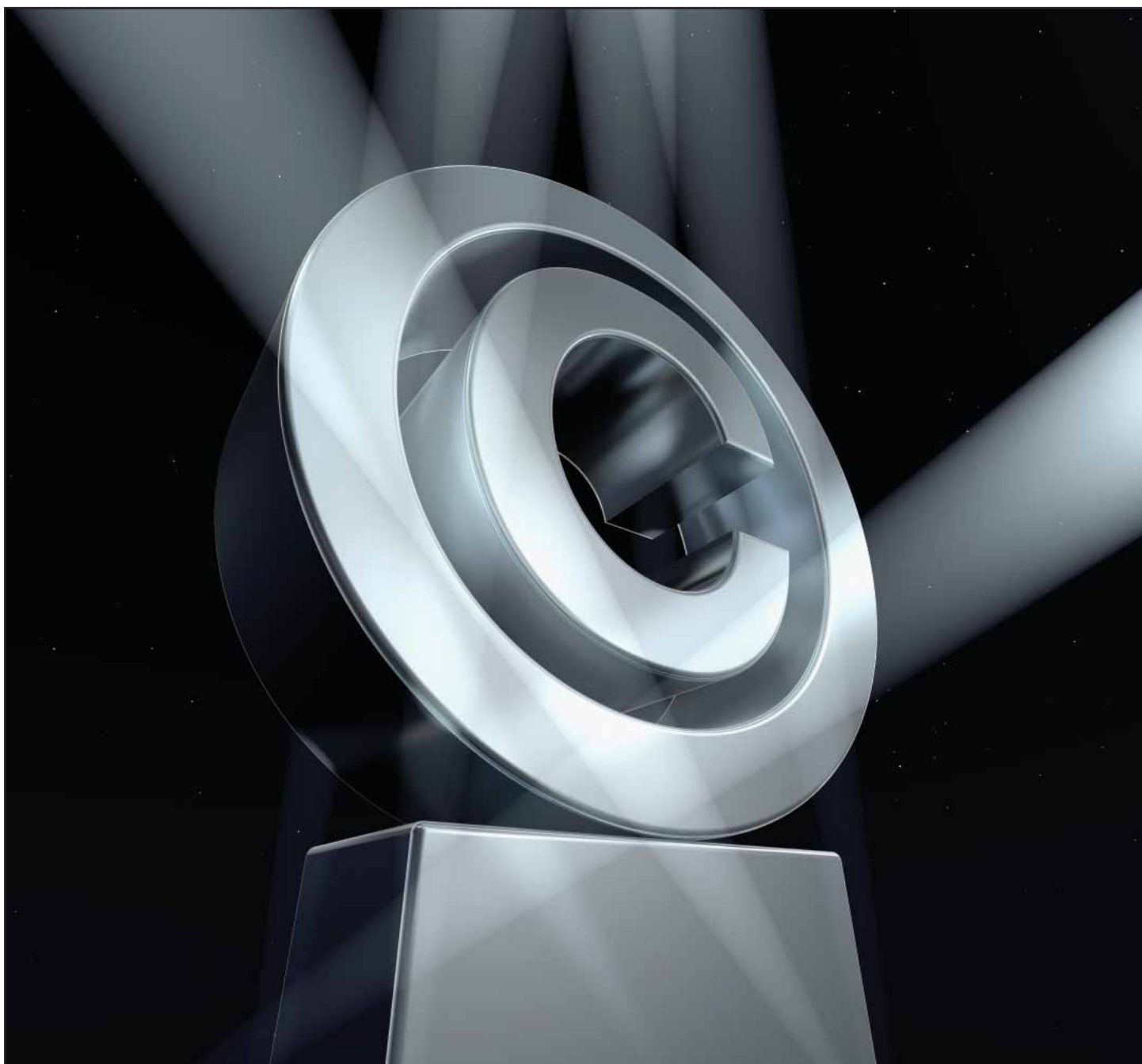


Entertainment, Arts and Sports Law Journal



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



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A Handbook for Lawyers

For as long as there have been printing presses, there have been accusations of libel, invasion of privacy, intellectual property infringements and a variety of other torts. Now that much of the content reaching the public is distributed over the Internet, television (including cable and satellite), radio and film as well as in print, the field of pre-publication review has become more complicated and more important. *Counseling Content Providers in the Digital Age* provides an overview of the issues content reviewers face repeatedly.

Counseling Content Providers in the Digital Age was written and edited by experienced media law attorneys from California and New York. This book is invaluable to anyone entering the field of pre-publication review as well as anyone responsible for vetting the content of their client's or their firm's Web site.

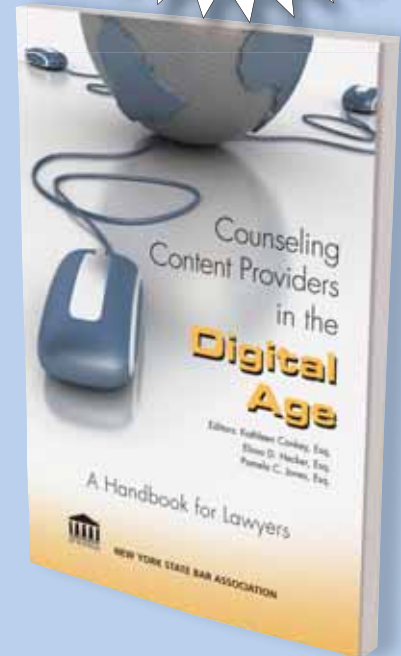
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Introduction; Defamation; The Invasion of Privacy Torts; Right of Publicity; Other News-gathering Torts; Copyright Infringement; Trademark Infringement; Rights and Clearances; Errors and Omissions Insurance; Contracting with Minors; Television Standards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

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Remarks from the Chair

These are my farewell Remarks from the Chair. It has been an honor to serve as Chair of the Entertainment, Arts and Sports Law Section for the past two years. I extend my heartfelt gratitude to my remarkable Dream Team: Rosemarie Tully (Vice-Chair), Diane Krausz (Treasurer), Pamela Jones (Secretary 2011), Monica Pa (Secretary 2010), Jason Baruch (Assistant-Secretary), and the entire EASL Executive Committee. I also thank my dedicated Albany colleagues Tiffany Bardwell, Dan McMahon and Leslie Scully, among others, whose tireless support has been invaluable throughout my term.



I am proud of all that we have accomplished so far during my tenure as Chair. We have formed seven new standing Committees: Digital Media (including social media), Diversity, Ethics, Lawyers in Transition, In-House Counsel, International and Scholarship. For the first time in EASL history, we have a District Representative for each of the 13 Judicial Districts in New York State. We have formalized our relationship with the Young Lawyers Section by appointing YLS members to serve as Liaisons to EASL and have organized several successful joint programs.

We have also welcomed law students to serve as Liaisons to EASL. Our highly successful Law Student Liaison program, which other Sections are enthusiastically emulating, has expanded to 12 Law Student Liaisons in 2011, including our first ever out-of-state and international Law Student Liaisons. These talented students connect their law schools with EASL and vice versa, attend Executive Committee meetings and become involved in planning programs and discussing new initiatives. By working with law students at the Executive Committee level, we are exposing them to our diverse practice areas and a wide array of EASL activities at an early stage of their careers while helping them hone their leadership skills. Together, our efforts have yielded several innovative programs and partnership opportunities between EASL and law schools. We are grateful too for the fresh perspectives our Law Student Liaisons provide.

Our Section continues to organize meaningful pro bono activities and cutting edge programs in entertainment, arts and sports law, as well as ethics. Our Fall Program, entitled "Anatomy of a Hit TV Reality Show Series, and Other Things We Think You Should Know" was one of our best ever, featuring four superb panels of interest. The first panel, which was inspired by EASL's Young En-

tertainment Lawyers, offered an exposé of the history of the creation and operation of one of the most successful reality shows, A&E's "Pawn Stars." The panelists—members of the actual production team behind the show—included Brent Montgomery (Leftfield Pictures), Rob Miller (Peleton Entertainment), Mary Donohue (History, A&E Television Networks) and was expertly moderated by Peter Hamilton (Editor, DocumentaryTelevision.com). The next panel, on the topic of free speech and video games, featured Gena A. Feist (Vice President & Associate General Counsel for Take Two Interactive), John F. Wirenius (Author, *First Amendment, First Principles: Verbal Acts and Freedom of Speech*, and Deputy General Counsel to the Office of Collective Bargaining) and was superbly moderated by Jason Aylesworth (Sendroff & Baruch). Next we focused on the representation of minors in New York, with speakers Brian D. Caplan (Caplan and Ross), Paul LiCalsi (Mitchell Silverberg and Knupp), and Joseph L. Serling (Serling Rooks Ferrara Mckoy & Worob). The Fall Program concluded with a much sought-after ethics component, featuring Deborah A. Scalise (Scalise & Hamilton) and Pery D. Krinsky (Krinsky, PLLC). Without a doubt, this program was a "winning deal!" chock full of valuable information and offering 7.5 CLE credits, including 2 CLE credits in ethics and professionalism. Now THAT'S what I call reality! Thanks to Program Co-Chairs Jason Aylesworth, Ethan Bordman, Diane Krausz and Pamela Jones.

In September, we held an outstanding program, "Lending in the Sports and Entertainment Industries," which focused on contents of credit agreements, credit enhancement documents, industry, league and regulatory restrictions, among other topics. Our panelists included Stephen Brodie (Partner, Herrick, Feinstein LLP), Nick DeFabrizio (Chief Counsel Communications, Media and Entertainment Group CIT Legal Department), Victoria A. Gilbert (Partner, Kaye Scholer LLP), Bradley Rangell (Managing Director, Team Leader, Sports Advisory, Citi Private Bank), W. Wilder Knight II (Of Counsel, Pryor Cashman LLP), and Lucie Guernsey (Managing Director, Woodland Bay Capital, Inc.). The 2-CLE credit program, which was conceived and organized by Jessica Thaler, was held at Herrick Feinstein. Kudos Jessica!

Our aptly titled program in October "Exploring the Wild, Wild West of Filmmaking: Borat, Hidden Cameras and Investigative Reporting" was designed to help us guide our clients through the murky waters of public stunts, no releases, hidden cameras and more. The wild wild West(-coast) guest speaker, Michael C. Donaldson, a California entertainment lawyer and author of the newly released *Legal Guide to Independent Film Making*, delivered a lively presentation and commented on a variety of clips from films that have been the subject of lawsuits, and explained the release that was used by the Borat team. To

round out the program, we discussed insurance to such a highly risky business. This sold-out event was co-sponsored by the Litigation, Motion Pictures, and Television and Radio Committees.

In addition, also in October, EASL's Committee on Alternative Dispute Resolution (Judith Bresler and myself, Co-Chairs) co-sponsored Mediation Settlement Day for the fourth consecutive year. This annual event is sponsored by FINRA Dispute Resolution, the New York State Unified Court System, and a coalition of over 100 alternative dispute resolution programs, bar associations, community based programs, schools, public and non-profit organizations. Several EASL Executive Committee members participated in the Kick-Off event on October 18th at the New York City Bar Association, where we had reserved a table to showcase EASL's programs and initiatives. We were treated to a fascinating CLE program, "Mediation in the Mainstream," and a Keynote Speech by Michael Sardo, Creator and Executive Producer of USA Network's "Fairly Legal."

Looking ahead to our Annual Meeting, organized by Program Committee Co-Chairs Judith Bass, Ethan Borman, Diane Krausz and Carol Steinberg, we anticipate another sold-out double-feature—with one panel on "Trending Topics in Licensing and Branding" and another panel on "New Models of Publishing: E-Books, Enhanced e-books, Apps and How They Have Transformed the World of Publishing." A cutting edge program not to be missed!

As I mentioned above, our Section has embraced new areas of law and technology. We now have a Twitter account, thanks to our energetic new Co-Chair of Digital Media, Megan Maxwell. Our Blog has become a mainstay of our daily lives, with postings on the most current topics, thanks to our remarkable editor Elissa Hecker, and all of our Blog contributors.

We have also turned our attention to important initiatives, such as President Vincent Doyle's groundbreaking Diversity Challenge. I was very proud to present the Diversity Challenge Team Report (described in page 10 herein) to NYSBA President Vincent Doyle on behalf of EASL. I acknowledge our Diversity Committee Co-Chairs Anne S. Atkinson and Cheryl L. Davis, who spearheaded our initiatives, along with each of our other dedicated Diversity Challenge Team Members: Rakhi Bahadkar, Rich Boyd, Nyasha Foy, Elissa Hecker, Jessica Thaler, Rosemarie Tully and myself.

Our Diversity Challenge Team met on a regular basis throughout the summer to prepare our Report, which we presented to the EASL Executive Committee in September. At this writing, two programs (described below) were held in October and November, and other initiatives are at various stages of development. President Doyle has offered his thanks and gratitude for our Report and work

thus far. We hope you will appreciate our diversity efforts and look forward to working with you to advance the NYSBA's and EASL's diversity goals.

Our Diversity plan includes (i) holding programs with minority bar associations, such as the one we held with the Black Entertainment and Sports Lawyers Association (BESLA) described below, (ii) establishing a mentoring program for diverse new lawyers, 2L law students, and/or those who wish to shift areas of practice to the entertainment, arts and sports law areas, (iii) providing pro bono assistance and mentoring to newly admitted attorneys, and (iv) coordinating with veterans groups, starting with the Producers Guild of America East where EASL would provide speakers and representatives for roundtable discussions.

