociology. Exciting baseball was the attraction, and a wonder of the sociological Dodgers was the excitement of their play. It is not simply that they won frequently, brawled with umpires, got into bean-ball fights and endlessly thrashed in the headwaters of a pennant race. The team possessed an astonishing variety of eclectic skills.⁹⁹

Kahn eloquently describes the assets of the men he once knew as idols whose collective domain of Ebbets Field inspired a borough.

There [at third base], squinting in a crouch, Billy Cox, a wiry, horse-faced man with little blacksmith's arms, waited to spring. He subdued hard grounders by slapping his glove downward and

imprisoning the ball between glove and earth. The glove was small and black and ancient. Someone accused Cox of having purchased it during a drugstore close-out. With the Whelan glove, Cox was a phenomenon.

Drives to right field activated stolid Carl Furillo. A powerful monolithic man, Furillo possessed an astonishing throwing arm and a prescient sense of how a ball would carom off the barrier. The grandstands did not extend behind right field. Between the outfield and the sidewalk of Bedford Avenue, a cement wall rose sloping outward. It straightened at about ten feet and then fifteen feet higher gave way to a stiff screen of wire-mesh. In straight-away right a scoreboard jutted, offering another surface and describing new angles. Furillo reigned here with an arm that, in Bugs Baer's phrase, could have thrown a lamb chop past a wolf.

Center field belonged to [Duke] Snider, rangy and gifted and supple. Duke could get his glove thirteen feet into the air. The centerfield wall was cushioned with foam rubber, and Snider, in pursuit of high drives, ran at the wall, dug a spiked shoe into the rubber and hurled his body upward. Pictures of him in low orbit survive.¹⁰⁰

Kahn's description of Jackie Robinson, though, goes beyond the mere description of athletic skill. It highlights the passion for excellence that separates great ballplayers from good ballplayers.

Robinson could hit and bunt and steal and run. He had intimidating skills, and he burned with a dark fire. He wanted passionately to win. He charged at ball games. He calculated his rivals' weaknesses and measured his own strengths and knew—as only a very few have ever known—the precise move to make at precisely the moment of maximum effect. His bunts, his steals, and his fake bunts and fake steals humiliated a legion of visiting players. He bore the burden of a pioneer and the weight made him more strong.¹⁰¹

Ebbets Field's magic inspired reverence compared to other ballparks laid to rest in the baseball graveyard—books, songs, and eulogies simply do not exist in significant form for Shibe Field, Sportsman's Park, or Milwaukee County Stadium.

The Dodgers commanded abiding loyalty from the Brooklyn denizens in their handbox of a ballpark. Unlike the New York Giants' cavernous Polo Grounds in Upper Manhattan or the New York Yankees' stately Yankee Stadium in the South Bronx, the Brooklyn Dodgers' Ebbets Field stood as more than a stadium—it was a beloved neighborhood landmark. Players walked to and from work; they lived among their fans in the neighborhood's environs.

Loyalty came with a price, though. That price was disappointment. Dodgers fans affectionately, disparagingly, and consistently referred to the Dodger players as “'Dem Bums” because of their woes on the field.¹⁰² The Dodgers lost the World Series to the Yankees five times during the post-World War II “Glory Years” of New York City baseball—1947, 1949, 1952, 1953, and 1956.

In 1950, the Dodgers lost the National League pennant to the Phillies on the last day of the season. In August 1951, the Dodgers held a 13-game lead in the National League standings; the lead evaporated. On the last day of the season, the Dodgers and Giants were tied. To decide the National League title, the teams played a three-game playoff. After splitting the first two games, the cross-town rivals played the crucial third game on October 3, 1951. In storybook fashion, a bottom-of-the-ninth home run won the game, immortalized the hitter, and created a new chapter in Dodgerdom misery, hopelessness, and despair. Carl Erskine might have been the Dodgers pitcher at the game's pivotal moment if not for a comment from one of the Dodgers' coaches.

The Giants won Game 1. The Dodgers won Game 2 when Clem Labine hurled a 10-0 shutout. [Don] Newcombe had the start for Game 3 and took a three-run lead into the ninth inning. [One run scored] and two ‘seeing eye’ base hits brought the potential winning run to home plate in the person of Bobby Thomson. [Manager] Charlie Dressen called the bullpen at the Polo Grounds, where Branca and I were warming up. Clyde Sukeforth answered the phone. ‘They’re both ready,’ he said. ‘However, Erskine is bouncing his overhand curve.’ Dressen said, ‘Let me have Branca.’ On Ralph's second pitch, Thomson hit a three-run homer to win the game and the pennant. Whenever I'm asked what my best pitch was, I say, ‘The curveball I bounced in the Polo Grounds bullpen.’¹⁰³

Giants announcer Russ Hodges' exclamation “The Giants Win the Pennant! The Giants Win the Pennant!” finalized the ruined hopes of another Dodger season. The Phillies and Giants also fell short against the Yankees in the World Series in 1950 and 1951 respectively. In the

years immediately following World War II, the Yankees dominated the World Series from 1949 to 1953. New York City was the center of the baseball universe.

Brooklyn was a planet within that universe. It revolved around the sun of Ebbets Field. Ebbets Field was not merely a part of the Brooklyn landscape—it was integral to life in Brooklyn. Joel Hecker, an attorney and the father of *Entertainment, Arts and Sports Law Journal* Editor Elissa D. Hecker, recalls the unique aura of Ebbets Field and its consequent, seemingly cemented place in Brooklyn's infrastructure.

Ebbets Field was on the street. It was downtown. You could walk to the stadium or you could take a trolley or bus to get there. The only recent ballpark that compares is Petco Park in San Diego. The players were accessible. Before New York City annexed Brooklyn in 1898, Brooklyn was a city. It really has never lost its cohesiveness as a city—Brooklyn was Brooklyn. You only went to Manhattan to see a show. The ballpark was integral to Brooklyn.¹⁰⁴

From the warm renaissance of spring through the cool breezes of fall, Brooklynites did not merely follow the Dodgers as a hobby. The Dodgers were a part of the everyday life in Brooklyn. You could walk down the street and not miss a pitch because homes and cars had radios tuned in to the game. Each spring, of course, held a promise of new hope for Dodgers fans. The familiar cry of "Wait 'Til Next Year" had subsided because next year had arrived on Opening Day—it signaled the start of hopes, dreams, and wishes. Indeed, Opening Day was the biggest day in the borough of Brooklyn.

The Golden Era of Baseball decade from 1947 to 1957 marked the racial integration of baseball, the dominance of New York City teams, and the increasing power of television in the sports industry. Stadiums that fans had only read or heard about became visualized through the grace of technology. A true baseball fan, Harold Friedman enjoyed a baseball-filled childhood in northern New Jersey that concurred with the Golden Era of Baseball and television's concurrent, explosive, and commanding dominance in the American culture.

During this time, I grew up from four years old to 14 years old. I couldn't wait to get up in the morning to look at the box scores. Baseball was everything. Every kid played the game. I always wanted to see other parks like Crosley Field in Cincinnati, Shibe Park in Philadelphia, or Fenway Park in Boston. NBC's broadcast, Game of the Week and the local stations broadcasting the Yankees, Dodgers, and

Giants games showcased these ballparks. We had only known about them previously from newspaper stories or radio broadcasts. It was the beginning of a fruitful future.

Television secured baseball's place as king of the sports kingdom. To me it still is. I appreciate the talent these players have. I played baseball in high school and college. I also played semi-pro baseball and I had a tryout with the Pittsburgh Pirates. There's nothing more difficult than hitting a baseball coming at you at 90 miles an hour.¹⁰⁵

Despite Brooklyn's deep frustration at the beloved Dodgers's perpetual succumbing to the Yankees in the World Series, edging out by the Phillies for the 1950 National League pennant on the last day of the season, and the crumbling to the Giants that forced a three-game play-off capped by Thomson's excruciating home run for the 1951 National League pennant, Dodger Nation remained loyal, vigilant, and true. In 1955, Brooklyn's unbending dedication to Jackie, Campy, Newk, Oisk, and the rest of the Dodgers resounded in 1955 with the raging glory of the only World Series championship for the Brooklyn Dodgers.¹⁰⁶

The 1955 World Series went the full seven games. Johnny Podres led the team in Game Seven with expert pitching, albeit, competing against a Yankee lineup without the fearsome, formidable, and ferocious bat of Mickey Mantle. Nonetheless, the streets of Brooklyn echoed with exuberant shouts of victory. The beloved Dodgers beat the rival Yankees.

But finally, just once, in October 1955, the gods of baseball dozed off, the cruel laws of the universe momentarily relaxed, and—thanks to a cocky young pitcher and a miraculous catch in left field [by Sandy Amoros] and Mickey Mantle's gimpy leg—the Dodgers beat the Yankees, setting off an orgy of multicultural celebration (with occasional arson) from Greenpoint to Sheepshead Bay.¹⁰⁷

The heartbreak healed. The joyfulness exuded. The confidence improved. There would be no more waiting 'til next year. Dem Bums were the kings atop baseball's royal hierarchy.

The architect of team, however, was gone. Branch Rickey left the Dodgers in October 1950, his departure triggered by the death of John L. Smith in July. Consequently, Smith's share of the Dodgers was in play. Rickey found his own position vulnerable, despite his ownership stake.

As long as John L. Smith was alive, Rickey's tenure in Brooklyn had been secure. The baseball executive might not get the contract extension he wanted as long as O'Malley was on the board of directors, but Smith came from a chemical industry where executives did not receive contracts. If their work was good, they stayed on; if not, they were gone.¹⁰⁸

O'Malley took advantage of the open window of opportunity to secure a larger stake of ownership in the Dodgers.

O'Malley quickly won from Mrs. Smith the voting rights to her family's quarter ownership of the team. The ambitious partner now controlled 50 percent of the team, Rickey held 25 percent, and Jim and Ann Mulvey continued to hold on to their quarter of the team.¹⁰⁹

Clearly, O'Malley's maneuvering indicated a quest for consolidation of power, influence, and resources. Rickey enjoyed a sacred reputation, but his clout faced risk of diminishment because of O'Malley. In turn, Rickey's prospects as a voice of importance in the Dodgers organization became steeped in hierarchy.

He did not want to leave, but if he didn't sell he might find himself working for O'Malley after his contract expired in October. Branch Rickey could never work under anybody after all he had achieved in baseball, especially for someone who had been maneuvering against him for years and who would certainly demand economies in his operation.

The only card Rickey had to play was a clause in the original 1945 agreement that stated that if any of the three partners wanted to sell, the other partners would have to match the offer. Rickey needed a financial angel who could get him a better price for his Dodgers stock than O'Malley's lowball offer.¹¹⁰

John Wilmer Galbreath was that angel. Galbreath was part of a group that bought the Pirates in 1946. He was also the team's chairman of the board. Galbreath wanted Rickey to do for Pittsburgh what he did for Brooklyn—build a winning team. Galbreath, a commercial real estate mogul, hatched a scheme with a fellow member of the real estate brethren—New York City's William Zeckendorf—to bid on Rickey's share of the Dodgers, raise its value, and strategically succumb to O'Malley's counteroffer. Result: A lucrative payday for Rickey, the freedom to join the Pirates organization, and the sadness of leaving the Dodgers.