To start, we co-sponsored a program on October 12th with the New York City Bar Association, titled "You're an Up and Coming Talent: Be More, Do More and Discover More by Reaching for the Leader Within You." This free seminar was aimed at enabling lawyers of color to determine effective ways to manage their career advancement and success. The panel included Rakhi Bahadkar, a member of EASL's Diversity Challenge Team (Senior Regulatory Services Consultant, New York Life Insurance Company), Michael I. Bernstein (Partner, Bond Schoeneck & King), Vincent T. Chang (Partner, Wollmuth Maher & Deutsch LLP), Margo G. Ferrandino (Litigation Associate, Bond Schoeneck & King), and Thomas Jackson (Executive Vice President, General Counsel and Corporate Secretary, EdisonLearning, Inc.), and was moderated by Vera Sullivan (President and Founder Diversityforce LLC).

In November, our Diversity Committee partnered with BESLA to present a program on "Legal Issues in Reality TV." This joint program—our first with BESLA—was such a resounding success that we aspire to collaborate again in the future. Congratulations to Rich Boyd and Rob Thony, members of the EASL Diversity Committee, and Matt Middleton, President of BESLA, for creating such a superb program. Thanks also to Nyasha Foy, EASL Student Liaison, for coordinating with New York Law School for the perfect venue. We anticipate more programs such as these, and look forward to implementing each of our initiatives in the coming months. Please join us!

As our world grows increasingly global, it has become evident that EASL should expand our activities to address international issues. In September, we voted to create an International Committee. This Committee—our newest—will be chaired by Eric J. Stenshoel, Counsel at Curtis, Mallet-Prevost, Colt & Mosle LLP in New York. Stay tuned for exciting new developments.

In the legislation arena, EASL continues to support the Art Consignment Statute Bill Proposal, which would amend Articles 11 and 12 of the New York Arts and Cultural Affairs Law, in relation to consignments of art works

to dealers by artists, their heirs and personal representatives. We appreciate NYSBA's continued support on this important piece of legislation.

Our Pro Bono Committee continues to dazzle us with a wide array of speakers' bureaus, clinics, and other events. Our Pro Bono Clinics at New York Foundation for the Arts (NYFA) in August and November were terrific successes. Please see the Pro Bono Report on page 8 for details regarding the August clinic and the upcoming Spring issue for the November one.

It's always a pleasure to acknowledge outstanding EASL Executive Committee members and welcome new faces. Our longtime Co-Chair of the Copyright and Trademark Committee, Neil Rosini, has stepped down after many years of distinguished service, and has been appointed Member-at-Large. Alan Hartnick, a strong and erudite presence in EASL almost since its inception, has also been appointed Member-at-Large, and continues in his role as District Representative for the First District. We warmly welcome Cheryl Davis (Co-Chair, Diversity Committee), Jennifer Liebman (District Representative, 12th District), Megan Maxwell (Co-Chair, Digital Media Committee); John Britton Payne (Co-Chair, Copyright and Trademark Committee); Eric J. Stenshoel (Co-Chair, International Committee) and Brian Wynn (Co-Chair, International Committee). We also welcome to our new Law Student Liaisons for 2011-2012: Megan Bellamy (BPP, London), Caitlin Lee Dempsey (Fordham), Peter Dagher (Fordham), Nyasha Foy (New York Law School), Carey Greenberg (St. John's), Kibum Kim (NYU), William A. Lorenz, Jr. (Buffalo) and Aaron Rosenthal (DePaul, Chicago).

What a privilege it has been to serve as EASL's Chair. It will be an honor to play a vital role in EASL as your Former Chair and to continue in my roles as Chair of the Fine Arts Committee, Co-Chair of the ADR Committee, and finally a member of the House of Delegates through June 2012.

As I bid adieu as EASL Chair and join the distinguished pantheon of Former Chairs, I marvel at how much we have accomplished together during my tenure. As I look ahead, I am confident that we will continue to achieve our goals for the NYSBA, EASL, our profession and the greater community. In 2013 we will celebrate our 25th Anniversary. EASL's mission remains, as it was in its early days—to provide forums for discussion and debate and information-sharing in the EASL community. We have grown to almost 1,700 members with varied interests, including some of the hottest issues grabbing headlines being debated in Congress, and being heard by the courts.

I could not leave EASL in better hands than with my successor, dear colleague and friend Rosemarie Tully, whose vision for EASL is far-reaching and innovative. For many years Rosemarie has demonstrated her impressive talents and leadership skills (with a dash of style and grace) within EASL and the greater Bar. Rosemarie will be an effective and inspiring Chair and will serve EASL with distinction.

I hope to see many of you over the winter and spring months—and each and every one of you at our Annual Meeting on January 23, 2012 and our Silver Anniversary celebration in 2013!

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

Join the NYSBA LinkedIn group:
www.nysba.org/LinkedIn

Follow us on Twitter @NYSBAEASL to stay up to date on news, events, programming, and publications.

Judith B. Prowda

Congratulations Bennett Liebman

The EASL Section is so proud of Executive Committee and longtime EASL member Bennett Liebman, recipient of the NYSBA CAPS Excellence in Public Service Award. Bennett's commitment to public service, his honor and his integrity represent everything for which the Award stands.

Editor's Note

It is with a mixture of appreciation and sadness as we bid goodbye to Judith Prowda, a wonderful Section Chair, as her tenure comes to an end. Luckily, she will remain on the Executive Committee in her capacities as Chair of the Fine Arts Committee, Co-Chair of the ADR Committee and as member of the House of Delegates.



As Chair of the Section, Judith has been a power with which to reckon. She has expanded the EASL Executive Committee, filling its seats with powerful, influential and smart representatives of our practice areas, and increased the profile of the Section exponentially. She has fully supported and/or initiated our diversity, law student, and lawyers-in-transition initiatives, and pro bono efforts. Please see Judith's final Remarks (on p. 4) for a more comprehensive, albeit impossibly complete, list of her accomplishments.

Working with Judith is always a pleasure, as she is a doer; when she wants to make something happen, it does. She is modest to a fault, and often people are unaware of the graceful puppeteer behind the scenes.

We members of the EASL Section are eternally grateful for the wonderful endeavors of Judith on our behalf, and look forward to many more in the future through her Committees.

We also welcome Rosemarie Tully as the incoming Section Chair. We expect great things from her as well, as she has a proven track record of leadership, integrity and passion for all that is EASL.

As always, please feel free to email articles of interest or questions to the Editor to me at heckeresq@yahoo.com.

Elissa

The next *EASL Journal* deadline is
Friday, JANUARY 20, 2012.

Elissa D. Hecker practices in the fields of copyright, trademark and business law. Her clients encompass a large spectrum of the entertainment and corporate worlds. In addition to her private practice, Elissa is a Past Chair of the EASL Section. She is also Co-Chair and creator of EASL's Pro Bono Committee, Editor of the EASL Blog, Editor of *Entertainment Litigation and Counseling Content Providers in the Digital Age*, 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 a 2011 Super Lawyers Rising Star, the recipient of the CSUSA's first ever Excellent Service Award and recipient of the New York State Bar Association's 2005 Outstanding Young Lawyer Award. She can be reached at (914) 478-0457, via email at: EHeckerEsq@yahoo.com or through her website at EHECKERESQ.com.

Seeking Mentors

EASL is seeking mentors for newly admitted and transitioning attorneys. To volunteer, please contact Cheryl Davis at cdavis@mhjur.com or Elissa Hecker at heckeresq@yahoo.com.

Pro Bono Update

Pro Bono Steering Committee:

Clinics: Elissa D. Hecker

Speakers' Bureau: Carol Steinberg, Kathy Kim

NYFA: Elissa D. Hecker, Carol Steinberg

Litigations: Irina Tarsis

Clinics

On August 10th we had a highly successful Clinic with the New York Foundation for the Arts (NYFA), where over 30 volunteers from the EASL and IP Sections helped a variety of clients.

Thank you to these volunteers:

Joana Aggrey	Rich Louis
Elizabeth Barrett	Michael Lydak
Nicole Barton	Monica Corrine Moran
Mark Belkin	Jenna Norys
Ethan Bordman	Michael Pantalony
Rich Boyd	Henry Park
Robin Brenner	Bret Parker
Jane Chuang	Scott Pilutik
Carol S. Desmond	Bill Samuels
Joe DiCioccio	Brooke Smarsh
David H. Faux	Carol Steinberg
Ronald S. Goldbrenner	Andrew Rausa
Daniel Goodman	Maysa Razavi
Jenna M. Jordan	Debra Resnick
Kathy Kim	Nari L. Roye
Emily Lee	Prudence Thiry
Stacy Lefkowitz	Robert Thony
Adrienne Lester	Bernadette Williams
Jennifer Liebman	

The overwhelming feedback was positive, and we also held another, expanded Clinic with NYFA in November (details will be discussed in the Spring issue). We are also planning to hold at least two Clinics a year with this organization. We always match newly admitted attorneys, attorneys in transition and law students with more senior attorneys for all of the clients, with great results. Elissa will continue to work closely with Cheryl Davis, Rich Boyd and Rob Thony on continuing this practice and coordinating the Mentor and Diversity Committee initiatives with Clinics and other Pro Bono Committee activities.

Kathy also reached out to The Field, an arts and entertainment umbrella organization. The Pro Bono Steering Committee will be working with The Field to provide programs and possibly a Clinic in the Spring.

Boot Camp Legal Advisors

The graduates of NYFA's Boot Camp program are organizing an arts festival to take place in February 2012. As we have reported, NYFA sponsors a Boot Camp for

artists, which is an intense course to make artists more business savvy. (EASL has been providing and continues to provide attorneys to speak to the group about legal issues.) An example of the kind of event would be a night of dance performances at the Joyce Soho, featuring short works by all of the dance graduates. Similar kinds of events will take place throughout NYC and in various art forms. The participants will be forming committees to address issues like fundraising, venues, marketing, accounting, programming, and legal issues. EASL will provide attorneys to serve as advisors to the committees to help guide them as to legal issues and how to resolve them.

Referral Service

EASL will work with NYFA to provide a national referral service to artists. NYFA reports that there is a perception that all lawyers charge \$500 an hour (and more), and a fear of the legal profession in general. Many artists who contact NYFA do not meet the pro bono restrictions but can not afford higher fees. Artists contact NYFA for help with legal issues not only directly related to art-making, but also primarily related to their arts practice more generally. Examples include estate planning, criminal traffic violations for performers who need to transport their equipment from job to job on a daily basis, landlord-tenant issues for artists in need of space, and immigration issues for artists who collaborate internationally. We have just begun discussions with NYFA to partner with it to address this real need in the artistic community.

Consultations

We will work with NYFA to set up Skype/phone consultations for artists of all disciplines. This would be a fee-based program. There are many logistic and legal issues which must be addressed.

Litigations

Whenever the NYSBA receives requests for pro bono representation in a litigious matter related to art, sports or entertainment law, the inquiry should be forwarded to the attention of Irina Tarsis, the EASL Litigations Coordinator, who maintains a list of firms and solo practitioners willing to represent pro bono clients. The database contains contact information for the attorneys as well as their areas of expertise and statistics regarding their pro bono work. The Coordinator maintains a list of the pending and resolved cases and monitors the progress of the cases. Please let Irina know if you and/or your firm are interested in being included in the database. She has created an online system where information can be entered directly by the volunteer who wants to be in the pool.

* * *

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

Clinics

Elissa D. Hecker coordinates walk-in legal clinics with various organizations.

- Elissa D. Hecker, eheckeresq@yahoo.com

Speakers Bureau

Carol Steinberg and Kathy Kim coordinate Speakers Bureau programs and events.

- Carol Steinberg, elizabethcjs@gmail.com
- Kathy Kim, kathykimesq@gmail.com

Litigations

Irina Tarsis coordinates pro bono litigations.

- Irina Tarsis, tarsis@yu.edu

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



Diversity Committee Report

Below is the letter sent by Judith Prowda to NYSBA President Doyle about EASL's newest Committee and its goals:

Dear President Doyle,

I am very proud to present the Diversity Challenge Team Report on behalf of the Entertainment, Arts and Sports Law (EASL) Section. I would like to acknowledge our Diversity Committee Co-Chairs Anne S. Atkinson and Cheryl L. Davis, who spearheaded our initiatives along with each of our other dedicated Diversity Challenge Team Members: Rakhi Bahadkar, Rich Boyd, Nyasha Foy, Elissa Hecker, Jessica Thaler, Rosemarie Tully and myself.

Our Diversity Challenge Team met on a regular basis throughout the summer to prepare this Report, which we presented to the EASL Executive Committee. One program has already been scheduled for October and other initiatives are at various stages of development. We hope you will appreciate our Report and look forward to working with you to advance NYSBA's diversity goals.

All best wishes,
Judith B. Prowda
Chair
Entertainment, Arts and Sports Law Section

Diversity Challenge Report of the Entertainment, Arts and Sports Law Section

Our Section's efforts to meet the challenge include:

- **Holding at Least Two Joint CLE Events with Minority Bar Associations**, with one or more of these followed by networking/member appreciation receptions, subject to budget. This requires coordinating with the EASL CLE committee and minority bar associations that have established entertainment, arts and/or sports law committees.

In charge: Rich Boyd and Rob Thony

Rich and Rob have reconnected with Matt Middleton, the president of the Black Entertainment and Sports Lawyers Association (BESLA), and are currently targeting the week of November 7th as the date for the first program on Reality TV. Matt Middleton stated that once we lock in a date, he can then work toward confirming panelist and moderator (ideally at least 2 in-house counsels from either MTV, BET, NBC), a programming executive, an outside attorney, a production executive, and a talent. He would like a few more days to wrap his mind around our objectives, but until then, Rich has proposed a generic working title of "Legal Issues In Reality Television." Although EASL's schedule for the October Reality program has been published, they still need to reconnect with Diane Krausz to get additional guidance on sufficiently differentiating our program. It was also considered among the group as a possibility to feature the November program as a follow-up, on approval. Rich and Rob have spoken to Tiffany Bardwell and have confirmed that the date for the event will be November 7, from 6 pm-8 pm, and Nyasha has confirmed that New York Law School will be the location. While Lynn Gonzales of Black Women in Entertainment Law (BWEL) remains enthusiastic about working with us, she has decided that we should hold off on participation in the BWEL-sponsored event at Cardozo Law in October, and set up a meeting this week to discuss a new program for late Nov/Dec.

Follow-Ups: Rich and Rob to (i) coordinate with Diane Krausz to assure that the program is sufficiently different and (ii) coordinate with Lynn Gonzales of BWEL on working on the reality program or another one. In addition, Rakhi Bahadkar is organizing and speaking at a non-CLE program on October 4 aimed at lawyers of color that is being jointly sponsored by the MBBA and the City Bar.

- **Establishing a Mentoring Program** for diverse new lawyers, 2L law students, and/or those who wish to shift areas of practice to EASL. The mentoring could consist of career advice, or answering questions about agreements, etc. This initiative would require (i) recruiting EASL members willing to mentor by providing a minimum of say an hour a month to meet with mentees as well as to be available for a reasonable number of telephone and email meetings, (ii) recruit a manageable number of mentees, and (iii) track the progress of the program from time to time. Hold a celebratory cocktail party afterwards for participants.

In charge: Cheryl Davis and Elissa Hecker

Elissa and Cheryl have sketched out a proposed plan on how to organize the program.

The program will be addressed not just to law students and recent graduates, but to attorneys who want to transition into the EASL area. It will be a one year program; if the mentor/mentee hit it off and want to continue the relationship, they can do it on an informal basis. Potential mentors were solicited at the 9/19 meeting, and they will ask the various division chairs to reach out to their committee members as well. Elissa will also prepare an ad for the *Journal* seeking mentors/mentees at the beginning of the year, and we hope to have a similar one at the end of the year congratulating the participants.

They will prepare questionnaires for both potential mentors and mentees, so they can try to make the best possible match. The mentors will be asked to have one hour per month of contact with the mentee; this can be over coffee, e-mail, or telephone, whichever works best for the mentor/mentee. Elissa and Cheryl will divide the mentor/mentees, and will check on progress on a quarterly basis. We will also have an end-of-year questionnaire to evaluate the program and see how to improve it for next year.

They also hope to have a celebratory cocktail party at the end of the year, if we have enough participants

Follow-Ups: See above

- **Establishing a Pro Bono Assistance/Mentoring Program.** This initiative should function like the mentoring program, but for admitted attorneys. This initiative will require (i) coordination with the EASL Pro Bono Committee, (ii) in conjunction with the Pro Bono Committee, recruiting EASL members willing to act as a resource for the newer attorneys who are handling the pro bono matters, (iii) recruiting the newer diverse attorneys, and (iv) coordinating the above. There will have to be a clear understanding that each matter must be pre-approved by both attorneys handling it before it is taken on.

In charge: Rich Boyd, Elissa Hecker, and Rob Thony

Rich and Rob attended the Pro Bono Committee's event with NY Foundation for the Arts, organized by Elissa and Pippa Loengard. New attorneys sat in on the counseling sessions. They suggested that this format seemed to work well, and therefore they would work with Elissa to replicate it perhaps in conjunction with the Metropolitan Black Bar Association, BESLA and/or BWEL. They also discussed coordinating with Practicing Attorneys for Law Students (PALS), which, per Rakhi, also works with new lawyers. When the discussion turned to coordinating with Lawyers in Transition, Jessica stated that she was the NSBA co-chair of this committee, and Rich and Rob will coordinate with her.

Follow-Ups: Rich, Rob and Elissa to (i) discuss further, (ii) explore working with MBBA, BESLA, BWEL, PALS and/or Lawyers in Transition, and (iii) explore further with Elissa on malpractice insurance coverage

- Working with the Producers Guild of America East ("PGA East") Veterans Initiative by providing speakers, and representatives for roundtable discussions.

In charge: Rosemarie Tully

Rosemarie has reached out to PGA East Veterans Initiative, and to the lawyer at Paul Weiss to explore EASL's support and assistance with program speakers and roundtable events. She spoke with Rachel Watanabe-Batton, Chair of the Diversity Committee of the PGA East last week. They discussed opportunities for EASL to provide speakers on Entertainment Law for various PGA East's Veterans Initiative events. During our 9/23 conference call, the EASL Diversity Committee agreed that we should invite Rachel (who is not an attorney) to an upcoming EASL program where she and Rosemarie could meet and where Rachel could witness first hand the high caliber of EASL programs and speakers. Rosemarie will invite Rachel to the Wild Wild West program on 10/25 or the first-half of the Fall Meeting program on 10/19.

Anne suggested that we may wish to consider offering three to five scholarship (free) spots at various EASL programs for lawyers who are veterans. This idea was well-received and it was agreed that it would be explored with a view toward offering these spots through the PGA East Veterans Initiative, while keeping in mind costs to EASL—particularly for programs where there is a per-person charge from the venue.

Follow-Ups: Rosemarie

Law Student Initiative Writing Contest

Congratulations to LSI winners:

MEGAN BRIGHT, of Fordham University School of Law, for her article entitled:
AUTHORSHIP IN THE AGE OF REMIX AND FAN CREATIVITY

ALIX CLAPS, of Rutgers Law School—Newark, for her article entitled:
**ARE THERE RULES ON YOUTUBE?:
A GUIDE TO CREATING AN ORIGINAL WEB SERIES**

JASON STEINER, of the Sandra Day O'Connor College of Law, for his article entitled:
**GENETIC DOPING:
THE LANCE ARMSTRONG CASE AS A PREVIEW FOR FUTURE REGULATIONS**

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, January 20, 2012.**
- **Submissions:** Articles must be submitted via a Word email attachment to echeckeresq@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.

The Phil Cowan Memorial/BMI Scholarship

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

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

The Competition

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

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

Eligibility

The Competition is open to all students attending eligible law schools. "Eligible" law schools mean all accredited law schools within New York State, along with Rutgers University Law School and Seton Hall Law School in New Jersey, and up to 10 other accredited law schools throughout the country to be selected, at the Committee's discretion, on a rotating basis.

Free Membership to EASL

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

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

Yearly Deadlines

December 12th: Law School Faculty liaison submits 3 best papers to the EASL/BMI Scholarship Committee.

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

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

Prerogatives of EASL/BMI's Scholarship Committee

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

Payment of Monies

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

About BMI

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

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

About the New York State Bar Association / EASL

The 77,000-member New York State Bar Association is the official statewide organization of lawyers in New York and the largest voluntary state bar association in the nation. Founded in 1876, NYSBA programs and activities

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

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

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.

Reflections On My Sixteen Years as Register of Copyrights (1994 through 2010)

By Marybeth Peters

After 28 years in the Copyright Office, the highlight of my professional career came on August 7, 1994 when I became the U.S. Register of Copyrights—that is, Director of the U.S. Copyright Office. Prior to that date I was a Music Examiner and Senior Examiner, Attorney and Senior Attorney in Office of the General Counsel, Training Officer for the 1976 Copyright Act, Chief of the Information and Reference Division, Chief of the Examining Division, Policy Planning Advisor to the Register and Acting General Counsel. During 1989 and 1990, while on a leave of absence from the Office, I was a consultant in the Copyright Division of the World Intellectual Property Organization (WIPO) in Geneva, Switzerland.

Shortly after August 7 and after a day of jubilation, reality quickly set in. This was an extremely daunting and challenging position. Was I up to it? I was not sure. The Register oversees a staff of more than 500 employees who carry out the administrative provisions of the copyright law, Title 17 of the U.S. Code. Included are the functions of registration of claims to copyright, claims in mask works, claims in the design of vessel hulls along with recording documents related to these works and creating public records of such actions, administration of a number of statutory licenses, and providing a number of informational and educational services. It also includes overseeing the mandatory deposit provisions of the law, which add hundreds of thousands of copies of copyrighted works, such as, books, periodicals, films, sound recordings, maps and databases to the collections of the Library of Congress. There are many policy responsibilities; they include promulgating regulations, preparing reports and studies on significant policy issues, testifying before Congress on legislative proposals, participating in a wide range of international meetings, conferences, negotiations and litigation on important copyright issues.

My first major challenge as Register was to rebuild the legal staff of the Office. Many of the Office's lawyers had left to pursue other career goals. The position of General Counsel was vacant. Worse yet, all the policy planning advisers, the international staff, had left. International copyright was becoming increasingly important. We had joined the Berne Convention, the World Trade Organization (WTO) had recently been created, and the Uruguay Round Agreements Act, which would restore copyright protection to millions of foreign works, was being considered by Congress. Additionally, at WIPO there were ongoing negotiations on two new treaties addressing a number of digital and other important issues.

One of my first acts was the creation of the position of Associate Register for Policy and International Affairs. I was fortunate; there were many qualified applicants, and within three months I had hired a most qualified attorney, Shira Perlmutter, then a law professor at the Columbus School of Law at The Catholic University of America. Within a short time, she had assembled an impressive staff of attorneys. The position of General Counsel, however, was not filled until September 1997, when David Carson joined the Office. Like Shira, he was an exceptional attorney, and well worth the wait. During my tenure, many talented, wonderful attorneys came and worked at the Office. I was extremely fortunate, and I knew it.

"[T]he highlight of my professional career came on August 7, 1994 when I became the U.S. Register of Copyrights...."

The 16 years flew by. There were many significant changes that had already occurred, such as U.S. adherence to the Berne Convention, implementing legislation removing many formalities, making of renewal registration optional, protection of architectural works, the Audio Home Recording Act, the National Information Infrastructure projects that focused on the effects of the marriage of computer and communications technologies and the development of world-wide networks, including a report on recommended changes in copyright law. There was the emergence of Trade Agreements with intellectual property provisions, such as TRIPs. Looking back, I realize that no job could have been more challenging and satisfying.

The pace of change increased dramatically during my tenure, and a great deal was accomplished. The two WIPO Treaties, now referred to as the "Internet Treaties," were concluded in Geneva in 1996. The Digital Millennium Copyright Act (DMCA), which was massive, was enacted in 1998. It included the implementing legislation required by the WIPO treaties, limitations on liability for online service providers under certain conditions with a notice and take down system for alleged infringements, and even sui generis protection for original designs of vessel hulls. The WIPO treaties required protection for technological measures used by copyright owners to protect their works. The DMCA prohibited circumvention of access controls, e.g., Digital Rights Management (DRM). This was controversial and a number of exceptions were

included in the legislation. A key exception, known as the fail safe exception, was the ability of the Librarian of Congress, by regulation and based on a rulemaking conducted by the Copyright Office, to exempt for three years classes of works whose users would be adversely affected in their ability to make noninfringing uses.

"The biggest challenge of my career came from a long-held vision concerning the registration of claims to copyright. In 2000, I decided I should move the Office from the antiquated, cumbersome, time consuming, paper-based system with 'stove pipe' processing to an electronic filing and processing system."

The Office's triennial rulemaking on possible exceptions has always been a massive undertaking, requiring many months and involving at least five lawyers, which include the General Counsel, Register, and lawyers from the Library of Congress General Counsel's Office. From 2000 through 2010, there were four such proceedings. The Register is required to consult with the Assistant Secretary for Communications and Information of the Department of Commerce and report on his or her views in the recommendation to the Librarian. The rulemaking starts with a Federal Register notice asking for proposals for the identification of classes of works to be considered for an exemption accompanied by justification for the exception. Then a Federal Register notice, identifying all the proposed exemptions, is published and comments and reply comments supporting, modifying or opposing any of the proposed classes are sought. Hearings are held, followed by a long deliberative process. Each rulemaking results in the Register's recommendation to the Librarian of Congress with identification of proposed exempted classes and a list of proposed rejected classes: this is accompanied by detailed analysis. After meeting with the Register and his staff, the Librarian determines which classes he will exempt for the next three years. In all but one instance he has agreed with the Register's recommendation. His exemption decisions are published in the Federal Register and codified in 37 C.F.R. Part 201. (All documents related to these proceedings are on the Office website: www.copyright.gov.)

I participated in four of these triennial rulemaking proceedings (2000, 2003, 2006 and 2010). This is an important task, and the Librarian's decisions contribute to a balanced copyright law. Nevertheless, in retrospect, I realize that these proceedings, along with budget issues, were my least favorite parts of the job.