Zeckendorf would offer O'Malley \$1 million for Rickey's slice, nearly three times his partner's initial bid. Although the Brooklyn lawyer would likely be suspicious of someone wanting to buy only one quarter of the team, he would have to match the bid if he wanted to be rid of his rival. Rickey would receive the \$1 million, leave Brooklyn, and be welcomed with open arms into Galbreath's Pittsburgh Pirates organization. A final twist to the plot was that if O'Malley met Zeckendorf's price, he would also have to pay the realtor an additional \$50,000, the cost of having 'tied up' Zeckendorf's capital during his unsuccessful bid for the team. The real reason for the extra \$50,000 was Galbreath's idea of giving a gift of an extra \$50,000 to Branch Rickey.¹¹¹

Rickey's legacy of integration bestowed an honor on Ebbets Field as a landmark of social justice. His legacy, however, ignited the disintegration of the Negro Leagues as Robinson paved the way for other Negro League stars to bolt to the Major Leagues. The Boston Red Sox ballclub was the last team to integrate when Elijah "Pumpsie" Green took the field for the Sox in 1959. "Meanwhile, last-ditch attempts to secure a subsidy from major league baseball elicited only a lukewarm response and ultimately failed to materialize. In 1963, the NAL [Negro American League] finally collapsed, a development that concerned few African American fans, many of who were unaware of the league's continued existence."¹¹²

Rickey was gone, the Negro League teams were fading, and Brooklyn's association with the Dodgers was approaching an ominous end that rocked the borough to its core.

7th Inning: Heraclitus' River Runs Through Southern California

David Ritz's 1981 fantasy novel *The Man Who Brought the Dodgers Back to Brooklyn* presents a dream of every Brooklyn Dodgers fan. A wealthy man with roots in Brooklyn buys the Dodgers, returns the team to Brooklyn, and rebuilds Ebbets Field.

Would that it were so.

O'Malley moved the Dodgers to Los Angeles after the 1957 season. He left a scar of epic proportions that thinly covers a massive wound of physical, emotional, and psychic pride. O'Malley's decision, however, did not come lightly nor did it come frivolously. He wanted to stay in Brooklyn. Robert Moses, New York City's urban planning goliath, held the key to O'Malley's wishes. Moses was the Chairman of the Triborough Bridge Authority, the major

influence on New York City's urban design in the 20th century, and a masterful power broker.¹¹³

O'Malley wanted to abandon aging Ebbets Field for a new stadium that he would finance, build, and use at the corner of Atlantic Avenue and Flatbush Avenue. O'Malley's site choice reflected strategic thinking. The Long Island Railroad had a major hub at the location. It would serve the fans who left Brooklyn for the suburbs and, consequently, could no longer make a pedestrian trek to Ebbets Field. Plus, a new parking garage adjoining the stadium would logically increase convenience for fans who traveled by automobile.

Moses refused O'Malley's request to condemn the land in question. He offered an alternative site at Flushing Meadows that eventually became the site of Shea Stadium in addition to an integral part of the 1964 World's Fair. O'Malley wanted Brooklyn or bust. Not Flushing Meadows. Not Jersey City where the Dodgers had played a handful of home games at Roosevelt Stadium in 1956 and 1957.

Keeping the Dodgers in Ebbets Field was an option, but not in O'Malley's view an attractive one. Attendance was still over one million in 1956, but it was dropping. Only a sentimental man—or an heir or an otherwise wealthy man who did not make his money by owning a baseball club—would have stayed on in the hope he might yet lure people back. By the time O'Malley was ready to build a new stadium at a good location, he could not do as Charles Ebbets had done—spending years secretly buying small parcels of land from poor people ready to cash in. O'Malley needed help and New York was not going to extend it. O'Malley had not spent all his time and energy and divested himself of all his holdings but his baseball team in order to take Robert Moses' on-the-cheap deal in Flushing Meadows. Los Angeles courted him and wooed him and promised him more than New York would consider. Los Angeles was the smart move.¹¹⁴

The Dodgers would fill a baseball void in Los Angeles created by the departure of the city's two Pacific Coast League teams after the 1957 season. The Los Angeles Angels of the Pacific Coast League moved to Spokane and became the Indians. The Hollywood Stars moved to Salt Lake City under new ownership and became the Bees. O'Malley purchased the Angels before the 1957 season, thereby giving him free rein to move the team out of the Los Angeles metropolitan area so the Dodgers could enjoy an unfettered marketplace.

The Dodgers' competition for Los Angeles baseball fans was and still is the American League's expansion team that debuted in 1961—Los Angeles Angels, later renamed the California Angels, Anaheim Angels, and, currently, the Los Angeles Angels of Anaheim.

The 1950s was a decade of geographic transition for the national pastime. In 1953, the Boston Braves became the Milwaukee Braves. In 1954, the St. Louis Browns became the Baltimore Orioles. In 1955, the Philadelphia Athletics became the Kansas City Athletics.

Los Angeles presented an awesome beachhead opportunity for a migrating ballclub in the late 1950s. With the two minor league teams eliminated as competition and the California Angels a few years from creation, a major league team would dominate the Los Angeles baseball market. The National League set an October 1, 1957 deadline for the Dodgers to make a decision regarding its next move—Brooklyn, Queens, or another locale.

The National League extended its October 1 deadline. But sensing the Dodgers were on the verge of slipping away, the Los Angeles City Council gathered to extend a full and final offer. On October 7 the council met for six hours. The outcome of its deliberations was in doubt. Before the council was a proposal to give the 300 acres of Chavez Ravine to O'Malley as well as have the city pay \$2 million to prepare the hilly terrain for a stadium and \$2.75 million for access roads. The city owned 185 of those acres but was prepared to buy the rest. In return, O'Malley would build his own \$10 million stadium.¹¹⁵

The Dodgers played at Los Angeles Memorial Coliseum from 1958 to 1961 and debuted at Dodger Stadium in 1962. The Giants mirrored the Dodgers migratory trek, settled in San Francisco, and helped preserve the historic Dodgers-Giants rivalry.

Los Angeles was light years away from Brooklyn, though. Dem Bums were no longer the dominant topics of interest on streets, stoops, and subways—Los Angeles did not live and breathe the Dodgers. Instead, the Dodgers offered exciting, novel, and entertaining background for Los Angeles's cultural landscape in the hills, on the beaches, and on the freeways. Prime time television comprised part of that landscape. It also reinforced America's identification of Los Angeles as the home base of the Dodgers.

Once the scourge of Brooklyn for managing the rival Giants from the middle of the 1948 season through 1955, Leo Durocher resurfaced in Los Angeles as a coach from 1961 to 1964. During this Dodger tenure, the colorful, brash, and personable Durocher played himself on televi-

sion programs. He was an unofficial ambassador of the Dodgers on prime time television.

Mr. Novak aired for two seasons on NBC, from 1963 to 1965. This one-hour drama starred James Franciscus in the title role as a young, idealistic, high school English teacher in Los Angeles recalling JFK in looks. Durocher guest-starred in the episode *Boy Under Glass* with a story line revolving around a talented baseball player in danger of failing English and, consequently, sitting out a crucial game.¹¹⁶

Durocher's connection to the Dodgers also provided the fulcrum for his guest appearances on *The Beverly Hillbillies*, *The Munsters*, *The Donna Reed Show*, and *Mr. Ed*. On *The Clampetts and the Dodgers* episode of *The Beverly Hillbillies*,¹¹⁷ Leo Durocher meets country bumpkin turned oil millionaire Jed Clampett and his nephew, Jethro Bodine.

Milburn Drysdale, President of the Commerce Bank of Beverly Hills and no relation to Dodgers pitching ace Don Drysdale, sets up the meeting in the form of a foursome on the golf course—Drysdale, Durocher, Jed, and Jethro. Always looking to ingratiate himself with the Clampetts, whose fortune he manages, Drysdale unfortunately cannot join the golf game because of a business meeting. Mistakes ensue. Jed and Jethro initially believe that shooting a game of golf means shooting bullets to kill a wild animal called a “golf.” Durocher confuses Jed and Jethro for caddies because of their simple dress. Frustrated at Jethro's misunderstanding of the game, Durocher tosses his golf ball when Jethro prevents the ball from going into the hole on a putt.

Durocher's opinion changes when Jethro's amazingly keen vision spots a golf ball stuck in the tree. Jethro claims he can get knock it out with a rock or something else to throw. Durocher gives him a baseball, Jethro fires it with pinpoint accuracy, and Durocher believes he has a new prospect to join Sandy Koufax, Don Drysdale et al. in the Dodgers pitching lineup.

Durocher brings Dodgers General Manager Buzzie Bavasi to the Clampett mansion to witness Jethro's pitching prowess. There's a catch to Jethro's pitching, though. He can only pitch fast, hard, and accurately when he puts possum fat on his hands. Accordingly, the dynastic dreams for Durocher's Dodgers dim because possum fat, undoubtedly, would be a banned substance.¹¹⁸

In *The Munsters* episode *Herman the Rookie*,¹¹⁹ Durocher finds a hitting prospect. While talking with reporter Charlie Hodges, a baseball hit from a park several blocks away knocks Durocher on the head. Eager for a brand-new phenom discovery, Durocher investigates. When he finds out that Herman Munster hit the baseball, he arranges a tryout for Herman. Easily, Herman's physical strength will propel the Dodgers to the National League pennant and a World Series championship.

Herman's physical assets have countering liabilities, however. In this case the asset is, in and of itself, a liability. Sandy Koufax pitches batting practice for Durocher's new discovery. The results are promising, yet disastrous. When Herman hits a ground ball, his power causes the ball to go underground for several feet and destroy the infield. When he hits a home run, the ball knocks over the scoreboard. Durocher exclaims that he doesn't know whether to sign Herman Munster or send him to Vietnam.

Herman's dreams of big-league status come down to earth when he learns that the Dodgers will not sign him because of money. Walter O'Malley would have to spend \$75,000 after each game to repair Dodger Stadium. The episode has a nice tag when former Los Angeles Rams player and then current Rams executive Elroy “Crazylegs” Hirsch discovers a football kicked from several blocks away, definitely farther than the length of a football field. Upon advice from Hodges, Hirsch forgets about identifying the kicker and signing him to the Rams.

Durocher receives baseball advice straight from the horse's mouth in the *Mister Ed* episode *Leo Durocher Meets Mister Ed*.¹²⁰ After watching the Dodgers lose the first game of a twilight doubleheader against the Giants at Candlestick Park in San Francisco on television, Mister Ed takes action. A loyal Dodgers fan, Ed calls Candlestick Park, gets connected to the Dodgers dugout, and tells Durocher that Moose Skowron is dropping his right shoulder when he is in the batter's box. Skowron struck out to end the game, but he became the hero of the doubleheader's second game, thanks to Mister Ed's advice. Durocher follows up the next day by calling the phone number that Mister Ed gave him—the phone number of Wilbur Post, owner of Mister Ed. Wilbur brings Ed to Dodger Stadium to convey more tips to Durocher à la Cyrano de Bergerac with a twist—Wilbur reads Ed's lips as Ed speaks silently. Ed only talks out loud to Wilbur when they are alone in the barn.

Willie Davis, John Roseboro, and Moose Skowron have speaking parts in the episode. As in *Herman the Rookie*, Koufax pitches batting practice. Ed holds a bat in his mouth, swings at a Koufax pitch, and hits an inside-the-park home run culminating with a slide into home plate.

Durocher also appeared in *The Donna Reed Show* episode *Play Ball*, along with Don Drysdale and Willie Mays, the star centerfielder for the Dodgers's arch-rival San Francisco Giants.¹²¹ Drysdale, of course, became the inspiration for Greg Brady to pursue a baseball career in *The Brady Bunch* episode *The Dropout*. A client of America's favorite architect, Mike Brady, Drysdale shows the Brady boys his secret slider. The eldest Brady boy, Greg, idolizes Drysdale. “He thinks you're a combination of George Washington, Neil Armstrong, and the guy who invented pizza.”¹²²

Greg, a pitcher on his Pony League baseball team, the Tigers, has pie in the sky dreams because of some generic but encouraging words from Drysdale. The Brady parents see the danger of Greg's obsession with baseball and a corresponding heartbreak around the corner because a professional baseball career is highly unlikely. They recruit Drysdale to talk about the harsh realities of a baseball career, for example, soaking your arm in ice. Greg conveniently ignores the realities, avoids schoolwork, and fantasizes about being a baseball bonus baby. He gets a severe comeuppance, though, that brings him crashing down to Earth during his next game when he gives up 12 runs in the first inning.¹²³

Greg met another Dodger player in the episode *The Undergraduate*—Wes Parker.¹²⁴ Greg's attention in math class plummets because of a crush on the attractive math teacher. When Greg meets the teacher's fiancé, Wes Parker, his crush immediately subsides. Starry-eyed puppy love gives way to starry-eyed idol worship. Parker and Greg strike an agreement—if Greg gets an A in math, he will get two tickets to the season opener.

The Dodgers' presence on prime time scripted programs firmly secured the team's place as a part of Los Angeles life, from the San Fernando Valley to the Wilshire district, from the mansions of Beverly Hills to the beaches of Malibu, and from Pacific Coast Highway to the world-famous intersection of Hollywood and Vine. Dodger appearances in the fictional universes of television programs explicitly or implicitly set in Los Angeles allowed the Dodgers to transition nicely to southern California. In this regard, the Dodgers were like so many non-native Los Angelenos who settled in the area, accustomed themselves to sunshine 300 days a year, and became steadfast Dodgers fans.

Still, the Dodgers lacked the community it enjoyed in Brooklyn's defined neighborhoods because real estate sprawl defined Los Angeles, a city intra-connected by freeways rather than streets and subway lines.

They found the freeways puzzling and their families felt out of place. 'There was complete chaos on the ball club,' recalled pitcher Don Drysdale. More than once, players wondered why the team ever left Brooklyn, and Drysdale—who was born and raised in California—agreed with those who wished the move had never been made. Scattered in neighborhoods all over the Los Angeles area, 'we lost that community closeness,' he would write in his autobiography.¹²⁵

No more players living among the fans.

No more Hilda Chester, a zaftig, enthusiastic, and crowd-inspiring Dodger fan who led the throngs at

Ebbets Field with her trademark cowbell complemented by organist Gladys Gooding.

No more Dodger Sym-Phony, a group of amateur musicians who led the Brooklyn fans by playing tunes to circumstances. For example, if an umpire made a bad call, the Sym-Phony played *Three Blind Mice*.

No more Happy Felton, the host of *Happy Felton's Knothole Gang*. Felton was a former comic actor with roots in vaudeville and radio. His *Knothole Gang* television show on WOR-Channel 9 showcased players giving baseball tips to kids who then competed in skills contests.

No more tradition of losing—the Los Angeles Dodgers won the World Series in 1959, 1963, and 1965. The Dodgers reached the World Series again in 1966, but lost to the Baltimore Orioles in a four-game sweep, 4-0.

All was well in Los Angeles during the Dodgers' first decade away from Brooklyn. Sandy Koufax pitched four no-hit games, including a perfect game on September 9, 1965. Don Drysdale set a record of consecutive scoreless innings with 58 2/3 in 1968. Orel Hershiser, another Dodger, broke the record in 1988 with 59 1/3 consecutive scoreless innings.

As Los Angeles embraced its new team, it also embraced Vin Scully. Scully began announcing Dodger games on radio in 1950 with Red Barber and Cornelius Desmond, succeeded the beloved Barber in the mid-1950s as the main voice of the Dodgers, and continued being the team's voice during the transition to Los Angeles. Scully is still the voice of the Dodgers, a vocal fixture providing continuity, identification, and familiarity to generations of Dodger fans that only recognize Los Angeles as the home of the Dodgers. In Brooklyn, meanwhile, a restaurant flagrantly reminded its patrons that the Dodgers once had another home.

8th Inning: The Dodgers Return to Brooklyn... Sort Of

The Dodgers' departure for Los Angeles created an emotional rupture throughout Brooklyn. Indeed, the unthinkable had happened. The team that was once a fixture of Flatbush, a symbol of Brooklyn, and a paragon of baseball excellence belonged to another metropolis.

On April 6, 1993, Judge Constance Baker Motley of the United States District Court for the Southern District of New York confronted the legal intricacies that emphasized the historical fissure originating with O'Malley's westward migration. In *Major League Baseball Properties, Inc. and Los Angeles Dodgers, Inc. v. Sed Non Olet Denarius, Ltd.* [SNOD],¹²⁶ the defendant faced six causes of action stemming from using the phrase *The Brooklyn Dodger*.

David Senatore, Kevin Boyle, and Richard Picardi formed SNOD, a corporation. "On March 17, 1988, SNOD

began doing business as a restaurant under the name ‘The Brooklyn Dodger Sports Bar and Restaurant.’”¹²⁷ Senatore, Boyle, and Picardi then formed BUMS, Inc. BUMS began doing business as a restaurant with the same moniker—The Brooklyn Dodger Sports Bar & Restaurant—on February 6, 1989. In November 1990, BUMS stopped its restaurant operations. The owners then formed 9506. On July 1, 1991, it began operations under the same name—The Brooklyn Dodger Sports Bar & Restaurant. The owners formed the corporations under the laws of New York.

However, at no time during their consideration of the ‘Brooklyn Dodger’ name did the individual defendants have any reason to believe that ‘The Brooklyn Dodger’ mark was being used by Los Angeles, and certainly not for restaurant or tavern services.¹²⁸ When considering the use of the ‘Brooklyn Dodger’ mark, at no time was there any discussion among the individual defendants and Brian Boyle [Kevin Boyle’s brother] about trading on the goodwill of Los Angeles in Brooklyn.¹²⁹ Indeed, non-party witness Brian Boyle, a lifelong Brooklyn resident, testified that, given the acrimonious abandonment of Brooklyn by Los Angeles, the idea of trading on Los Angeles’ ‘goodwill’ in Brooklyn is almost ‘laughable.’¹³⁰

The court considered the actions of the defendants prior to forming SNOD.

Nevertheless, acting in good faith, the individual defendants, again desirous of avoiding any legal entanglements, commissioned yet a second trademark search, this one for the name ‘Brooklyn Dodger’ in October, 1987.¹³¹ While defendants were aware at the time they selected their logo that Los Angeles owned federal trademark registrations for the word ‘Dodgers,’ their second trademark search established that no registration of any ‘Brooklyn Dodger’ mark had ever been filed.¹³²

Having invested the time, money, and effort in founding this restaurant and having exercised all reasonable diligence to satisfy themselves that no one was using a ‘Brooklyn Dodger’ trademark for restaurant and tavern services, and that no one had filed a registration for this trademark for use in any other field, the principals of SNOD sought to protect their interests in their new name.¹³³ Accordingly, on April 28, 1988, an application to register a composite design mark

incorporating the term ‘The Brooklyn Dodger’ as a servicemark [sic] for restaurant and tavern services was filed with the United States Patent and Trademark Office in Washington, D.C.¹³⁴

The allusion to the Dodgers went beyond the restaurant’s name—stylized script, the color blue, tail of the name used as an underline, a cartoon character in the logo modeled after the classic “Brooklyn Bum” character, menu items, for example, Dodger Blue Cheese, Dodger Pee-Wee pasta.¹³⁵

The team’s use of the “Brooklyn Dodgers” name after moving to Los Angeles started in 1981, seven years before the Brooklyn Dodger Sports Bar & Restaurant began operating. “While plaintiffs have from time to time made use of their former ‘Brooklyn Dodgers’ mark occasionally and sporadically for historical retrospective[s] such as ‘Old Timer’s Day’ festivities, the documentary proof establishes that, following its departure from Brooklyn, Los Angeles’ earliest licensing of the ‘Brooklyn Dodgers’ mark occurred on April 6, 1981.”¹³⁶ On that date, Major League Baseball Promotion Company, the predecessor to Major League Baseball Properties, amended a licensing agreement with a third party. The agreement covered names, symbols, and logos of all major league baseball clubs, including the Los Angeles Dodgers. The amendment allowed the use of the Brooklyn Dodgers name, symbol, and logo. Licensing activities encompassed a variety of products, including T-shirts, jackets, drinking mugs, wristbands.¹³⁷ “However, none of these uses competes with defendants’ use of the mark for restaurant and tavern services.”¹³⁸

Licensing continued with the Cooperstown Collection, a company specializing in throwback baseball apparel. Major League Baseball Properties began its relationship with the Cooperstown Collection in approximately 1986. The Brooklyn Dodgers, of course, are a focal point for baseball nostalgia and, thus, a natural fit for the Cooperstown Collection.

The court also considered the use of the Dodgers name in a restaurant that dated back to the Brooklyn Dodgers era.

With respect to restaurant and tavern services, the evidence established that while the ‘Brooklyn Dodgers’ were playing baseball in Brooklyn, there existed, also in Brooklyn, a restaurant and tavern which used the name ‘Dodgers Cafe.’¹³⁹ The logo of this establishment was the word ‘Dodgers,’ in script, with the figure of a swinging baseball batter.¹⁴⁰ The evidence shows that the ‘Dodgers Cafe’ began operating with a State Liquor Authority license in 1942 and continued to

operate until 1968, long after Los Angeles had left Brooklyn. Plaintiffs conceded that they took no step whatsoever while they were playing baseball in Brooklyn, or after they had relocated to Los Angeles, to cause the 'Dodgers Cafe' to cease using the name as its servicemark [sic] for its restaurant.¹⁴¹

The plaintiffs sued on the basis of trademark infringement. Their barrier—proving likelihood of confusion between the Brooklyn Dodger Sports Bar & Restaurant and its trademarks. The court followed the standard eight-factor *Polaroid* test:¹⁴²

- (1) strength of plaintiff's trademark
- (2) similarity between the trademark used by the parties
- (3) proximity of the products
- (4) likelihood that plaintiffs will 'bridge the gap'
- (5) actual confusion
- (6) good faith or intent of the defendant
- (7) quality of defendants' services
- (8) sophistication of services.