There was also much legislative activity during my tenure. I testified many, many times before Congress—one of my favorite activities. A number of bills became law. They include the Digital Performance Right in Sound Recordings Act, the No Electronic Theft (NET) Act, the 1998 Sonny Bono Copyright Term Extension Act, the Fairness in Music Licensing Act, the Technology, Education, and Copyright Harmonization (TEACH) Act and the Family Home Movie Act of 2005. One Senate bill that did not get enacted would have moved the Copyright Office out of the Library of Congress, which has had responsibility for copyright law since 1870. The bill proposed creating an Intellectual Property Office, thereby combining the Copyright Office with the Patent and Trademark Office. I believed this would drastically change the nature of the Office and argued that the case for such a move had not been made. This was the most stressful hearing of my 16-year tenure, and I was pleased that the proposed legislation did not progress beyond a hearing.

The Copyright Office is often asked to study complicated and controversial issues and to prepare reports for Congress with legislative recommendations. I was involved in many such studies. Few lead to legislative action (one exception was the study on digital distance education which led to enactment of the TEACH Act). Other studies focused on the first sale doctrine and its applicability in a digital age, the various statutory licenses, legal protection for databases, orphan works (works whose copyright owners cannot be found), and most recently on issues related to application of provisions of the law relating to termination of authors' transfers of ownership.

I believe that some of the most meaningful work has been in the area of litigation. The results of litigation challenging Office regulations, definitions and the scope of various provisions of the law, and the copyright provisions of the Google Book Settlement Litigation, have been rewarding, as have the decisions in the *Grokster* and *Tasini* cases.

The biggest challenge of my career came from a long-held vision concerning the registration of claims to copyright. In 2000, I decided I should move the Office from the antiquated, cumbersome, time consuming, paper-based system with "stove pipe" processing to an electronic filing and processing system. This involved redoing all of our processes and physical spaces, moving from Capitol Hill to Crystal City for a year, and making massive changes to our technology systems. It also entailed a critical education program for staff and the public, and a retraining of all catalogers, as their jobs were being abolished.

The original plan was to run parallel systems, with the paper-based system being gradually eased out. However, this did not happen because of both the lack of space to run dual operations and money to support two sys-

tems. Consequently, almost all applications for copyright registration had to be processed electronically. This meant converting (imaging) all of the incoming paper applications and processing them electronically—a recipe for disaster. These were very dark days. There were failures, unbelievable challenges and incredible stress. The public was unhappy; the staff was unhappy; I was unhappy. Reflecting on this—the idea and concept were right, but the implementation was flawed, and I believe I delegated too much of the decision-making. By the time I retired on December 31, 2010, many improvements to the system had been made, including a major upgrade. The system is now working well, and the public and staff are pleased. Of course, much work remains to be done.

"[L]ooking back over the past 45 years, I am grateful for having the opportunity to meet and work with so many talented, dedicated, wonderful people..."

There has been and continues to be an increasing importance of international activities on copyright law and practice. The policy and international staff have participated in and made great contributions to the activities of the U.S. Government. They attended all meetings on copyright issues held at WIPO and participated in many educational programs throughout the world. They assisted the Office of the United States Trade Representative and other government agencies in a wide range of activities. I am extremely proud of the international training and educational opportunities the Copyright Office has made available to copyright officials in the developing and newly industrialized countries. Many of these programs are jointly organized and sponsored by WIPO. The Office has brought copyright officials together from all over the world. It has conducted programs in French, Spanish, Arabic, and Russian, although most are conducted in English. I planned and participated in many such programs and enjoyed them immensely. I have learned and been enriched by those who come to participate or present papers at these programs, and I am pleased that these programs will continue.

For me, there were many struggles and some failures along the way. I am proud of the accomplishments of the Office, and admit there are some things I could have done better. There were many difficult issues; I was always challenged and never bored. Over the years, I've seen a huge growth in the number of constituencies affected by copyright law, policy and practice. Getting agreement on issues became more and more difficult. Legislation has become harder to achieve. These trends will continue. Copyright is an exceptionally dynamic body of law, and there is a growing international and economic importance in this area.

Finally, looking back over the past 45 years, I am grateful for having the opportunity to meet and work with so many talented, dedicated, wonderful people: authors, musicians, software developers, performers, artists, the companies that distributed and made their creative works available to the public, the lawyers who represented them, educators, librarians, museum administrators and their lawyers, law professors, the staffs of the Copyright Office, the Library, other government agencies, the State Department, the Justice Department, the United States Trade Representative, the Patent and Trademark Office, and many others. I also acknowledge the importance of the Copyright Society of the U.S.A. and its members in my career (several of whom are also EASL Section members). I learned so much from them. They willingly offered wise advice and counsel. Many became treasured friends.

Marybeth Peters is the former Register of Copyrights. She graduated with a B. Ed. from Rhode Island College, and earned her J.D. with honors from George Washington University Law School. Included among her numerous awards are: The Library of Congress Distinguished Service Award, the Jefferson Medal, AIPLA Excellence Award, the Washington D.C. Bar Association's IP Champion Award, BSA's Cyber Champion Award, and the ABA IPL Section's inaugural Mark Banner award. Marybeth is a member and trustee of the Copyright Society of the USA. She is also a member of the ABA IPL section, AIPLA, and ALAI-USA.

ENTERTAINMENT, ARTS AND SPORTS LAW SECTION

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



Will Recording Artists Be Able to Terminate Their Agreements and Reclaim Rights?

By June M. Besek

The possibility that sound recording artists might be able to terminate their agreements with record companies and reclaim their rights has garnered considerable attention in the press.¹ How likely is it that this possibility will become a reality?

"Frequently, neither the author nor the publisher has a realistic idea of how popular—and accordingly, how lucrative—a work may become. The termination provision allows an author the opportunity to renegotiate the original agreement, or even to select a new publisher altogether."

Section 203 of the U.S. Copyright Act gives authors, or their heirs, the right to terminate any grant of copyright rights, such as a license or assignment, 35 years after the grant was made.² This termination right applies only to grants made by the author on or after January 1, 1978.³ The term "author" for this purpose includes creators of all kinds: book authors, composers, photographers, illustrators and so on.⁴ The effect of termination is that the rights transferred or licensed under the grant, whether they are exclusive or non-exclusive, revert back to the author or his or her heirs.⁵

There is a five-year window for terminating the grant, and specific procedural rules govern the act of termination.⁶ A notice, as prescribed by the Copyright Office, must be served on the grantor at least two years and not more than 10 years before the termination date.⁷ This notice must specify the termination date and must be filed in the Copyright Office.⁸ For example, if an author assigned his or her rights in a musical composition on January 1, 1978, that grant of rights would be eligible for termination beginning January 1, 2013. As 2013 is the earliest possible date for terminations under Section 203, no terminations have yet taken place under the law. However, since authors can serve and file a notice of termination up to 10 years before the date on which they seek to terminate, many authors have already filed such notices.

What is the purpose of the termination provision? Authors often have little bargaining power when they negotiate contracts. Frequently, neither the author nor the publisher has a realistic idea of how popular—and accordingly, how lucrative—a work may become. The ter-

mination provision allows an author the opportunity to renegotiate the original agreement, or even to select a new publisher altogether. Authors have the chance to gain a greater share of the proceeds and perhaps more control over the marketing of the work. In the past, authors or their heirs had the opportunity to renegotiate upon renewal of the copyrights after 28 years.⁹ However, the 1976 Copyright Act omitted the requirement of copyright renewal, so Congress included the termination provision to provide authors with "a second bite of the apple."¹⁰ Recognizing that authors would likely be asked to sign away this right to terminate, Congress included a provision that specifically preserved the termination right, regardless of whether the contract provided otherwise.¹¹

The termination provision in Section 203 of the Copyright Act affects only grants made by authors beginning on January 1, 1978, the effective date of the 1976 Copyright Act.¹² Grants made prior to 1978 may also be eligible for termination by authors or their heirs under another provision of the law, either 56 years or 75 years from the date that the copyright was originally obtained.¹³ In the case of sound recordings, that termination right applies to a relatively small group of works, in part because sound recordings have been protected by federal copyright law only since 1972.¹⁴

There is a significant exception to the termination right provided by Section 203. Creators do not have the right to terminate grants when the work is created as a "work made for hire."¹⁵ A work is a "work made for hire" if it is:

- (1) a work created by an employee in the course of his or her employment, or
- (2) a specially ordered or commissioned work, provided
 - (a) the parties expressly agree in a writing signed by both of them that the work will be a work made for hire, and
 - (b) the work was "specially ordered or commissioned" for use 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.¹⁶

All types of authors have termination rights, but recently attention has specifically focused on the termination rights of recording artists, in part because their

contracts commonly provide that their recordings will be works made for hire.

Whether recording artists will be able to terminate their rights will largely depend on the circumstances under which the recordings were created. If the recording artist was an actual employee, the recordings made in the course of the employment would qualify as works made for hire, and termination rights would not apply. During the first decade after the 1976 Copyright Act was passed, the courts disagreed about who qualified as an employee for the purposes of this provision. The Supreme Court resolved the dispute in *Community for Creative Non-Violence v. Reid*, ruling that one should look to the general common law of agency to determine if someone was an employee, considering factors such as:

the hiring party's right to control the manner and means by which the product is accomplished...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 and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party.¹⁷

Some courts have subsequently ruled that certain of these factors ought to be given more weight because they are often probative of the nature of the employment relationship, specifically: (1) the hiring party's right to control; (2) the skill required; (3) provision of employee benefits; (4) the tax treatment of the hired party; and (5) whether the hiring party can assign additional projects.¹⁸ Using these criteria, recording artists would generally not be considered to be employees of record labels.¹⁹

Yet, even if recording artists acted as independent contractors rather than as employees, their recordings could still be considered works made for hire, and their contracts therefore exempt from termination, if these recordings satisfied the two-part definition of a "specially ordered or commissioned work."

The first requirement is that there must be a signed written agreement stating that the work in question will be a work made for hire.²⁰ Typically, recording artists do have such signed agreements with record companies.²¹ Thus, in many instances, the determination of the status of a work will depend on whether the second statutory requirement has been met. In other words, the key issue

will be whether the sound recording falls into one of the specific categories of works that can qualify as commissioned works made for hire under the Copyright Act. If the recording does not fit into one of the categories, then it cannot be considered a work made for hire, regardless of what the contract may say.

"Sound recording" was not included among such enumerated categories in the 1976 Act.²² However, in 1999, the law was amended to include "sound recording" among the categories of works that could qualify as commissioned works made for hire.²³ This amendment was roundly criticized because it was made hastily and without legislative hearings. A short time thereafter, the law was amended once again to remove the explicit mention of "sound recording" in the definition of "work made for hire."²⁴ In so doing, Congress specifically provided that neither the amendment nor the subsequent deletion of the words added by that amendment should be "considered or otherwise given any legal significance" or "interpreted to indicate congressional approval or disapproval of, or acquiescence in, any judicial determination" by the courts or the Copyright Office.²⁵ These changes were made effective retroactively, as of November 29, 1999.

Without an explicit mention of sound recordings in the statutory definition, are these recordings categorically barred from qualifying as commissioned works made for hire? Some authorities have concluded that sound recordings can be works made for hire only if they are created by employees.²⁶ However, even if sound recordings are not eligible per se, it would seem to be possible for them to qualify, in appropriate circumstances, in one of the enumerated categories. One of the leading treatises, *Nimmer on Copyright*, suggests, for example, that a sound recording might be commissioned as a "supplementary work" to a children's book.²⁷

A sound recording would most likely qualify as a commissioned work made for hire: (1) as a part of a motion picture or other audiovisual work, (2) as a compilation, or (3) as a contribution to a collective work. Certainly there are some sound recordings that were commissioned as part of a motion picture or other audiovisual work, but that is not the case for most recordings.²⁸ Establishing ownership of the copyright in a compilation would not get a record label the scope of rights it desired, since ownership of the copyright in a compilation extends to the selection, coordination and arrangement of the compilation, but not to the constituent elements.²⁹ Thus, a record label would most likely argue that the sound recording was commissioned as a contribution to a collective work, i.e., to an album.

A collective work is defined as a work in which "a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole."³⁰ A record album frequently includes multiple musical performances, and therefore might be

seen as a collective work. Nevertheless, the success of this claim will likely vary depending on the circumstances. Certainly, if a sound recording is of a live concert, or the recording was created and marketed as a “single,” the argument that the recording was created as a “contribution to a collective work” would not be persuasive.³¹ On the other hand, if a sound recording was created pursuant to a contract to create an album (and recording contracts frequently so provide), and released and marketed as an album, this claim may be more tenable.

Some experts have argued that a “collective work” in this context refers only to a collection including works by different individuals, such as a Christmas album that includes sound recordings by many artists.³² Yet others maintain that there is no bar to categorizing a group of works by a single author as a “collective work.”³³ These issues are unresolved and because they are so significant, they will no doubt be vigorously litigated.

Another potential factor in defining a sound recording as a work made for hire relates to the timing of the contract. The courts are split on whether a contract must be signed *before* the work is created in order for a commissioned work to qualify as a work made for hire.³⁴ In a circuit that requires the agreement to precede the work, any sound recordings already created when the contract was signed would not qualify as works made for hire.