Strength of the Mark

The court looked at the mark's distinctiveness to measure its strength based on two factors—"(1) the degree to which it is inherently distinctive; and (2) the degree to which it is distinctive in the marketplace."¹⁴³ A quadrant of categories serves as guideposts for judicial determination of a mark's distinctiveness—generic, descriptive, suggestive, and arbitrary/fanciful.

A generic mark is generally a common description of goods and is ineligible for trademark protection. A descriptive mark describes a product's features, qualities or ingredients in ordinary language, and may be protected only if secondary meaning is established. A suggestive mark employs terms which do not describe but merely suggest the features of the product, requiring the purchaser to use 'imagination, thought and perception to reach a conclusion as to the nature of the goods....' Fanciful or arbitrary marks are eligible for protection without proof of secondary meaning and 'with ease of establishing infringement.'¹⁴⁴

The court decided that "Brooklyn Dodgers" falls under the suggestive paradigm. "As opposed to considering the word 'Brooklyn' or the word 'Dodgers' alone, the

imaginative mind could consider 'Brooklyn Dodgers' as connotative of a sports club in Brooklyn, as is required of suggestive marks.

"The public undoubtedly identified the mark 'Brooklyn Dodgers' with the Brooklyn-based baseball team. To that extent, the mark was strong and deserving protection."¹⁴⁵

Similarity Between the Trademarks Used by the Parties

The court gauges the extent of similarity between the trademarks used by the parties through a basic test—Will the similarity be likely to create confusion in the potential customers for the claimant's products or services? The court determined that the Brooklyn Dodger Bar & Restaurant uses a similar mark in its name to the Brooklyn Dodgers mark. "The blue color of the mark is similar. The script is similar. That defendants' mark is singular as opposed to Los Angeles' plural mark is insignificant."¹⁴⁶

The court found the cartoon figure used in the logo to be lacking in significance regarding the similarity test. "The addition of a cartoon figure to a mark is insufficient to prevent a likelihood of confusion."¹⁴⁷

Proximity of the Products

The proximity factor encompasses the competition between the products using the marks. "In determining competitive proximity a court will compare such factors as advertising orientation, function of the services, geographical and cultural audiences, style, price, marketing channels and competitor."¹⁴⁸ The court analyzed the venues of both parties—baseball and restaurants—to determine the extent of the proximity.

Plaintiffs' primary services involve the giving of baseball exhibitions, principally in Los Angeles, sometimes in New York State, never in Brooklyn. Defendants, on the other hand, provide restaurant and tavern services exclusively in Brooklyn. These services share no common functions, are not competitive, share no salient attributes and are not inherently comparable. Also there is no commonality with respect to the parties' marketing functions, advertising orientation, geographical audiences, etc. In sum, the court finds that the parties do not use the same name and are not in the same business; they cater to different markets 3,000 miles apart. The law, as applied to the facts proven at trial, makes clear that plaintiffs have failed to establish a likelihood of confusion based on this factor.¹⁴⁹

Likelihood that Plaintiffs Will “Bridge the Gap” Between the Two Markets

“Bridge the gap” refers to the senior user’s potential entrance into the same arena or a related arena enjoyed by the junior user. The potential bridging cannot, however, be frivolous. “While some allowance is made for the senior user to preserve future expansion possibilities, there must be some credible evidence of the plaintiff’s present intent to enter defendants’ field.”¹⁵⁰

While the court acknowledged the history of Major League Baseball and the Dodgers baseball team dated back more than 100 years, it found no credible evidence regarding the bridging the gap factor. “Since plaintiffs have not ‘bridged the gap’ in 100 years, there has been no proof that they will ‘bridge the gap’ in the future.”¹⁵¹

Actual Confusion

The plaintiffs sought injunctive relief in the lawsuit, not monetary damages. Injunctive relief requires a likelihood of confusion regarding the legitimacy of the trademark at issue, not actual confusion. Actual confusion, though, is a *Polaroid* factor. “While the plaintiff in an infringement action need not prove actual confusion, it is proper for the court to infer from the absence of actual confusion, particularly after defendants’ operation for a lengthy period of time, that there is no likelihood of confusion.”¹⁵²

The court based its conclusion on the plaintiffs’ surveys. “The court concludes that plaintiffs’ surveys are flawed, that both surveys contain a complete lack of controls rendering the data meaningless and having no evidentiary value. Therefore, the court concludes that there is no proof of actual confusion.”¹⁵³

Good Faith or Intent of the Defendant

The good faith factor triggers an analysis of the defendant’s intent to capitalize, profit, or otherwise benefit from the plaintiff’s goodwill, reputation, and fame associated with the trademark. Consequently, the court considered the actions in starting the Brooklyn Dodger Bar & Restaurant, including their trademark searches for the phrase “Brooklyn Dodgers” and the corresponding absence of trademark registrations. “The proof at trial clearly established that at every turn defendants acted in good faith in electing, adopting, and using their mark. They made no effort to use their mark in such a way as to trade upon the reputation of plaintiff Los Angeles, but rather to elicit memories of the ‘Brooklyn Dodgers,’ a historical concept.”¹⁵⁴

In a footnote, the court enhanced its viewpoint concerning the lack of trademark registrations for the phrase “Brooklyn Dodgers,” along with a cautionary note for trademark owners, claimants, and attorneys. “This court finds it inescapable that, given the good faith demon-

strated by defendants in their having conducted trademark searches on each of the marks they considered, this entire controversy and litigation might have been avoided if plaintiffs had undertaken the simple task of filing an application to register a ‘Brooklyn Dodgers’ trademark as notice to potential users.”¹⁵⁵

Quality of Defendants’ Services

This factor protects the senior user claiming rights to the trademark. If products and services are substandard, shoddy, or inferior, consumers will likely blame the senior user. Thus, the legitimate trademark, if one exists, will get tarnished. Here, the plaintiffs lost. “Plaintiffs merely assert that defendants’ products are inferior. This court finds no evidence that defendants’ products or services are inferior. Moreover, the trial evidence indicates that the parties’ respective products and services simply do not compete in any market.”¹⁵⁶

Sophistication of the Likely Purchasers

The court took the departure of the Dodgers from Brooklyn to Los Angeles into account for its evaluation of the sophistication factor. Indeed, it was a decisive issue to discern the sophistication of the restaurant’s patrons. In turn, the patrons’ consequent ability, or lack thereof, to understand that the Dodgers organization was not associated with the restaurant became a turning point for the court in its analysis.

“It is unlikely that Los Angeles’ now infamous departure from Brooklyn and its attendant negative notoriety could be ignored by actual or would-be patrons of defendants’ restaurants. Given the entirety of facts, therefore, there is virtually no likelihood of confusion by these sophisticated consumers that plaintiffs have somehow authorized defendants to do business under ‘The Brooklyn Dodger’ name—a name plaintiffs abandoned when they became the ‘Los Angeles Dodgers.’”¹⁵⁷

Final score: Defendants 6, Plaintiffs 2.

The court also considered three factors added in the Court of Appeals case of *Centaur Communication v. A/S/M Communications*.¹⁵⁸ “These so-called *Centaur* factors are: a) the nature of the senior user’s priority; b) its delay in asserting its claim and c) the balance of harm and benefit that would result from granting an injunction against the junior user’s use of the mark.”¹⁵⁹

The plaintiffs struck out with the *Centaur* factors.

The court then considered the issue of abandonment of the Brooklyn Dodgers trademark and the later resumption of use. “Plaintiffs have in no way demonstrated their intent to resume commercial use of the ‘Brooklyn Dodgers’ mark within two years after Los Angeles left Brooklyn in 1958 or at anytime within the ensuing quarter century.”¹⁶⁰

The court applied the timeline and corresponding actions of the plaintiffs in its abandonment analysis.

“Plaintiffs changed their name from ‘Brooklyn Dodgers’ to ‘Los Angeles Dodgers’ immediately after arriving in Los Angeles. They registered their new name ‘Los Angeles Dodgers’ in 1958. They did not register simply as the ‘Dodgers’ which plaintiffs claim is their true trademark until 1967. Here, plaintiffs neither registered the ‘*Brooklyn* Dodgers’ [emphasis original] mark prior to their resumed use of the mark in 1981 nor did they produce any other evidence indicating that they had plans to resume use of the ‘Brooklyn Dodgers’ mark when they intentionally abandoned it and Brooklyn in 1958.”¹⁶¹

Additionally, the court found a disparity between the plaintiffs’ and defendants’ respective uses of the Brooklyn Dodgers trademark. “The court concludes that plaintiffs’ interest, which is a new phase in the history of this mark, is only in the fields in which the mark has been used since plaintiffs chose to resume its use. The evidence makes clear that the uses to which the plaintiffs put their marks were generally sportswear and novelty items which are in no way related to defendants’ restaurant and tavern services in the limited geographic area of New York City known as Brooklyn.”¹⁶²

The geographic gap between the plaintiffs and the defendants presented another barrier for the plaintiffs. “Plaintiffs have not in any way demonstrated that the restaurant business in Brooklyn is a market into which they might naturally expand.”¹⁶³

Simply, the disparities provided the foundation for the court’s conclusion that trademark rights claimed by the plaintiffs enjoyed restrictive protection.

This court holds that plaintiffs’ failure to utilize the ‘Brooklyn Dodgers’ mark for any significant, commercial trademark use between 1958 and 1981 constituted an abandonment of that mark and dramatically limits the protection to which that mark is entitled since its resumption. Although there was evidence of a very limited number of food services and food items (Dodger Dogs, etc.) in plaintiffs’ stadium in Los Angeles and training camp in Florida, no evidence was introduced by plaintiffs on this critical issue to prove that this mark, ‘Brooklyn Dodgers,’ has been used by plaintiffs or licensed by plaintiffs for a restaurant such as the singularly nostalgic restaurant defendants operate in Brooklyn. Accordingly, the court declines to enjoin defendants’ very limited use of the ‘Brooklyn Dodger’ mark by defendants for use in connection with its local restaurants directed

toward older Brooklyn Dodgers fans in the Brooklyn community in the city of New York. The court also declines to cancel any registration of the ‘Brooklyn Dodgers’ mark by plaintiffs for use of that name for the sale of goods such as T-shirts, caps, memorabilia, etc.”¹⁶⁴

9th Inning: Will Brooklyn’s Broken Heart Ever Heal?

On June 25, 2001, baseball returned to Brooklyn—the Brooklyn Cyclones and the St. Catherines Stompers opened a new era of Brooklyn baseball in KeySpan Park. Named after the legendary Cyclone rollercoaster in Coney Island, the Cyclones of the Class A New York–Penn League play their home games right next to Coney Island’s Astroland amusement park.

In the team’s inaugural season, the venerable cry of “Wait ‘Til Next Year” that reverberated loudly through Brooklyn during the halcyon days of Yankee dominance in the 1950s, might have emphatically fell silent but for an infamous day in history. The New York–Penn League cancelled the 2001 championship series between the Cyclones and the Williamsport Crosscutters because of the terrorist attacks on September 11, 2001. The Cyclones led the series 1-0. In turn, the league declared both teams to be co-champions. Whether the Cyclones would have won the series is an issue for armchair analysts, managers, and historians.

Originally, KeySpan Utilities enjoyed the naming rights for the ballpark. The KeySpan Park deal ran through 2020. National Grid bought KeySpan in 2007 and, in turn, eliminated the KeySpan name in its new corporate paradigm. Apparently, National Grid did not want to pick up the naming rights, so Municipal Credit Union (MCU) bought the naming rights for the remainder term of the KeySpan deal from 2010 to 2020.¹⁶⁵

The Cyclones restored the presence of baseball in the borough, but the shattering of Brooklyn’s devotion to the Dodgers remains an open wound. The ghosts of Ebbets Field govern the hearts, minds, and souls of Brooklyn Dodger fans who never quite understood, forgave, or appreciated Walter O’Malley’s cross-country exodus. Granted, the transfer of National League power from Ebbets Field to Chavez Ravine shocked Brooklyn. Simply, a common bond among Brooklynites faded into oblivion when O’Malley moved the team to Los Angeles.

In his 2007 *New York* magazine article *Exorcising the Dodgers*, Sam Anderson uses the 50th anniversary of the last Brooklyn Dodgers team in 1957 as a springboard to study the impact of the Dodgers’ leaving. Anderson cites Michael Shapiro, the author of *The Last Good Season*. Shapiro’s book probes beneath the surface to uncover the

reasons for the Brooklyn Dodgers leaving the borough that embraced, treasured, and idolized them.

He intended to write a book that would dispel the great distorting myth of his sixties Brooklyn childhood: that life would have been better if the Dodgers hadn't left. Instead, his research kept confirming it. Although his book pokes a few holes in the traditional version of the Dodger story—Moses, not O'Malley, is the primary villain—he leaves it generally intact. 'There was something there,' he told me. 'It was real.' But he's no Pollyanna. The Dodgers, he told me, were not mystic vessels sent from God to administer virtue and nobility to earthlings. Their power was simpler, and more profound.

'When the Dodgers left, it didn't rip the heart out of the borough' he says. 'That's too much. I think people said that because they couldn't quite put into words the sense of what was lost. The departure of the Dodgers denied Brooklyn, for half the year, this common conversation—the idle chitchat you have with people on the subway or waiting for the elevator or going to the butcher. Baseball informed so much of that. 'Can you believe that Furillo last night? Snider's a bum! Is Hodges gonna get a hit?' It created a relationship between strangers—you felt close to them, if only for a minute or two. What was lost was each other.'¹⁶⁶

Passion for the Brooklyn Dodgers of Jackie Robinson, Carl Furillo, Roy Campanella, Pee Wee Reese, Gil Hodges, et al. continues despite the loss of a team—a loss that, decades later, haunts fans who rooted with resolute fervor. George Will, the political commentator who once said that he works in the political arena so he can fund his baseball hobby, further diagnoses the cause of the emotional wounds as sourced in identity.

Brooklyn was the third largest city in the United States until 1898 when New York City annexed it. So, there is an inherent inferiority complex and I think Brooklynites felt particularly slighted when the Dodgers left. Also, the Brooklyn Dodgers didn't win a championship until 1955. In 1958, they were gone. The borough's fragile sense of identity was tied up with the Dodgers.

A strong, obvious, economic rationality led to the end of the Brooklyn Dodgers. Fans weren't coming to the ballpark

and there were untapped markets. To his credit, Walter O'Malley seized the opportunity.¹⁶⁷

Nevertheless, the Brooklyn Dodgers resonate today. Other teams long since gone from their origin cities do not enjoy this loyalty enhanced by books, documentaries, and articles. Roger Kahn's book *The Boys of Summer*—part memoir, part "Where Are They Now?"—enjoys distinction as the first significant literary work to cover the mystique of Ebbets Field, the magic of being a Brooklyn Dodgers fan, and the collective character of the ghosts of Flatbush. It is still in print today, nearly 40 years after its initial publication.¹⁶⁸

Kahn governs a unique vantage point as chronicler, fan, and continual protector of the Brooklyn Dodgers' legacy.

Brooklyn was not a city, but a borough. It was a bedroom community. As kids, we played a lot of baseball. And we all had a secret hope of making the Dodgers. During those years, we had practice after school. We would go to Ebbets Field in the 1930s to watch the games. Even then, we used to hear the Brooklyn jokes. We had a major league team even though we lived in a borough. Those were years in the baseball wilderness.

My father had been quietly rooting for the Dodgers since he was born in 1901. They won pennants in 1916 and 1920 but lost the World Series to the Boston Red Sox and the Cleveland Indians, respectively. There was a certain ineptitude combined with a comic incompetency in some of the Dodger games. After the wretched years came a rebirth with Larry MacPhail bringing in new players, for example, Pee Wee Reese. In 1942, they lost the pennant to a powerful Cardinals team that eventually defeated the Yankees in the World Series. Pete Reiser crashed full-speed into an outfield wall that year. It affected his ability, vision, and energy greatly. If Reiser had not gotten injured, the story might have ended differently.

The Robinson-Reese-Snider team saw attendance decline. This decline was largely because of television. Suddenly in the early 1950s, you could sit at home on a cloudy night and watch the Dodgers on Channel 9. The intensity of interest transferred to living rooms. In the 1950s, the sport did not televise well. There were only two or three cameras. Boxing

was visually the best sport for television. Football was good. Branch Rickey was troubled by the impact of television on baseball. He wanted a screen in the shape of a pyramid to show the baseball diamond. Today, the sport televises pretty well.

Plus, Ebbets Field was an intimate place where I could pick a friend of mine out of the stands. There was physical proximity between the players and the fans. The players lived mostly in Bay Ridge. There was a likelihood that you went to the same supermarket as a Dodger player or took your kids to the same pediatrician.¹⁶⁹

Sol Gabay, a Brooklynite who has lived in northern New Jersey for more than 40 years, remembers with clarity his first experience at Ebbets Field, the void created by the Dodgers's departure for Los Angeles, and the enduring passion for the team.

My cousin took me to my first baseball game. We had box seats at Ebbets Field for a Dodgers vs. Pirates game. Each ticket cost \$1.65. Ed Head pitched for the Dodgers. The Dodgers won the game by a score of 4-0. When the Dodgers left Brooklyn, I stopped looking at baseball games. It was a sad feeling when they left. The team was a part of life in Brooklyn. We left the house at 8:00 am to go to Ebbets Field and be the first people through the gate. They usually opened the gate at 11:00 am. The biggest thrill was going to a doubleheader. When the Mets won the World Series in 1969, I took up baseball again. Some Dodgers fans became Mets fans right away when the Mets debuted in 1962. But the Brooklyn Dodgers and Ebbets Field never leave you. They've never really gone away. You still have it in your bones. If you weren't there, you couldn't understand the feeling of being a fan of the Brooklyn Dodgers.¹⁷⁰

Today, a tangible piece of Brooklyn baseball history falls under the auspices of protection, though not without question, debate, or controversy concerning its specific connection to the Dodgers.

Con Edison will preserve a stone wall that was a perimeter wall in Washington Park, the home field for the Brooklyn team from 1898 until 1912. The "20-foot high stonewall on Third Avenue near First Street in Gowanus" is a small piece of the ballpark that was almost completely

demolished in 1922. The Brooklyn Tip-Tops played at Washington Park during its brief tenure in the Federal League from 1914-1915. A Con Edison truck depot sits on the park's former location.¹⁷¹

Whether the wall's existence coincided with the Dodgers's tenure at Washington Park remains to be seen.

There is still controversy over when the wall went up at the ballpark and if it has any link to the Dodgers—who would later leave Brooklyn for Los Angeles following the 1957 season.

Recently released photos appear to back historians who have said the wall was a later addition to the park for the Tip-Tops' inaugural season in 1914, but other historians claim it dates back to the Dodgers' final years there.

The Landmarks Preservation Commission opted against granting the park landmark status in part because it concluded the wall was built shortly after the Dodgers moved to Ebbets Field.¹⁷²

Con Ed yielded to historical significance, despite the lack of landmark status and the question of the wall as a reminder of the Brooklyn Dodgers from nearly 100 years ago. "Although the city Landmarks Preservation Commission in March shot down a proposal to give the wall landmark protection, Con Edison opted against razing it as part of a renovation plan. This was after independently confirming the structure had historical significance."¹⁷³

The decision to protect the stone wall reflects an appreciation for the rich history of baseball in Brooklyn. At the center of that history lays the Brooklyn Dodgers, a team immortalized by heartbreak because of migration to Los Angeles. Indeed, the psychic injury caused by the team's move still manifests in the hearts of fans who treated Ebbets Field as a second home.

Tangible reminders may not fully assuage the injury's pain, but they do show honor, respect, and loyalty. For example, when the New York Mets debuted in 1962, the players boasted a combination of colors sourced from the team's National League predecessors—Dodger Blue and Giant Orange.

Fred Wilpon, owner of the New York Mets, endorses the Brooklyn Dodgers in the baseball pantheon through the design of the new stadium for the Mets—Citi Field. Its external design is a visceral, emblematic, unquestionable homage to Ebbets Field. Wilpon's inspiration is deeply personal.

I'm a kid who grew up in Brooklyn. I was steeped in being a very avid Dodger fan. I have great memories of going to a

dozen or more ball games with my dad. That was joyous. I remember being ten years old and my dad holding my hand as we walked into Ebbets Field after we got hot dogs on Sullivan Street.

As a sandlot player, I followed the Dodgers. Everyone I knew was a Dodger fan or a Yankee fan. The era of the 1930s and 1940s was a time of cultural change. My family came from Europe, settled in America, and wanted education. Baseball became a passionate focus for that era. We were passionate about this lovable team that was bumbling. And then, they evolved into a very good team.

In 1947, Mr. Rickey committed a heroic act in breaking the color line with Jackie Robinson. He chose the right person and the right players. Jackie Robinson is not just a Hall of Fame baseball player. He is an American icon who is probably as important to the civil rights movement as Dr. King.

This was a team that people sort of wrapped their arms around. Ebbets Field was small. You felt close to the event. The players lived in Bay Ridge and Flatbush. Brooklyn people are very passionate and they're passionate about their teams.