Even if the grant of rights in a sound recording is eligible for termination, not all rights will revert to the recording artist. The law specifically provides that derivative works created “under the authority of the grant” before it is terminated may continue to be used after termination, under the terms of the grant.³⁵ This provision is designed to ensure that parties who, during the period when the grant was in effect, invested in creating derivative works (e.g., a movie based on a short story) would not lose their rights to exploit their works.

Accordingly, recording artists who exercise their termination rights will not be able to terminate existing licenses for derivative works, although they will continue to be compensated under those licenses. The scope of this derivative works exception in the context of sound recording is not entirely clear, however. Sound recordings have a narrower derivative work right than other works. A “sound alike” recording does not infringe the copyrighted sound recording; a second work is potentially infringing only if it captures the actual sounds in the original.³⁶ If a sound recording has been remastered or remixed, the new version might qualify as a derivative work, provided new copyrightable authorship is added.³⁷ Additionally, a sound recording that contains a sample from the original recording might constitute a derivative work.³⁸ This would likely depend on the length of the sample and its significance to the second work.³⁹ However, courts might be inclined to interpret “derivative work”

broadly in this context, in order to protect the investment made by the licensees in reliance on sampling licenses.

To the extent that the record company created a remix/remaster that qualified as a derivative work, the company will remain in the picture. It may also have a continuing role with respect to derivative works created under a license from the recording company to a third party during the term of the license. In *Mills Music, Inc. v. Snyder*, the authors of a musical composition sought to terminate their licenses to their music publisher under a termination provision applicable to works created prior to January 1, 1978.⁴⁰ Licenses as to derivative works already created by third parties (in that case, sound recordings of the musical composition) could not be terminated, but the composers sought to have the license fees that the third parties previously paid to the music publisher instead paid directly to them. The Supreme Court ruled that the derivative works had been created under a license from the authors to Mills Music and then from Mills Music to various record producers, and both licenses had to stay in place with respect to existing derivative works. In other words, Mills Music would continue to get its 50 percent share of the proceeds (the amount to which it was entitled under the terms of its contract with the composer) from the existing sound recordings, even after termination of the principal grant. However, it is possible that the Court will revisit this issue should it arise in the context of sound recordings, particularly if the existing contractual arrangements between the label and the recording artists provide the artists with little financial benefit from the third party licenses.

A final factor to consider is, who precisely will be entitled to terminate? The principal recording artists are generally the focus of attention in the popular press, but there are often backup artists and musicians to consider as well. Assuming that the recording does not qualify as a work made for hire as to any of them, should all of these parties be treated as “authors” for the purposes of termination, regardless of the nature of their contributions? Under the termination provisions, a majority of the authors who executed the grant must agree to terminate.⁴¹ As *Nimmer on Copyright* points out, termination of the contract with the record company may be a hollow victory if the lead artist has to share ownership rights (and revenues) with a host of others.⁴²

What if the backup musicians were actually employed by the label, but the principal artists’ contributions do not qualify the recording as a work made for hire? Does that mean the entire work is not a work made for hire, or is it some form of hybrid work? In the latter case, would the court count employee authors in determining whether a majority of the authors have sought to exercise their termination interests? Or, in the alternative, would the interests of the principal artists be considered separately, leading to the possibility that upon termination the recording might be jointly owned by the record label on

the one hand (as to the interests of the musicians whose work qualified as a work made for hire), and the principal artists on the other? As these questions demonstrate, there is great uncertainty concerning many aspects of termination rights under Section 203 of the Copyright Act.

Accordingly, there is no simple, straightforward answer to the question of whether sound recording artists will be successful in terminating their contracts with record companies. Some recording artists and their labels will likely reach new agreements to avoid protracted and expensive litigation on these issues. Beginning in 2013, termination rights are likely to be vigorously litigated, and the courts will begin to develop a body of law that will answer many of these questions. As the cases unfold, it will be important to bear in mind that the outcomes will be dependent on the specific facts surrounding the creation of the particular recordings. Moreover, even if record companies are successful in claiming that sound recordings made in the 1970s and 1980s were commissioned works for hire as contributions to albums, that argument may be increasingly difficult to make over time, as recordings of individual performances, rather than albums, become the common distribution model in the digital environment.⁴³

"[T]here is no simple, straightforward answer to the question of whether sound recording artists will be successful in terminating their contracts with record companies."

Endnotes

1. See, generally, Larry Rohter, *Record Industry Braces for Artists' Battles Over Song Rights*, N.Y. TIMES, August 15, 2011, at C1.
2. 17 U.S.C. § 203(a)(3) (2010). If the grant is a license for publication of a work, it can be terminated 35 years after publication or 40 years after the date of the grant, whichever ends earlier. *Id.*
3. 17 U.S.C. § 203(a) (2010).
4. The copyright law nowhere defines "authors" but this list can be inferred from the types of subject matter eligible for copyright protection in 17 U.S.C. § 102(a).
5. 17 U.S.C. § 203(b) (2010).
6. See *supra* note 5; see also 37 C.F.R. § 201.10 for more details on the procedures and requirements for terminating a grant.
7. *Id.*
8. 17 U.S.C. § 203(a)(4) (2010).
9. See *Steward v. Abend*, 495 U.S. 207, 212, 217-219 (1990). If, however, the author assigned the renewal term to another party, the courts gave effect to that assignment unless the author had died during the initial term, in which case the assignment was not effective against the claims of her statutory heirs. *Id.* at 219-220. This policy of enforcing the assignment of the second term if the author was living when it commenced undermined the goal of giving authors a chance to renegotiate contracts if the works proved more valuable than originally envisioned.
10. H.R. Rep. No. 94-1476 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5740, 1976 WL 14045 at 79.
11. 17 U.S.C. § 203(a)(5) (2010).
12. 17 U.S.C. § 203(a) (2010).
13. 17 U.S.C. § 304 (2010). Note that they were also eligible for termination upon renewal by the author after the first 28-year copyright term (if he or she had not signed away rights in the renewal term) or by his or her heirs (regardless of whether the author had signed away rights in the renewal term). However, the last group of works published under the old law was renewed in 2005. By then the law had been changed to make renewal automatic, although if a renewal registration was filed it could determine who succeeded to the renewal rights. See Copyright Renewal Act of 1992, Pub. L. No. 102-307, 106 Stat. 264. Yet, in short, except for a few cases where rights concerning these old renewals are still under dispute, the focus has shifted to the next opportunity for the authors of these older works or their heirs to reclaim their rights, which is 56 years from when the copyright was obtained. See 17 U.S.C. § 304(c) (2010).
14. In addition, the interpretation of the work made for hire doctrine under the previous Copyright Act was different, and the concept of "employee" was broader, so in some respects the cases dealing with older recordings have limited precedential value. See, e.g., *Fifty-Six Hope Road Music Ltd. v. UMB Recordings, Inc.*, 99 U.S.P.Q. 2d 1735 (S.D.N.Y. 2010).
15. See *supra* note 3.
16. 17 U.S.C. § 101 (2010).
17. See *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 751-2 (1989) (footnotes omitted).
18. See, e.g., *Aymes v. Bonelli*, 980 F.2d 857 (2d Cir. 1992).
19. For example, the recording artists are skilled in their art; the record companies generally treat them as contractors for purposes of taxes and employee benefits; the artists generally cannot be assigned projects outside of the scope of their contracts, etc.
20. 17 U.S.C. § 201(b) (2010).
21. Those agreements almost invariably include an assignment in the alternative, so that even if the sound recordings created thereunder do not qualify as works made for hire, they will be owned by the record company until termination under the statute.
22. Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (work made for hire definition codified in 17 U.S.C. § 101).
23. See generally, *The Satellite Home Viewer Improvement Act of 1999*, Pub. L. No. 106-113, 113 Stat. 1536, 1501A-544.
24. See *Work Made For Hire and Copyright Corrections Act of 2000*, Pub. L. No. 106-379, 114 Stat. 1444.
25. *Id.* at § 2(a).
26. See, e.g., *Ballas v. Tedesco*, 41 F.Supp. 2d 531, 541 (D. N. J. 1999); cf. *Bucciarelli-Tieger v. Victory Records, Inc.*, 488 F.Supp.2d 702, 709 (N. D. Ill. 2007); cf. *Staggers v. Real Authentic Sound*, 77 F.Supp. 2d 57, 64 (D. D. C. 1999). See also U.S. Copyright Office, Circular 56, "Copyright Registration for Sound Recordings," available at: <http://www.copyright.gov/circs/circ56.pdf> ("generally, for a new sound recording to be a work made for hire, it must be made by an employee within the scope of employment").
27. M. Nimmer & D. Nimmer, NIMMER ON COPYRIGHT § 5.03 (B)(2)(a) (ii) (Matthew Bender, Rev. Ed.).
28. See, e.g., *Greenwich Film Prods. S.A. v. DRG Records*, 1992 WL 279357 (S.D.N.Y. 1992) (noting that an album, namely a soundtrack for a film, was "clearly commissioned for a motion picture" and thus could have been treated as a work made for hire if the requisite written agreement had been in place).
29. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991); see also U.S. Copyright Office, Circular 56, "Copyright Reg-

istration for Sound Recordings" ("the copyright in the compilation of recordings is separate and distinct from copyright (if any) in the recordings themselves. It extends only to the selection and ordering of the recordings on the disk or tape").

30. See *supra* note 16.
31. Similarly, there may be albums in which the individual tracks are part of an integral whole, intended to be played in sequence and together, so that it would not be accurate to characterize the album as a collective work.
32. See, e.g. *United States Copyright Office and Sound Recordings as Works Made for Hire: Hearing Before the Subcomm. on Courts and Intellectual Property of the H. Comm. on the Judiciary*, 106th Cong., Serial No. 145 (hereinafter "2000 Hearings") (statement of Marci Hamilton).
33. See, e.g., 2000 Hearings (statement of Paul Goldstein), *supra* note 32 ("it is no bar to classification as a collective work that all of the contributed works originate with the same author"). Should a court deciding this issue resort to the legislative history of the 1976 Act, however, it may deem it relevant that "at no point in the lengthy evolution of the works-made-for-hire definition were sound recordings considered for inclusion in the commissioned works category." Mary LaFrance, *Authorship and Termination Rights in Sound Recordings*, 75 S. CAL. L. REV. 375, 386 (2002).
34. Compare *Schiller & Schmidt, Inc. v. Nordisco Corp.*, 969 F.2d 410 (7th Cir. 1992) (holding that the writing must precede the creation of the work for the work to qualify as a commissioned work made for hire) and *Playboy Enters., Inc. v. Dumas*, 53 F.3d 549 (2d Cir. 1995) (holding that the parties must reach an agreement prior to the creation of the work, but the written document itself may be executed after completion of the work).
35. No new derivative works may be created under the terminated grant, however.
36. 17 U.S.C. § 114(b) (2010). Of course, rights in any underlying copyrighted musical composition must be considered separately.
37. See, e.g. *Maljack Productions, Inc. v. UAV Corp.*, 964 F. Supp. 1416, 1428 (C.D. Cal. 1997), *aff'd sub nom. Batjac Productions Inc. v. GoodTimes Home Video Corp.*, 160 F.3d 1223 (9th Cir. 1998) (noting that remixing and stereo-izing can create a separately copyrightable derivative work). See also U.S. Copyright Office, Circular 14, "Copyright Registration for Derivative Works," available at: <http://www.copyright.gov/circs/circ14.pdf> (noting that a "super audio CD" in which all the tracks had been previously released in a CD and were subsequently remixed constituted a derivative work).
38. See *Bridgeport Music v. Dimension Films*, 410 F.3d 792, n.18 (6th Cir. 2005).
39. A law textbook that contains a short excerpt from a journal article, used with permission, would not be considered a "derivative work" of the journal article. But see *Bridgeport Music*, 410 F.3d at n.
40. 469 U.S. 153, 155-56 (1985). (The authors sought to terminate pursuant to 17 U.S.C. § 304 (c) (2010).
41. 17 U.S.C. § 203(a)(1) (2010).
42. See *Nimmer supra* note 27. Some well-known artists may directly employ backup musicians and therefore own their contributions as work made for hire.
43. See 2000 Hearings, *supra* note 32 (statement of Hon. Marybeth Peters, Register of Copyright); see also *Nimmer supra* note 27 (noting that "in a future world of digital phonorecord delivery, there may be no basis to argue that an individually prepared song qualifies as a 'contribution to a collective work'").

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Genetic Doping: The Lance Armstrong Case as a Preview for Future Regulations

By Jason Steiner

I. Introduction

Steroids. Human growth hormone. Human chorionic gonadotropin. These are some of the usual suspects affiliated with major doping scandals in sports. Sports fans are familiar with the doping scandal involving seven-time Tour de France champion and the most famous American athlete involved in the sport of cycling, Lance Armstrong. However, fans might not be as knowledgeable with the terms “genetic doping,” “EPO,” or “VEGF.” Over the past few decades the world of sports has seen a dramatic increase in the amount of performance-enhancing drugs that are enabling athletes to run faster, jump higher, and be stronger. What started as caffeine, cocaine and alcohol, then led to HGH and anabolic steroids, has now recently and dangerously evolved into genetic doping. Genetic doping is essentially a rapidly evolving tool of gene therapy. While gene therapy involves inserting DNA into a person’s body for the purpose of restoring a function related to a malfunctioning or missing gene, gene doping is the opposite process of inserting DNA for the purpose of enhancing athletic performance.¹

To the extent that researchers are learning very quickly how to maneuver and repair the genes accountable for deadly diseases, they are also seeing the value in those techniques in relation to modifying many other human traits such as our physical, cognitive and personality traits.² Among these traits are those that influence our athletic ability, including our strength, speed and tolerance of injury and pain. According to researchers, the widespread use of genetic doping is still forthcoming,³ but recent cases and allegations prove the exact opposite.