I also have a familial connection to the Dodgers. My wife and I married in 1958. After graduating from the University of Michigan, she got her first job in New York City. She worked for the Continental League, so she's been associated with the New York Mets longer than anyone.

Because I was part of the emotion of the Brooklyn Dodgers, I thought that we could possibly keep that feeling alive with the new stadium's design. I have fond memories of the Brooklyn Dodgers in the Jackie Robinson era. If you couple that with my feeling of Jackie Robinson's importance irrespective of his status as a Dodger, Citi Field's Jackie Robinson Rotunda honors him properly. He is an American icon who defined integrity.

I know Mrs. Robinson very well since my teenage years. I also knew Jackie Robinson. I deeply felt that this man's contribution to baseball and society demanded more than a plaque or statue. We received some objections that the rotunda was too focused on the Dodgers. But we're

trying to keep the unique heritage of the Dodgers alive through the stadium's architecture and the rotunda. Rooting for the Brooklyn Dodgers was part of the process for first-generation and second-generation Americans in the first half of the 20th century. Some of this feeling is engendered today. Baseball is a blending of business and public trust. The Brooklyn Dodgers became so important to a borough with a population of close to three million people. The team was a *raison d'être* for Brooklyn.¹⁷⁴

Decades after the 1950s heyday of the Brooklyn Dodgers, the team's enduring magic is largely indefinable, inscrutable, and invincible. It is palpable, however. For those denizens that rooted for Jackie, Pee Wee, Campy, Newk, et al., Ebbets Field represented the focal point of Brooklyn's melting pot, the constituents of which communicated through the common language of balls, strikes, and batting averages. The bond between fans and team once thought to be a sacred trust actually shattered upon the Dodgers' relocation to Los Angeles.

In *Major League Baseball Properties, Inc. v. Sed Non Olet Denarius, Ltd.*, Judge Motley codified the resonant sentiment regarding this sacred trust that echoes, pulses, and vibrates throughout time. Roger Kahn reinforces the judicial mandate with authoritative emotion—"The Brooklyn Dodgers belong to Brooklyn, not Los Angeles."¹⁷⁵

Endnotes

1. 817 F.Supp. 1103 (S.D.N.Y. 1993).
2. FIELD OF DREAMS (Universal Pictures 1989). In *Shoeless Joe*, the writer is J.D. Salinger.
3. GEOFFREY C. WARD, *BASEBALL: AN ILLUSTRATED HISTORY* 3-4 (Based on a Documentary Filmscript by Geoffrey C. Ward and Ken Burns) (Alfred A. Knopf 1994).
4. *Id.* at 3.
5. David Brock, *Baseball's Earliest Rules*, SOC'Y FOR AMERICAN BASEBALL RESEARCH, available at <http://www.sabr.org/sabr.cfm?a=cms,c,1017,34,0>.
6. *Id.*
7. WARD, *supra* note 3, at 5. "Sometime during the spring or summer of 1842, a group of young gentlemen began getting together in Manhattan each weekend to play one or another version of the game, depending on how many showed up at game time. They played first on a vacant lot at the corner of Madison Avenue and Twenty-seventh Street, then in a slightly more spacious clearing at the foot of Murray Hill.

On September 23, 1845, apparently at the instigation of a tall, twenty-five-year-old shipping clerk named Alexander Joy Cartwright, twenty-eight of these young men formally established themselves as the New York Knickerbocker Base Ball Club, named after a volunteer fire company to which Cartwright and several other players belonged. They were convivial and prosperous: merchants, Wall Street brokers, insurance salesmen, a United States marshal, a portrait photographer, a physician, a dealer

in cigars—"men," one of them remembered, "who were at liberty after 3 o'clock in the afternoon." *Id.* at 4.

8. Edward Wong, *Baseball's Disputed Origin Is Traced Back, Back*, N.Y. TIMES, July 8, 2001, available at <http://www.nytimes.com/2001/07/08/sports/08PAST.html>.
9. *Id.*
10. *Id.*
11. STANLEY COHEN, *DODGERS: THE FIRST 100 YEARS 2* (Carol Publishing Group 1990).
12. *Id.* at 4. "On March 17, 1871, representatives of ten teams met in Collier's Cafe, on Broadway and 13th Street in New York City, and organized the National Association of Professional Baseball Players." *Id.*
13. *Id.*
14. *Id.*
15. *Id.*
16. *Id.* at 4-5.
17. BOB MCGEE, *THE GREATEST BALLPARK EVER: EBBETS FIELD AND THE STORY OF THE BROOKLYN DODGERS 28* (Rutgers U. Press 2005). "Half the Brooklyn players got married during 1887 and during the course of the following winter, and for the next two years, the fans called the team the Bridesgrooms, or simply the Grooms." *Id.*
18. The National League formed in 1876.
19. COHEN, *supra* note 11, at 6.
20. MCGEE, *supra* note 17, at 29. "The pace of Brooklyn life had been changing for some time. Although the trolleys that sped down the borough's roads provided key linkages to jobs and commerce that helped promote economic growth, they also were killing an average of one pedestrian a week." *Id.* at 31.
21. COHEN, *supra* note 11, at 7-8.
22. See <http://losangeles.dodgers.mlb.com/la/history/timeline.jsp>. John Montgomery Ward and Dave Foutz managed the Brooklyn team from 1891-92 and 1893-96 respectively. Ned Hanlon managed from 1899-1905. The "Superbas" name paid homage to a "popular Broadway troupe of the same name." *Id.* "For the next two years, in 1899 and 1900, the new players that Hanlon managed brought Brooklyn to the top of the baseball world. Someone in the press box nicknamed the 'Superbas,' after a popular vaudeville act known as Hanlon's Superbas. The name caught on quickly and would persist with the fans long after Hanlon was gone." MCGEE, *supra* note 17, at 36.
23. *Id.* at 29.
24. *Id.* at 30.
25. *Id.* "Even though McGunnigle had just brought home two consecutive championships, Doyle and his crew shamelessly went along with the summary dismissal of their man. As sportswriter Frank Graham later said, this action probably minted the adage 'There is no sentiment in baseball.'" *Id.*
26. *Id.*
27. COHEN, *supra* note 11, at 8.
28. MCGEE, *supra* note 17, at 33.
29. *Id.* at 34.
30. *Id.* at 35.
31. *Id.* at 36-37. The Highlanders became the Yankees in 1913.
32. *Id.*
33. COHEN, *supra* note 11, at 14. "It was a wild, craggy piece of land, with shanties scattered over it, and in the middle of this nest of poverty was a large, gaping pit into which the shanty dwellers threw their fetid, steaming garbage. Farmers from the area brought their pigs there to feed. Hence Pigtown. PETER GOLENBOCK, BUMS:

AN ORAL HISTORY OF THE BROOKLYN DODGERS 2 (Dover Publications, Inc. 2010) (1984).

34. MCGEE, *supra* note 17, at 39.
35. *Id.* at 38-39.
36. *Id.* at 40. Ebbets was a Democrat. He won the 1895 election for the 12th Assembly District in the State Assembly. The district included the Park Slope section of Brooklyn. He won a four-year term in the 1897 election for City Council. *Id.* at 32. "Ebbets's deliberations with other politicians gave him information quite useful for the day when he would seek a parcel of land for his new ballpark: discussions through the turn of the century were wide-ranging about the upcoming plans for a subway system, and where and how that subway system and the neighborhoods alongside it would grow." *Id.* at 32.
37. *Id.* at 38.
38. COHEN, *supra* note 11, at 14-15.

When he checked the deeds to see who owned the land, Ebbets discovered forty claims of ownership, either by deed or squatters rights. He formed a corporation and, disguising his true purpose, bought the first parcel in 1908. Midway through the three years it took him to secure the other parcels, word leaked out as to his objective, and several of the plot owners hiked their prices sharply. By the end of 1911, he had been able to acquire the entire area except for one parcel—he had been unable to locate the owner. Private dicks traced the man first to California, then to Berlin, then to Paris. Ultimately he was found—in Montclair, New Jersey.

Ebbets sent a purchasing agent to ask how much the owner wanted. The agent had no way of knowing whether the man had learned of the true purpose of the purchase, but when he told the owner that he was interested in the land, the owner laughed. He had forgotten that he had owned it. "Why would anyone be interested in land in Pigtown?" he asked, adding, "Would \$500 be all right?"

Ebbets now had the land, and even though he was up to his handlebar mustache in debt, his bank lent him enough money to begin construction. The squatters were driven out, the shanties torn down, the garbage pit filled, and the area leveled, and on March 4, 1912 [sic] Ebbets, wearing a black bowley and an elegant overcoat, stomped a shovel into the ground to begin excavation. GOLENBOCK, *supra* note 33, at 2-3.
39. *Id.* at 3.
40. COHEN, *supra* note 11, at 15.
41. GOLENBOCK, *supra* note 33, at 3-4. Ebbets died on April 18, 1925. His burial took place on a "raw, windy day." COHEN, *supra* note 11, at 34. The weather fatally affected Ed McKeever, Ebbets's replacement as acting president. "[He] shuddered in the cold and complained of a chill. Within a week, he was dead of pneumonia." *Id.* at 36.
42. *Id.* In addition to the Dodgers, Brooklynites enjoyed professional baseball played by the Tip-Tops in the Federal League. The league's tenure was 1914-15. Robert Ward owned the team and named it after his bakery—Tip Top Bakery.
43. GOLENBOCK, *supra* note 33, at 6-7.
44. COHEN, *supra* note 11, at 33.
45. *Id.* at 48, 50. The precarious financial situation made foreclosure a distinct possibility. Future Dodger icon Branch Rickey apparently played a role in Frick's decision. "Desperate in the face of foreclosure by the bank, the quarreling heirs of original owners Charley Ebbets and Steve McKeever, who heretofore had been

unable to agree on anything, went to National League President Ford Frick to get his opinion as to what they should do to keep from going under. Frick advised that they hire a strong general manager with baseball experience, one who would not be fleeced by other teams and who could make the Dodgers respectable. When they asked Frick to suggest someone, Frick, in turn, sought the counsel of Branch Rickey, the most successful fleecer in the National League, the brains behind the always powerful St. Louis Cardinals. The Dodgers were desperate. A name, Branch, a name. Rickey proposed a longtime friend and business associate, Leland Stanford MacPhail.” GOLENBOCK, *supra* note 33, at 11.

46. COHEN, *supra* note 11, at 61. The Dodgers lost the 1942 National League Pennant to the Cardinals, despite a seven and a half game lead with five weeks remaining in the season. MacPhail signed journeyman pitcher Bobo Newsom, a 20-year veteran to shore up the lineup. Golenbock theorizes that the signing of Newsom and other financial pressures influenced the pressure on MacPhail to resign.