With an available window, the scientific world realizes that now is the time to develop social, ethical and regulatory policies to govern, and develop techniques to detect, the use of gene doping in athletes. What may come as a shock to many is that the United States has no laws or enforcement specifically banning gene doping. This can be attributed to the fact that genes are not controlled substances, like cocaine or steroids, and the use of them as a doping mechanism is currently undetectable.

Most notably, the sport of cycling has fallen prey to gene doping and has become a drug-filled competition. A common belief in the sports world today is that cycling’s main event, the Tour de France, has become a “competition between pills, not skills, and that the sports champions of the future will be chemically created.”⁴ Cycling’s sad reputation has notoriously grown in the past decade as the sport has been under fire because of doping allega-

tions and scandals; even former chairman of the World Anti-Doping Agency (WADA) Richard Pound expressed that the state of the sport is “in the toilet.”⁵ However, cycling is in the best position to be a foundation for bringing the issue of performance-enhancing drugs into the public arena and facilitating the implementation of new regulations⁶ that address the growing problem of gene doping.

Despite unparalleled success as the face of cycling, Lance Armstrong has never been able to shed allegations that he was a user of performance-enhancing drugs. During Armstrong’s tenure as seven-time Tour de France champion and still to this day, rumors and unfounded allegations have spread that Armstrong’s career was stimulated by doping. Even though Armstrong retired from the sport and turned his attention to cancer research, he still is confronted with doping allegations from former teammates, competitors, assorted journalists and officials. Armstrong continually denied any use of illegal performance-enhancing drugs and labeled himself as “the most tested athlete in the world.”⁷ However, allegations published in *Sports Illustrated* in January 2011 questioned Armstrong’s credibility yet again. *Sports Illustrated* reporters Selena Roberts and David Epstein alleged new disturbing facts accompanied by unreleased and supposedly credible sources. One of these allegations was that Armstrong illegally obtained and took an experimental drug called HemAssist, which was never distributed beyond clinical tests.⁸

Armstrong has never tested positive for any performance-enhancing drug and his scandal has been the best example of how gene doping has made an absolute mess of sports. The undetectable nature and uncertainty surrounding the use and testing of gene doping has been evidenced by the retroactive witch-hunt against Armstrong. Despite never once testing positively for doping, allegations and suspicions of using performance-enhancing drugs, including gene doping, have undermined his credibility, and more importantly, the integrity of cycling as a sport. The reputation of cycling and Lance Armstrong have been undoubtedly harmed by speculation of substance abuse without any hard proof.

Essentially, while there are countless critical questions that remain as to whether gene doping can and should be hindered, the anti-doping authorities’ more appropriate focus should be on Armstrong’s career and the future of cycling as testing for gene doping is developed and federal investigations emerge. If Armstrong is ultimately found to be innocent, although it may be impossible to

ever prove innocence, what are the effects on the future of gene doping, cycling, and proceedings against other athletes? If Armstrong is found to be guilty of doping, while it seems conclusive that the sport and his legacy will suffer, the future of genetic doping regulations is far more uncertain. In answering these questions the sports world regulatory organizations should actively examine cases like the one against Lance Armstrong to develop a regulatory policy that effectively acknowledges r-EPO use and genetic doping.

To more thoroughly analyze the legal and ethical questions facing the looming problem of gene doping as it relates to cycling and its athletes, this article is divided into six sections. Part II contains a detailed history of doping in sports and specific developments in cycling that have led to the sport being a prime candidate for implementing gene doping procedures. Part III contains the troubling, yet unproven, case against Lance Armstrong, and discusses the outlook regarding his current federal investigation. The background and science of gene doping is described in Part IV, including possible uses and current testing methods. Part V contains ethical arguments concerning either banning or allowing gene doping in sports, such as cycling, and a preview of future regulations. Finally, recommendations on how to effectively implement a clear regulatory policy and testing regime, manage statute of limitations issues, and the importance of increasing awareness and research funding of gene doping are proposed in Part VI.

II. The Materialization of Doping in Sports

a. Comprehensive History of Doping

Until the early 1900s, the understanding of human physiology in sport was so deficient that, for example, the members of the Harvard football team decided only to eat red meat thinking it would add to their on-field toughness, but what resulted were digestive problems for the entire team.⁹ The first recorded case of performance-enhancing drugs in the modern era was during the marathon at the 1904 Olympic Games. The winner, Tom Hicks, was given repeated doses of strychnine-laced eggs and cognac during the race after being denied water. While he did win the race, it was the slowest in Olympic history by almost a half hour.¹⁰ However, society's poor understanding of doping began to grow during the mid 1900s, and athletes were able to grasp the idea of gaining advantages. The gains are often described as taking the easy way out by sacrificing practice and hard work for chemicals.¹¹

During the 1930s, amphetamines became increasingly popular among athletes and officially replaced strychnine as the doping drug of choice.¹² This was about the time that the International Olympic Committee (IOC) focused its efforts in sports on regulating doping. During World War II, doping concerns were temporarily alleviated while new amphetamines were being utilized by the mili-

tary.¹³ In the subsequent decade, the importance of steroid research became quite prevalent, with the development of two anti-inflammatories, prednisone and prednisolone, and the marketing of the first anabolic-androgenic steroid, Dianabol.¹⁴

In 1957, after *The New York Times* reported that Olympic swimmers were routinely using "pep pills" before their races¹⁵ and the death of an Olympic cyclist who had taken amphetamine,¹⁶ it became clear to the IOC that a large portion of the Olympic athletes were engaging in regular doping. Subsequent to the rise of amphetamines in sports, the use of anabolic steroids was looming. Throughout much of the 1950s, the sports world was filled with rumors that the Soviets and East Germans were heavily experimenting with testosterone as a way to increase athletic performance.¹⁷

In the years to follow, while doping became a large topical issue in sports, it surprisingly did not receive much political movement. Nevertheless, the problem continued, when in 1967 British cyclist Tom Simpson died during the Tour de France, his autopsy report indicated positive tests for both amphetamine and methyl-amphetamine.¹⁸ Simpson's death was extremely emblematic of the widespread use of doping after he had previously described his drug use to the press, comparing amphetamine effects to a couple of extra cups of coffee.¹⁹ Additionally, during this time, the sports world began to see the rise of anabolic steroids. By 1968, a third of the American track and field team was reported to be using them.²⁰ The response from the IOC was to begin testing athletes for the first time, but anabolic steroids did not have a testing mechanism until 1976, roughly 20 years after their introduction into the market.²¹

Though the IOC publicly condemned doping, its efforts were deemed futile in stopping it.²² In 1983, testosterone, diuretics, beta-blockers and blood doping were added to the IOC's banned drugs list, which originally contained only two categories, stimulants and narcotic analgesics.²³ In addition to the difficulty of keeping up with the methods of doping, the IOC was hampered with the task of keeping track of masking methods such as manipulation of urine samples.²⁴ The IOC also began blood testing athletes and added human chorionic gonadotropin (used to reverse testicular shrinking in steroid users), HGH and peptide hormones in 1989.²⁵

As the IOC's expanding list of banned substances continued to grow, its efforts at catching dopers were still largely unsuccessful. At the Olympic Games in 1980, not one athlete tested positive for doping, even though the East Germans were known to have been doping their athletes.²⁶ Up until the mid 1990s, no more than 12 athletes tested positive for doping in the Olympics, an unimpressive figure for the IOC which increased its research and testing methods in a era where doping was becoming

more prevalent.²⁷ Frustrated over the lack of positive tests and embarrassing doping incidents, notably in the worlds of cycling and sprinting, the IOC called for a World Conference on Doping in Sport in Switzerland in 1999.²⁸ During this conference, the IOC created the WADA, which besides implementing its own policies, was delegated with tracking the development of international anti-doping policies with two specific goals in mind: to protect the well-being of athletes and to promote fair play.²⁹

Today the IOC, WADA and other regulatory bodies face a new undetectable threat in genetic doping. In what could be considered a unique and new approach for the regulatory agencies, they have launched a preemptive strike against potential users by prohibiting the use of genetic enhancement in all athletic competitions.³⁰ However, the threat of gene doping is more present than regulators may fear. In 2006, during a drug investigation of German running coach Thomas Springstein, some of his e-mails detailed references to Repoxigen, a substance used in gene therapy for anemic patients.³¹

The actual research on gene doping by the IOC began in 2001.³² The results of the research supported taking precautions to keep gene doping completely out of sports. As the idea of genetic enhancement became more possible, more than a half-dozen major meetings and discussions on the subject were held by organizations, including the IOC, the American Association for the Advancement of Science and the U.S. President's Council on Bioethics.³³ What may be considered the most important result of these meetings was the Banbury Conference in 2002, hosted by WADA, which presented two major recommendations for the fight against gene doping.³⁴ The first was to fund a research program that would help detect gene doping, and WADA has responded to this challenge by awarding 21 grants between 2003 and 2007, all to help research the process of detecting gene doping.³⁵ The second recommendation was for WADA and other regulatory agencies to include genetic modification in their respective definitions of "doping" and to list gene transfers alongside other banned drugs in the World Anti-Doping Code.³⁶ The 2009 amended version of the Prohibited List defined gene doping as: "the transfer of cells or genetic elements or the use of cells, genetic elements or pharmacological agents to modulating expression of endogenous genes having the capacity to enhance athletic performance, is prohibited."³⁷

Today, most regulatory agencies are in agreement that gene transfer should be prohibited from sports, citing mainly the risk of harm to athletes.³⁸ H. Lee Sweeney, chair and professor of the University of Pennsylvania's Department of Physiology, warns these agencies of the potential problems ahead: "Are we going to be faced with a situation where athletes can modify their athletic performance using gene therapy? That's cheating, but how do you regulate it? Especially if society says this is OK

for old-age enhancements, without side effects. Someday, these are going to be real issues for sports."³⁹ Unfortunately, that "someday" is now.

b. The State of Cycling and the Sport's Doping Policies

The sport of cycling is at the forefront of drug-filled scandals and federal investigations after a tumultuous last decade. Cycling falls under the support of the IOC and therefore is governed by the testing procedures and policies of WADA.⁴⁰ The sport has been filled with doping allegations and scandals since its inception; the very first drug scandal of the Tour de France can be traced all the way back to the 1924 race.⁴¹ The next explicit evidence of the growth of doping in cycling was during the 1955 race, when the International Cycling Union (UCI) disqualified a racer for encouraging other team members to use controlled substances.⁴² The 1980s were also another era filled with strong amounts of steroid usage.⁴³ During the 1990s, fans of the sport saw Bjarne Riis, 1996 Tour de France champion, admit to doping and stripped of his title.⁴⁴

The next decade in cycling showed even more widespread use of doping. Drug tests during the 2000 Tour de France reveal that in 45 percent of participants' urine there was some evidence of both drugs and supplements.⁴⁵ The failed drug tests continued during 2004 when Olympic Gold Medalist Tyler Hamilton faced a two-year suspension from the sport because he failed two blood doping test results.⁴⁶ In 2006 the doping allegations worsened, when a number of cyclists were banned from participating in the Tour because of failed drug tests.⁴⁷

The first major sightings of gene doping in the sport surfaced in 1998, when the number one ranked Spanish team was expelled from the Tour because of large amounts of EPO and growth hormone that were discovered in the team car—more than 400 vials of drugs.⁴⁸ Thereafter, five other Spanish teams quit the race in a supposed protest against the French police, whom they believed treated the expelled team unfairly.⁴⁹ However, these other teams were also criticized, since much of the media suspected their withdrawal was a result of a fear of being caught.⁵⁰ This latest allegation prompted the creation of the anti-doping Code, which shows the ability of cycling to act as a catalyst for prompting change in doping policies.⁵¹

In 2006, the Agency for Cycling Ethics (ACE) was founded "as an organization of anti-doping specialists that administered independent testing programs in which several men's pro cycling teams participated on a voluntary basis."⁵² ACE's Pure Sport program tried to be proactive against the rise of gene doping by using "longitudinal analysis of blood samples to establish baseline levels of numerous biomarkers (e.g., blood composition and hormone levels)" for each competitive rider.⁵³ The pro-

gram tracked baseline values and once any minor deviation was triggered, it could be identified and investigated without needing to detect a specific banned substance.⁵⁴ In 2008, the emergence of the “biological passport” program was embraced by the UCI and WADA; however, it is less thorough than the program offered by ACE.⁵⁵

Riders’ locations were tracked by wireless communication so that their availabilities could be determined for blood and urine testing at least twice a month around the world.⁵⁶ ACE kept a well-managed and detailed database of these testing results, which were provided to the UCI and cycling team’s personnel.⁵⁷ Participating teams added contract clauses to the riders’ contracts in order to ensure compliance with the program.⁵⁸ However, due to the “frequency and thoroughness of the program, its cost was beyond what anti-doping agencies could afford.”⁵⁹ ACE did plan to expand its program to other sports that were also identifying with the rise of doping, but a lack of funding forced the program to close in 2008.⁶⁰ Today, cycling teams such as the Garmin-Chipotle and Columbia participate in a comparable program offered by Anti-Doping Research, Inc.⁶¹

While it may be considered somewhat normal and prevalent today for cyclists to use performance-enhancing drugs, the sport could also be a foundation for change and serve as the model for implementing anti-doping policies. “Arguably, the different doping scandals that have afflicted the sport have served as a catalyst for change in the doping policies and procedures throughout all of sport.”