[The Dodgers stockholders] had forbade him from spending the cash to acquire Newsom, MacPhail’s ‘pennant insurance,’ and Newsom’s 2-2 record did not help the Dodgers to a pennant as promised. This was one of the excuses they lamely cited for getting rid of the man who saved the franchise. In truth the Age of the Bottom Line was slowly eating away at the business of baseball. Stockholders were the ones calling the shots, and the bottom line in Brooklyn was that, because of MacPhail’s extravagant spending, they were not getting big enough dividend checks. Winning was no longer enough. Now they wanted someone who would lead them to victory as well as to a fat check at the end of the year. *Id.* at 61-62.

47. *Id.* at 62.
48. JULES TYGIEL, *BASEBALL’S GREAT EXPERIMENT: JACKIE ROBINSON AND HIS LEGACY* 50 (Oxford U. Press 1983).
49. COHEN, *supra* note 11, at 97.
50. *See supra* note 22.
51. *Id.*
52. *Id.*
53. J. ROY STOCKTON, *THE GASHOUSE GANG AND A COUPLE OF OTHER GUYS* 20 (6th Printing, A.S. Barnes & Company, Nov. 1947) (1945).
54. *Id.*
55. *Id.*
56. *Id.*
57. LEE LOWENFISH, *BRANCH RICKEY: BASEBALL’S FEROCIOUS GENTLEMAN* 121 (U. of Neb. Press 2007) citing FREDERICK G. LIEB, *THE ST. LOUIS CARDINALS; THE STORY OF A GREAT BASEBALL CLUB* 78 (Reprint ed., Carbondale: S. Ill. U. Press 2002) (1944). Rickey managed the St. Louis Cardinals from 1919-1925.
58. *Id.* at 122.
59. *See* http://www.nlbpa.com/fowler__john_w_-_bud.html.
60. The American Association lasted from 1882 to 1891. Its rival league was the National League, which started in 1876.
61. JONATHAN EIG, *OPENING DAY: THE STORY OF JACKIE ROBINSON’S FIRST SEASON* 29 (Simon & Schuster Paperbacks (First Simon & Schuster trade paperback edition) Apr. 2008 (2007)).
62. *See* <http://www.negroleaguebaseball.com/faq/record0002.html>.
63. *Id.* Foster’s Negro National League ended after the 1931 baseball season because of economic pressures caused by the Great Depression. *Id.*
64. NEIL LANCTOT, *NEGRO LEAGUE BASEBALL: THE RISE AND RUIN OF A BLACK INSTITUTION* 108 (U. of Pa. Press 2004).

65. TYGIEL, *supra* note 48, at 35.
66. LANCTOT, *supra* note 64, at 108.
67. *Id.* at 207-08.
68. *Id.* at 239.
69. SCOTT SIMON, *JACKIE ROBINSON AND THE INTEGRATION OF BASEBALL* 45-46 (John Wiley & Sons, Inc. 2002).
70. Robert W. Creamer, *Jackie Is ‘the First’ Again*, CNN/SI, available at <http://sportsillustrated.cnn.com/vault/article/magazine/MAG1125037/index.htm>.
71. TYGIEL, *supra* note 48, at 58.
72. COHEN, *supra* note 11, at 79.
73. LOWENFISH, *supra* note 57, at 365-66.
74. *Id.* at 371.
75. *Id.* at 371-72.
76. *Id.* at 374.
77. *Id.* at 375. In Jackie Robinson’s autobiography *I Never Had It Made*, Robinson recounts the scene similarly, but with an exchange between himself and Rickey. “Mr. Rickey, are you looking for a Negro who is afraid to fight back.” “Robinson, I’m looking for a ballplayer with guts enough not to fight back.” JACKIE ROBINSON (AS TOLD TO ALFRED DUCKETT), *I NEVER HAD IT MADE: AN AUTOBIOGRAPHY* 33 (Harper Collins 1995) (1972).
78. EIG, *supra* note 61, at 30.
79. *Id.*
80. ARNOLD RAMPERSAD, *JACKIE ROBINSON: A BIOGRAPHY* 92-93 (Ballantine Books 1998 (1st ed.1997)).
81. *Id.* at 101.
82. *Id.* at 102.
83. *Id.*
84. *Id.* at 105.

Jack faced two charges. The first, a violation of Article of War No. 63, accused him of “behaving with disrespect toward Capt. Gerald M. Bear, CMP [Commander of Military Police], his superior officer.” Robinson had incurred the charge by contemptuously bowing to him and giving him several sloppy salutes, repeating several times “OK Sir,” “OK, Sir,” or words to that effect, and by acting in an insolent, impertinent and rude manner toward the said Captain Gerald M. Bear.” The second charge was a violation of Article No. 64, in this case “willful disobedience of lawful command of Gerald M. Bear, CMP, his superior.” It alleged that Robinson, “having received a lawful command...to remain in a receiving room and be seated on a chair on the farside [sic] of the receiving room, did...willfully disobey the same. *Id.* at 106.
85. *Id.* at 111.
86. *Id.* at 113.
87. *Id.*
88. *Id.* at 164.
89. *Id.* at 163-64.
90. TYGIEL, *supra* note 48, at 170, citing HAROLD PARROTT, *THE LORDS OF BASEBALL: A WRY LOOK AT A SIDE OF THE GAME THE FAN SELDOM SEES—THE FRONT OFFICE* 208 (Praeger Publishers 1976) and LEO DUROCHER WITH ED LINN, *NICE GUYS FINISH LAST* 177-79 (Simon & Schuster 1975). The commissioner’s office suspended Durocher for the 1947 season because of his association with known gamblers.
91. *Id.* at 182-83.
92. ROBINSON, *supra* note 77, at 60..

93. TYGIEL, *supra* note 48, at 183, quoting CARL ROWAN AND JACKIE ROBINSON, *WAIT TILL NEXT YEAR 181-84* (Random House 1960).
94. ROBINSON, *supra* note 77, at 62.
95. ROGER KAHN, *THE ERA 57* (First Bison Books 2002) (1993).
96. *Id.* at 58.
97. *Id.* at 59.
98. *Id.* at 59-62.
99. ROGER KAHN, *THE BOYS OF SUMMER xvii* (Harper Perennial Modern Classics 2006) (1971). “*The Boys of Summer* was published in March 1972, though magazine excerpts appeared in 1971.” Interview with Roger Kahn (Dec. 28, 2010).
100. *Id.* at xviii.
101. *Id.* at xix.
102. See http://www.baseball-reference.com/bullpen/Brooklyn_Dodgers#.E2.80.9CDem_Bums.E2.80.9D

By the late 1930s, the Dodgers had earned the reputation of loveable losers. One day in 1939, sports cartoonist Willard Mullin of the *New York World Telegram* asked a cab driver how the Dodgers were doing. The cabbie replied, “Dem Bums are bums.” The encounter gave Mullin an idea, and he soon developed a cartoon character, the “Brooklyn Bum,” to symbolize the team. Fans and newspapers alike, mimicking [sic] a Brooklyn accent, often referred to the team as “Dem Bums.” Even circus clown Emmett Kelly, who had created the hobo character, “Weeping Willie,” for the Ringling Bros. and Barnum & Bailey Circus, got into the act, often appearing at Ebbets Field as the Dodgers unofficial mascot.
103. MUSEUM OF THE CITY OF NEW YORK, *THE GLORY DAYS: NEW YORK BASEBALL 1947-1957 158* (John Thorn ed., HarperCollins Publishers 2007).
104. Telephone Interview with Joel Hecker (Oct. 21, 2010).
105. Interview with Harold Friedman (Oct. 25, 2010).
106. Jackie = Jackie Robinson. Campy = Roy Campanella. Newk = Don Newcombe. Oisk = Carl Erskine.
107. Sam Anderson, *Exorcising the Dodgers*, *NEW YORK*, Sept. 24, 2007 at 36.
108. LOWENFISH, *supra* note 57, at 488-489.
109. *Id.* at 489.
110. *Id.* at 490.
111. *Id.* at 491-492, citing FRANK GRAHAM, JR., *A FAREWELL TO HEROES 234* (Viking 1981).
112. LANCOT, *supra* note 64, at 386. “The exact date of the NAL’s collapse is uncertain, although I was unable to locate any mentions of the league after an October 1963 article in *Jet*. Despite the collapse of the NAL, individual black teams, most notably the [Indianapolis] Clowns, continued to operate independently. The Kansas City Monarchs disbanded after the 1964 season.” *Id.*, n.25 to pages 383-387.
113. Robert A. Caro won a Pulitzer Prize for his 1975 biography of Moses: *The Power Broker: Robert Moses and the Fall of New York*.
114. MICHAEL SHAPIRO, *THE LAST GOOD SEASON: BROOKLYN, THE DODGERS, AND THEIR FINAL PENNANT RACE TOGETHER 323* (Doubleday 2003).
115. *Id.* at 321.
116. *Mr. Novak: Boy Under Glass* (NBC television broadcast Nov. 24, 1964).
117. *The Beverly Hillbillies: The Clampetts and the Dodgers* (CBS television broadcast Apr. 10, 1963).
118. Wally Cassell plays Buzzie Bavasi. Bavasi worked for the Dodgers from 1945 to 1968. He was the team’s General Manager from 1951 to 1968. He resigned in 1968 to become the president and a part-owner of the San Diego Padres, a National League expansion team that debuted in 1968. Bavasi moved to the California Angels as Executive Vice President and General Manager after the 1977 season. He retired in 1984. The Dodgers did not need Jethro’s pitching for the 1963 season. The team won the World Series against the arch-rival New York Yankees in four games—4-0.
119. *The Munsters: Herman the Rookie* (CBS television broadcast Apr. 8, 1965). The Dodgers did not need Herman’s hitting for the 1965 season. The Dodgers beat the Twins in the World Series. It went the full seven games—4-3. Gene Darfler plays the fictional reporter Charlie Hodges.
120. *Mister Ed: Leo Durocher Meets Mister Ed* (CBS television broadcast Sept. 29, 1963).
121. *The Donna Reed Show: Play Ball* (ABC television broadcast Oct. 1, 1964). Willie Mays appeared on two other *Donna Reed* episodes—*The Donna Reed Show: My Son, the Catcher* (ABC television broadcast Apr. 16, 1964) and *The Donna Reed Show: Calling Willie Mays* (ABC television broadcast Jan. 29, 1966). Drysdale also appeared with Mays in *My Son, the Catcher*. Mays also appeared on an episode of *Bewitched* as himself—*Bewitched: Twitch or Treat* (ABC television broadcast Oct. 27, 1966).
122. *The Brady Bunch: The Dropout* (ABC television broadcast Sept. 25, 1970).
123. *Id.*
124. *The Brady Bunch: The Undergraduate* (ABC television broadcast Jan. 23, 1970).
125. MICHAEL D’ANTONIO, *FOREVER BLUE: THE TRUE STORY OF WALTER O’MALLEY, BASEBALL’S MOST CONTROVERSIAL OWNER, AND THE DODGERS OF BROOKLYN AND LOS ANGELES 290* (Riverhead Books 2009) (First Riverhead Books Trade Paperback ed. 2010).
126. 817 F. Supp. 1103 (S.D.N.Y. 1993).
127. *Id.* at 1111 (citing Transcript of Record at 480).
128. *Id.* at 1112 (citing Transcript of Record at 526-27).
129. *Id.* (citing Transcript of Record at 528).
130. *Id.* (citing Transcript of Record at 529).
131. *Id.* (citing Transcript of Record at 489, 609-11, 621-22, 744, and Plaintiff’s Exhibit 28).
132. *Id.* (citing Transcript of Record at 492, 532, 562, 659, 735-36, and Plaintiff’s Exhibit 28).
133. *Id.* (citing Transcript of Record at 571).
134. *Id.* (citing Transcript of Record at 571, 630, 637, 728, and Plaintiff’s Exhibit 37).
135. *Id.* at 1113 (citing Plaintiff’s Exhibits 14, 31, 53 at 87, 54 at 94, and Transcript of Record at 311, 385, 482, and 654).
136. *Id.* at 1115 (citing Plaintiff’s Exhibit 19).
137. *Id.* (citing Plaintiff’s Exhibits 2, 16).
138. *Id.*
139. *Id.* at 1116 (citing Defendant’s Exhibit K).
140. *Id.* (citing Defendant’s Exhibit L).
141. *Id.*
142. See *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).
143. *Id.* at 1118 (citing *W.W.W. Pharmaceutical Co., Inc. v. Gillette Co.*, 808 F.Supp. 1013 (S.D.N.Y. 1992), *aff’d*, 984 F.2d 567 (2d Cir. 1993), *quoting* *McGregor-Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d at 1131-33).
144. *Id.* at 1119 (quoting *W.W.W. Pharmaceutical*, 984 F.2d at 572).