III. The Case Against Lance Armstrong

Lance Armstrong broke into the world of cycling and pop culture when he won the 1993 World Professional Road Race Championship in Oslo, Norway.⁶² With cycling star Greg LeMond retiring the following year, Lance’s emergence came at the perfect time.⁶³ Armstrong’s arrogant, cold, and combative attitude brought a unique figure to the world of cycling.⁶⁴ Even given a 20 percent chance to live, Armstrong prevailed through numerous bouts of surgery and chemotherapy related to his diagnosed cancer.⁶⁵ From there Armstrong became an instant international sporting sensation on his way to winning an unprecedented seven consecutive Tour de France championships from 1999 to 2005.⁶⁶ Armstrong also displayed his philanthropic nature with the inception of the Lance Armstrong Foundation (a/k/a Livestrong), which provides support and education to cancer patients, including funding for research.⁶⁷ In addition, he has published two best-selling inspirational books.

Despite consistently asserting numerous denials and never having failed one drug test, Lance Armstrong’s professional and personal career has been incredibly stained by doping allegations, most particularly the alleged use of

r-EPO (recombinant erythropoietin) and EPO. However, Armstrong’s image began to crack when it was revealed that he had consulted with Michele Ferrari, an Italian physiologist infamous for his drug support, who once compared the inherent risks of using r-EPO to that of drinking orange juice.⁶⁸ Armstrong only decided to disclose his relationship with Ferrari when he learned about a story that would be published, and claimed he only consulted Ferrari because he wanted guidance on breaking the World Hour Record.⁶⁹ Armstrong also claimed that he never intended to conceal his relationship with Ferrari and that even numerous journalists were aware as well, but no one has confirmed this.⁷⁰

Greg LeMond, who had been a huge supporter of Armstrong to this point, expressed great disdain towards the allegations against Armstrong, saying that if he had in fact cheated, Armstrong’s feat would be notorious for something closer to a fraud than a comeback.⁷¹ The allegations continued in 2004, when Armstrong announced that he was immediately pursuing libel actions in London and Paris against the journalists and publishing companies whose articles presented strong suspicions from testimonials from Armstrong’s former teammates about his alleged doping.⁷²

Even with Armstrong’s continual denials, he was not paid a large bonus due to him for having won a sixth straight Tour, largely because of the information in the French newspaper.⁷³ In the course of suing for the amount, former teammate and friend, Frankie Andreu, along with Andreu’s wife, testified that “they heard Armstrong admit in a hospital room in 1996 that he had taken ‘testosterone, EPO, human growth hormone, and corticoids.’”⁷⁴ However, Armstrong was able to fight this allegation when a third witness, apparently under enormous pressure from Armstrong and the witness’ employer (Oakley, also one of Armstrong’s sponsors), altered her previous statements that supported the Andreus’ testimony.⁷⁵ A medical doctor, Craig Nichols, testified that Armstrong never made such an admission, and that it would have been extremely odd for any doctor to ask this type of question given the circumstances.⁷⁶ Nevertheless, the blaming game continued when other oncologists disputed Nichols’ claim, and “Armstrong’s own attorney admitted doctors had questioned him about his past substance use; he admitted to no more than drinking an occasional beer.”⁷⁷

Moreover, Armstrong’s story began to dissolve even more when just two days after the Andreus’ testimony under oath, the Lance Armstrong Foundation proclaimed a contribution of \$1.5 million to Nichols’ medical department at Indiana University.⁷⁸ Nevertheless, the matter was settled with Armstrong receiving not only the \$5 million bonus, but additionally \$2.5 million in attorney’s fees and interest.⁷⁹ Armstrong used the settlement to declare

his innocence, but in fact, the arbitration panel never ruled on whether or not he had doped.⁸⁰

In 2005, a French sporting newspaper, *L'Équipe*, published the shocking reveal that frozen urine samples from Armstrong's six separate stages of the 1999 Tour tested positive for EPO.⁸¹ To refute the claims, Armstrong appeared on CNN's "Larry King Live," and offered his theory that the French National Doping Detection Laboratory (LNDD) had intentionally altered his samples.⁸² Nevertheless, "each of Armstrong's samples was tested along with several others, and lab technicians were unaware of which sample came from whom, furthermore, the pattern of results does not indicate that the samples were spiked."⁸³ Armstrong's case was considered incredible, mainly in part because he was very reluctant to bring his claims to trial despite being so adamant about his innocence. However, Armstrong eventually prevailed somewhat again when the legitimacy of the testing of the urine samples was heavily doubted and questioned by the media and anti-regulatory agencies.

Armstrong's quest to distance himself from the genetic doping scandal in cycling became more vocal and frequent. For example, during the 1999 Tour, French competitor Christophe Bassons, who was known to have nothing to do with doping, wrote numerous articles for his newspaper detailing the widespread use of r-EPO in the sport.⁸⁴ Armstrong, on behalf of the sport, expressed his disgust about the allegations stating, "His accusations are not good for the sport, for his team, for me. If he wants to ride professionally, he can't speak like that, because sponsors will walk away from the sport."⁸⁵

Armstrong's next dispute with Italian rider Fillipo Simeoni was much more notable, and sent shockwaves throughout the sport. Simeoni admitted to doping, and testified in 2003 that Ferrari supplied him with certain prescriptions for banned products dating back to 1996.⁸⁶ Armstrong, who had ties to Ferrari, claimed that Simeoni was a liar, after which Simeoni sued Armstrong for defamation, leading Armstrong to countersue to maintain face.⁸⁷ Both parties eventually settled out of court and the actions were dropped.⁸⁸ Ferrari, unsurprisingly, was consequently charged and found guilty of "distributing dangerous substances to cyclists and other athletes," at which point Armstrong finally cut ties to him.⁸⁹ However, Ferrari's conviction was eventually overturned.⁹⁰

In 2005, Armstrong confirmed a secret six-figure donation he made to the UCI a few years back purportedly "to help fight doping."⁹¹ What critics found to be noteworthy about the donation is that it was made while he was still an active athlete and subject to the UCI's discipline, and more notably, that the UCI even accepted his gift.⁹² Armstrong retired from cycling later that year still amidst doping speculation. In 2007, retired Danish cyclist Bjarne Riis admitted he had used r-EPO in his 1996

Tour win, prompting Tour officials to demand he return his yellow jersey.⁹³ Armstrong declined to comment about Riis' admission, but used the spotlight to redirect frustration at Tour officials, condemning their actions as hypocritical.⁹⁴

Even with Armstrong removed from the competition aspect of the sport, his name surged back into headlines soon after American Floyd Landis won the 2006 Tour with a stunning comeback. After Landis' win, it was revealed that he had tested positive for increased levels of testosterone, sending familiar shockwaves through the sport.⁹⁵ Landis denied the positive test and insisted it was a result of "a natural overproduction of the hormone," even though he lacked any supporting documentation.⁹⁶ However, his defense became moot when it was revealed that he had in fact tested positive for synthetic testosterone.⁹⁷

Armstrong made a triumphant return from his retirement shortly after Landis' fallout in 2008 and declared that he would win the 2009 Tour.⁹⁸ Expecting critics to latch on to Landis' doping past, Armstrong made a proactive and unprecedented move when he announced that he would "subject himself to 'the most advanced anti-doping program in the world,' which would be conducted in a 'completely independent' manner."⁹⁹ Armstrong requested that his new team, Astana, pay for the program, and have renowned anti-doping expert Don Catlin, M.D., to be its "impartial administrator."¹⁰⁰ Armstrong also wanted to post his testing results online in order to allow for complete transparency in his comeback.¹⁰¹

Critics such as LeMond argued that the policy lacked impartiality since it was not being conducted by an independent party like WADA.¹⁰² LeMond further challenged the program's effectiveness stating, "It's all very well checking blood values, but if you're a smart doctor, you just always keep your rider's blood values high. EPO is only detectable within a few days, and that's why it's hard to [catch] it."¹⁰³ LeMond more importantly pointed out that "athletes who use either EPO or do (autologous) transfusions of their own blood can still escape being caught."¹⁰⁴ LeMond passionately proposed collecting actual performance data by utilizing on-bike power meters stating, "The power-output information this yields would then be analyzed in light of physiological data, such as VO2max, that would be collected in the lab along with blood throughout the year."¹⁰⁵

Nevertheless, Armstrong's first samples were not drawn until January the following year and he began to show signs of reluctance in allowing the program's data to be displayed to the media.¹⁰⁶ Armstrong then abruptly announced in February, two days before the Tour of California commenced, that he had effectively ended his relationship with Catlin and would thereafter be tested by his team's own internal anti-doping program.¹⁰⁷ Armstrong expressed that the complicated plans he set forth with

Catlin “were not feasible for administrative, logistical, and financial reasons.”¹⁰⁸ The media used Armstrong’s flip-flopping to its advantage by claiming that he manipulated them in a ploy to enhance his image in light of his return,¹⁰⁹ which ended up being an unremarkable one, as he did not win one Tour de France.

The new federal investigation against Armstrong, headed by FDA agent Jeff Novitzky, is backed by new evidence suggesting that Armstrong was involved in an organized doping operation as a member of the team sponsored by the U.S. Postal Service (USPS).¹¹⁰ The federal investigation focuses mainly on the period where Armstrong won six of his seven Tour de France championships from 1999 to 2004 and the USPS team received more than \$40 million in sponsorship revenue.¹¹¹ As government sponsorship is involved in this investigation, if Armstrong is found to have had directed illegal activity, he could also be charged with conspiracy, wire fraud, money laundering, racketeering, drug trafficking, and defrauding the government.¹¹²

However, doping allegations have become extremely familiar to Armstrong, and to this day he has successfully fought each one, mainly because they have been extremely speculative and borderline hearsay. The report further reveals that two of Armstrong’s teammates on the 1990 U.S. junior team filed a suit against USA Cycling in 2000 alleging that coaches administered steroids to them in 1990 with Armstrong, which damaged their immune systems and therefore shortened the duration of their careers.¹¹³ However, neither teammate tested positive for steroids and the suit was settled in 2006. This again has been labeled as just one of many unsuccessful attempts at proving Armstrong’s use of performance-enhancing drugs. During this decade, Armstrong was tested more than two dozen times by the U.S. Olympic anti-doping lab at UCLA.¹¹⁴ This lab had three of Armstrong’s test samples from the 1990s that tested well above normal levels for testosterone-epitestosterone, but because they could not be confirmed by a second sample, the samples were listed as negative.¹¹⁵

The empty allegations were further brought to the public when Stephen Swart, a previous teammate of Armstrong, said that Armstrong was the instigator of the team’s decision to start taking EPO, although he also stated that he never saw Armstrong inject EPO or give it to anyone else.¹¹⁶ Swart further claimed that he and his teammates (including Armstrong) regularly tested their hematocrit level, and Armstrong’s level was once around 54 or 56, which would have resulted in a 15-day ban. Again, because of the lack of gene doping testing at the time, Swart’s claims were nothing more than an unproved allegation. Additionally, the report details that an arrest of one of Armstrong’s former Radio Shack teammates uncovered emails and texts that linked Armstrong to Ferrari in 2009, though Armstrong claimed to have severed

all ties with Ferrari in 2004.¹¹⁷ Lastly, the report included a detailed allegation from Landis claiming that Armstrong’s use of private planes allowed him to easily bypass customs, even when he was carrying large amounts of drugs in his luggage.¹¹⁸

While Armstrong still has skeptics despite never failing a drug test, he also has strong supporters as well. Fans cling to the fact that Armstrong never failed a drug test, even though there were really none for r-EPO and genetic doping (i.e., gene doping) throughout much of his historic career, which took place during what is now known to have been an era of widespread drug use.¹¹⁹ However, opponents believe that the totality of the circumstances against Armstrong is far too coincidental for him to be a credible figure; “there are simply too many ‘dots’ which, when connected, reveal anything but a heroic figure.”¹²⁰

IV. The Science of Gene Doping

a. Description and Potential Uses

Genetic doping essentially applies the technique and usefulness of gene therapy, in which doctors add or modify genes to prevent or treat illness, to instead genetically enhance someone who is healthy. The line to draw is rather gray, but if the cells or body functions being modified are normal to start with, it is genetic doping.¹²¹ There are two types of gene doping today. In somatic cell modification, where genes are modified in regular cells of the body, the genetic changes are not passed on to children.¹²² In today’s version of gene therapy, somatic cells are the ones used in the modification. However, in germline modification, genes are changed at a much more impactful stage—in the father’s sperm, mother’s eggs or an embryo.¹²³ These genetic modifications are noteworthy because of their lasting effects on a family’s genetic makeup, including future generations. Since the U.S. government has not funded any research on human germline modification, and other governments have banned it, somatic cells are the primary type of gene transfer that requires focus for the foreseeable future.¹²⁴

The techniques used for gene doping would essentially rely on those already utilized in gene therapy, which at this point are still highly experimental and unproven.¹²⁵ However, the science required to perform gene doping is not that complicated and could be easily rendered by students with the right equipment.¹²⁶ Supposedly, such a lab would only cost about \$10 million to fund and obviously the demand would be great, given the history of doping in sports.¹²⁷

After the Human Genome Project, the scientific world saw an increase in the attempted use of gene therapy to treat diseases or malfunctioning gene expression.¹²⁸ For example, after utilizing gene therapy, a person with muscular dystrophy might regain normal muscle function.¹²⁹ Once researchers overcame the obstacle of how

to introduce the therapeutic gene into the cell by using a carrier,¹³⁰ called a vector, the risks and benefits of gene therapy became clearer. Gene therapy could be used for treatment of a genetic abnormality of a disease such as cancer, or in repairing sports injuries. Nevertheless, there are risks of side effects, including possible disease from the use of the viral vector, an immune response to endogenous and gene therapy-produced protein, autoimmune response, or the development of “leukemia-like” symptoms from insertion of the gene into the wrong spot of the genome gene.¹³¹ However, when the purpose for gene therapy becomes enhancement, it is called gene doping, even though both practices employ essentially the same techniques. Thus, while the purposes behind each method may be different, anti-doping agencies are going to be faced with a difficult task in differentiating between these two techniques that utilize essentially the same methods and produce relatively similar results.