145. *Id.*
146. *Id.* at 1120.
147. *Id.*
148. *Id.*
149. *Id.* at 1120-21.
150. *Id.* at 1121.
151. *Id.*
152. *Id.* at 1121-22.
153. *Id.* at 1124.
154. *Id.*
155. *Id.* n.15.
156. *Id.* at 1124-25.
157. *Id.* at 1125.
158. 830 F.2d 1217 (2d Cir. 1987).
159. *Id.* at 1228 n.2.
160. *Major League Baseball Properties*, 817 F.Supp. at 1131.
161. *Id.*
162. *Id.* at 1133.
163. *Id.* at 1134.
164. *Id.* at 1134-35. The Dodgers conducted Spring Training in Vero Beach, Florida from 1948 to 2008. "Dodgertown" was the name of the team's training complex. The Dodgers currently train at the Camelback Ranch in Glendale, Arizona.
165. Victor Epstein and Oren Yaniv, *Brooklyn Cyclones' KeySpan Park renamed MCU Park*, DAILY NEWS, Feb. 4, 2010, available at http://www.nydailynews.com/ny_local/brooklyn/2010/02/04/2010-02-04_brooklyn_cyclones_keyspan_park_renamed_mcu_park.html.
166. Anderson, *supra* note 107, at 36-37.
167. Telephone Interview with George Will (Dec. 20, 2010).
168. In 2007, HBO Sports debuted a two-hour documentary entitled *The Ghosts of Flatbush*. The first hour concerned the history of the Brooklyn Dodgers. The second hour concerned the team's move to Los Angeles.
169. Interview with Roger Kahn (Dec. 28, 2010).
170. Interview with Sol Gabay (Jan. 8, 2011).
171. Rich Calder, *Con Ed to preserve piece of Washington Park*, N.Y. POST, Oct. 19, 2010, available at http://www.nypost.com/p/blogs/brooklyn/con_ed_to_preserve_piece_of_washington_DQXtE7OFTeFCTGzijaXcyI. The Dodgers' last season in Washington Park was 1912. The team debuted in Ebbets Field in 1913.
172. *Id.*
173. *Id.*
174. Telephone Interview with Fred Wilpon (Jan. 4, 2011). Branch Rickey was the driving force behind the Continental League created in the late 1950s. It never got off the ground, but its efforts gave birth to two American League teams and two National League teams. American League: California Angels and Washington Senators. The original Washington Senators moved to Minnesota and became the Twins in 1961. The new incarnation of the Washington Senators moved to Texas after the 1971 season and became the Rangers in 1972. National League: New York Mets and Houston Colt .45s. After the 1964 season, the Houston team changed its name to the Astros.
175. Kahn Interview, *supra* note 99.

David Krell is an intellectual property attorney and noted speaker and writer. He is a member of the New York, New Jersey and Pennsylvania bars. David's website is www.davidkrell.com.

David dedicates this article to his father, Carl Krell, who passed away in 1999. David learned about the tremendous dedication, loyalty, and commitment of Brooklyn Dodgers fans from his father who was at Ebbets Field for Game 5 of the 1953 World Series—"When Mickey Mantle hit the grand slam, you could hear a pin drop at Ebbets Field, David."

In The Arena

The EASL Section's Publications Committee is seeking authors for its upcoming book about sports law—*In The Arena*.

Chapters will focus on the following issues and topics: NCAA and college/university athletic rules; arena football; right of publicity and privacy of athletes; doping; eminent domain; Pete Rose/gambling and the Baseball Hall of Fame; Title IX; Insurance; and Medical safety issues (i.e., concussions and helmets). We are also accepting other suggestions regarding topics. Please note that this topic list is preliminary and subject to change. The target date for publication is 2013.

The book's editors are Elissa D. Hecker and David Krell.

Elissa is Chair of EASL's Publications Committee and Editor of the *EASL Journal* and Blog. Elissa also co-edited the popular NYSBA books *Entertainment Litigation: Know the Issues and Avoid the Courtroom* and *Counseling Content Providers in the Digital Age*.

David is The Writing Guy™. He is the writer of *Krell's Korner*, an article series in the *EASL Journal*. David has also written more than 60 articles and 100 commentaries about popular culture.

Please email Elissa at heckeresq@yahoo.com if you are interested in contributing to this book.



Volunteer Lawyers for the Arts

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. The first arts-related legal aid organization, VLA is the model for similar organizations around the world.

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This workshop provides valuable information about starting a nonprofit organization. New York State issues to be covered include articles of incorporation, bylaws, and the 1st organization meeting. Federal issues include 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.

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This workshop provides valuable information about starting an arts-related business. Covered issues include: For-Profit vs. Non-Profit incorporation, fiscal sponsorship, selecting and protecting business names; 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 contractor; and insurance.

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(1 Prof. Practice + 1 Skills Credits)

This fourth workshop in a four-part series explores the relationship between fashion and power in the workplace. What does success look like? Is fashion friend or foe to the career business woman? From power suits to casual Friday, office dress is complex and confusing. Anna E. Akbari, Ph.D., examines the role that fashion plays in the negotiation for power and distinction, as well as the delicate balance between femininity, sexuality, and professionalism. Elena M. Paul, Esq., addresses the topic from a legal perspective, including labor and employment law, civil rights and discrimination issues as well as the First Amendment.

Legal Issues in Film

(1 Prof. Practice, 1 Skills + .5 Ethics Credits)

This class provides 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.

For schedule information on classes visit <http://www.vlany.org/education/>

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).

Legal Issues in the Fashion Workplace: Employment Law and related Intellectual Property Issues for Individual Designers and Arts and Fashion Business Owners and Managers.

(1 Prof. Practice + .5 Skills Credits + .5 Ethics)

September 13, 2011. VLA's Lobby Auditorium

This program provides an overview of the laws that govern the relationships between individual artists and designers as employees and independent contractors in the fashion industry and fashion design businesses in their roles as employers. Topics include the employee/independent contractor distinction, employment contracts, intellectual property issues, non-compete agreements, and more! The program will also provide an overview of the intellectual property and other assets that are typically at the heart of these businesses, with a focus on the common employment-related issues that arise in their creation and distribution. Presenters: Gary H. Glaser, Esq. and Elena M. Paul, Esq.

VLA's Young Associates Membership (YAM)

Young Associate Members help support VLA's mission of providing legal and business services to New York's art community and receive exclusive access to New York's cultural scene. The YAM membership is available to Associates with 1-4 years of professional experience. For a list of benefits and how to enroll, please visit our website at vlany.org



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Art & Law Residency Program: 2011

The core of the Program will be semi-monthly Seminars directed at the theoretical and critical examination of current art and law issues. Faculty as well as leading legal scholars and visiting artists will lead these Seminars. During the course of the Program, artists and writers will develop new projects and papers and receive support from Faculty on a regular basis to discuss and address the aesthetic, practical, philosophical, legal and judicial aspects of their work. The Residency will culminate in a public Exhibition and Symposium held at the Maccarone Gallery in New York City where the participants will exhibit their projects and present papers.



MediateArt

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. In Spring 2011 and Fall 2011 (dates to be announced), VLA is offering our intensive two-day Mediation Training Program (the completion of which is a prerequisite to volunteering through MediateArt). for attorneys, artists, arts administrators, and other professionals with an interest or background in the arts or in intellectual property. For more information, please contact Benjamin J. Brandow, Esq. at 212.319.2787 x14 or bbrandow@vlany.org.

VLA Legal and Business Bootcamp for Arts Professionals™

VLA Legal and Business Bootcamp for Arts Professionals™ taking place in March 2011 and Fall 2011 (date to be announced), 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>.

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.

Save the Date:

VLA 2011 SUMMER BENEFIT

Enjoy hors d'oeuvres and cocktails at 303 Gallery, one of New York's premiere contemporary art galleries. This year's Summer Benefit will be held on Monday, June 13, 2011, 6:00 to 8:00 pm at 303 Gallery

303 Gallery

547 W 21st Street
New York, NY 10011

To purchase tickets or for more information, please contact VLA's Legal Fellow, Anna Kadyshevich via e-mail at akadyshevich@vlany.org or by phone at 212.319.2787 ext 16.

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This *Journal* is published three times a year for members of the Entertainment, Arts and Sports Law Section of the New York State Bar Association. Members of the Section receive the *Journal* without charge. The views expressed in articles published in this *Journal* represent those of the authors only, and not necessarily the views of the Editor, the Entertainment, Arts and Sports Law Section or the New York State Bar Association.

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ISSN 1090-8730 (print) ISSN 1933-8546 (online)

Entertainment, Arts and Sports Law Journal

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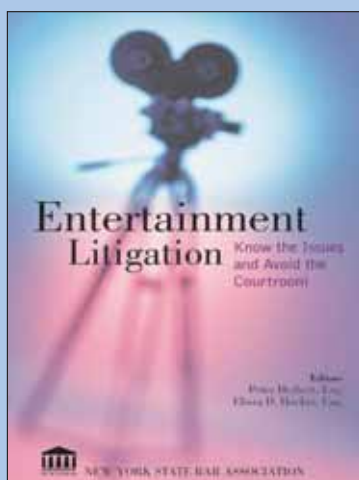
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PRODUCT INFO AND PRICES

2007 / 232 pp., softbound
PN: 4087

NYSBA Members	\$35
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