Currently, there are three ways in which foreign genes could be inserted into the athlete’s body: 1) cultured cells could be genetically modified *ex vivo* and then inserted into the body; 2) the foreign DNA could be directly injected into the muscle or bloodstream; or 3) the potential genes could be engineered into a virus, which would then be used to “infect” the athlete’s cells with the genes.¹³² With the third method, adenoviruses would likely be the virus of choice, because of their ability to carry a significant amount of genetic material.¹³³

An obvious advantage to genetic doping in comparison to other performance-enhancing drugs is the permanent stamp it leaves on one’s genetic makeup. Once the foreign genes are inserted into the athlete’s somatic cells, they essentially become part of that athlete’s genetic makeup, similar to any other part of their original genetic code. Thus, drug costs would go down enormously for dopers if they used genes as the drug of choice, because of its permanence. However, the real enticement for gene doping to athletes is that they are currently undetectable. Today’s technology is incapable of detecting gene doping because “proteins made by engineered genes look identical to the ones the body makes naturally.”¹³⁴ Moreover, some genes that would be used for doping never make their way into the bloodstream, where they would be detected by blood analysis.¹³⁵ Thus, the only current proven and conclusive method for detecting gene doping would be a muscle biopsy at the injection point, an extremely invasive procedure to which most athletes will not be subject.¹³⁶

Athletes could be enticed to use genes as a form of doping in numerous ways. An athlete with a recurring injury in a particular part of his or her body might use gene doping to enhance the muscle’s growth and rate of recovery.¹³⁷ Others without such injuries might use the genes in order to enhance the strength of muscles they personally consider inadequate.¹³⁸ Additionally, athletes

who desire to enhance performance by increasing their red blood cell counts might inject themselves with a gene that produces EPO, causing their bodies to produce more red blood cells naturally.¹³⁹

Gene therapy studies have triggered the research into a few types of genes that would be enticing for athletes to use. EPO, a prime candidate for gene doping, is a life-saving medicinal tool. EPO is a vital hormone used in the process of normal blood production for humans and other mammals.¹⁴⁰ EPO is triggered in conditions in which a mammal is exposed to lowered amounts of oxygen, and it acts to increase the production of the red blood cells in the bone marrow.¹⁴¹ EPO is one of the world’s most impactful therapeutic drugs because of its benefits to patients with suppressed blood production by diseases, such as cancer or kidney disease.¹⁴² Endurance athletes, such as runners or cyclists, have taken note of the benefits of EPO, where it could allow them to increase their athletic output without tiring.¹⁴³ This was demonstrated in 2003, where researchers at Stanford conducted *ex vivo* gene transfer experiments in which they inserted a normal mouse EPO gene into healthy mice, resulting in increased red blood cell production.¹⁴⁴ However, EPO thickens the blood, increasing the risk of heart disease, stroke, and embolism for short-term and long-term dopers.¹⁴⁵

A second potential gene that could be used by athletes would be the use of human vascular endothelial growth factor (VEGF), which stimulates the formation of new blood vessels.¹⁴⁶ Future dopers could utilize this gene to increase the vascularization of muscles, the heart and other organs.¹⁴⁷ The increased number of blood vessels would promote the increased delivery of oxygen, which would result in a delay of exhaustion for endurance athletes.¹⁴⁸

However, when most people think of doping, they think of increased strength. Not surprisingly, there seems to be a gene doping tool for that desire and trait as well. In 1998, Professor Lee Sweeney experimented with *in vivo* gene transfers in mice using the insulin-like growth factor 1 (IGF-1), a protein that stimulates muscle growth.¹⁴⁹ The result was mice whose strength had been increased by 35 percent, leading the press to nickname them “Schwarzenegger mice.”¹⁵⁰ The ability for the user to insert the gene directly into the desired muscle presents many attractions to athletes that use a particular muscle frequently. A pitcher’s arm, tennis player’s shoulder or soccer’s player’s leg would be potential targets of such a gene transfer. Additionally, Sweeney’s research team has worked on inhibiting a protein called myostatin, which counteracts IGF-1 and also plays a role in fat deposit in the body.¹⁵¹ Using myostatin would be extremely appealing to any athlete because of its ability to reduce body fat and increase muscle strength.

Lastly, since diet and calorie intake is such a large part of an athlete’s health, the ability to adjust the me-

tabolism of particular muscles presents another enticement. Research studies of the PPAR delta gene in mice have shown that the gene is able to increase the number of “slow-twitch” muscle fibers, which are utilized also in endurance exercises, such as cycling, swimming and running.¹⁵² These mice showed a significant reduction in body fat, and surprisingly became more efficient energy users during endurance training.¹⁵³

b. Testing and Existing Regulatory Policies

As of January 1, 2003, the IOC added gene doping to the list of prohibited substances for international and Olympic competition.¹⁵⁴ In 2004, WADA took over the responsibility for maintaining and updating this list, but the IOC Medical Commission continued to represent the IOC in WADA committees.¹⁵⁵ WADA’s ban on gene doping was the first time a regulatory agency had placed a ban on a doping method not even in use.¹⁵⁶ Thereafter, the United States Doping Agency was designated by 21 U.S.C. § 2001 to work with the United States Olympic Committee to make certain that athletes were “prevented from using performance-enhancing drugs, or performance-enhancing genetic modification accomplished through gene-doping.”¹⁵⁷ Additionally, this statute stated that the Agency was to “permanently include” gene doping among any list of prohibited substances.¹⁵⁸

The stance on gene doping is the newest branch of anti-doping organizations’ general prohibition of performance-enhancing drugs in sports. In countries (such as China) that use gene therapy under the umbrella of new regulation, the uses have been directed at conditions that represent diseases, such as cancer, neurodegenerative diseases, cystic fibrosis and immunodeficiency states.¹⁵⁹ However, the testing and regulation for gene doping became necessary when the intent for the uses of genes was not to cure these diseases, but rather to take a normal gene and make it better than normal.¹⁶⁰

As stated earlier, the problem with testing for gene doping lies in its undetectability, which also lends itself to more users in sports. What athlete would not want a performance enhancer that is undetectable and has a permanent beneficial effect on his or her abilities, with few side effects? This is exactly why gene doping has become such a major concern for anti-doping agencies, especially WADA. WADA has held three international meetings on the topic since 2002, which have focused on efforts to prevent and detect the practice.¹⁶¹ While neither prevention nor detection has come to fruition, it is arguable that if we do not learn of cases involving successful attempts at gene doping, then maybe efforts to prevent or detect have worked. WADA chairman Gary Wadler believes that the race against gene doping is simply a matter of time: Athletes “read the scientific literature and they know what’s cutting-edge—there’s no question about it,” he says.¹⁶²

The U.S. government has established a protocol for the approval of gene therapy studies. In this country, for example, scientific researchers who wish to begin research on gene transfer studies on subjects must get approval from the FDA, NIH, and the Recombinant DNA Advisory Committee.¹⁶³ The amount of unknown risks and benefits to the athlete at this point in time makes it impossible under ethical medical practice to obtain complete informed consent in using gene therapy.¹⁶⁴ Therefore, it is easy to assume that gene doping attempts by athletes would have to occur outside of the governmental protocol, and athletes could soon be headed to the black market or foreign countries to get their doping accomplished. The combination of unknown risks and permanent effect to the athlete make it quite understandable that the doping agencies want to prohibit gene doping in sport. Yet what if the risks and benefits of gene doping become more apparent and measureable in the future and what if the risks are inconsequential? Does this make way for informed consent, since the safety of athletes is no longer a sufficient justification for banning gene doping?¹⁶⁵ If this is the case, then the only argument left is an ethical one: “whether genetic modification is still ethically acceptable in conditions where the technology is sufficiently safe.”¹⁶⁶

V. Concerns with Regulating Gene Doping

Many organizations, such as WADA, and individuals would view genetic doping in the same breath as any other performance-enhancing drug. However, there are those who are against regulating gene doping because as of today, with the lack of testing and knowledge, there is nothing wrong about it. Opposing ethical, legal, and moral arguments exist on both sides.¹⁶⁷ While performance enhancing drugs have a negative stigma against them in society, outside of sports, performance enhancing drugs are not forbidden. For example, should an athlete without an arch in his or her foot be permitted to wear orthotics during the game? Should he or she be permitted to take a multi-vitamin or protein supplement after a workout to build strength?¹⁶⁸ What about drinking coffee before the game as well?¹⁶⁹ Where do sports draw the line?

Whether gene doping should be regulated in one’s perspective truly depends on one’s view of sports. There are those who fight and yearn for clean, unbiased competition to ultimately see who is the best at any particular level. These opponents of doping argue for a romanticized view of sport, where practice and natural ability are at the forefront of the success of the players. On the other side of that argument are those who view sports as an entertainment industry that promotes those who shine the brightest with the biggest personalities.

Those who view the sports industry as pure entertainment may accept gene doping as an understandable progression of science and technology. Others might be

concerned about the health and mental prognosis of the athletes they view as role models. In comparing these interests, one who views athletes as entertainers might draw a parallel between the inherent rights of an athlete to alter his or her physical makeup to an actor's decision to have plastic surgery.¹⁷⁰ If gene doping is just the latest and greatest mechanism that science has created to better ourselves, and if it is available to all, then what is the problem?

However, the more intriguing issues are less ethical, and more legal in nature, as the case against Lance Armstrong has displayed. Procedurally, the only proceedings against Armstrong have been investigations, but other athletes have had different experiences with the regulatory policies of WADA and UCI. Issues revolving around the biological passport program, the strict liability standard, and athlete testing and sanctions have only been complicated by the increase in the use of gene doping. More importantly, the ambiguity surrounding not only the culpability of Armstrong, but also the creation of a reliable detection method, have thrust Armstrong into the forefront of the development of gene doping regulations.

a. Future of Gene Doping Regulations

While there will be numerous problems in prohibiting gene doping, ethical or not, at the forefront is the difficulty in detection. Currently, the only reliable ways to detect gene doping (i.e., muscle biopsy) are too expensive to researchers and agencies, and too intrusive to athletes.¹⁷¹ However, even if tests are developed to detect gene doping, the problem of distinguishing between enhancement and a naturally higher-performing gene is extremely difficult.¹⁷² Even more problematic for testers is the permanence of the genes once introduced into the body, since there is no way to remove or "turn them off."¹⁷³

If testers for the anti-doping agencies were to make a mistake in sanctioning or accusing an athlete for gene doping, possibly like Lance Armstrong's situation, the result would be extremely harmful to the athlete. Anti-doping agencies employ a lifetime ban for athletes in the use of their strict liability standards, and WADA uses a two-year ban for first time dopers.¹⁷⁴ While Armstrong has not faced such a ban, it easily can be said that his reputation, whether he is innocent or not, has taken a large and possibly irreparable hit. Armstrong's case only provides a warning to future regulators of the problems genetic doping provides. The amount of gray area and inconclusive results attached to the use of gene doping should place a greater sense of urgency on regulators and testers to act preemptively, possibly through the use of biological passports. As evidenced by the allegations against Armstrong, implementing uncertain scientific results creates one of the biggest potential messes in science.

i. Procedural Enforcement

The complex nature of genetic doping requires not only carefully researched scientific data, but also a legal system just as sophisticated in order to ensure the rights of athletes. A doping infraction is a result of private contract law, and sometimes criminal laws can be triggered as well (e.g., Barry Bonds and Marion Jones).¹⁷⁵ By entering into a competition, an athlete agrees to be governed by the rules that make up that particular sport, including not using prohibited substances or methods.¹⁷⁶ If the athlete breaches this agreement by doping, he or she has already decided to be bound by the punishments set forth by the sport's governing body.¹⁷⁷ An anti-doping law is the enforcement of these private contractual agreements.¹⁷⁸

The burden of proof required to show that there is a presence of doping in the athlete's biological sample lies at first with the prosecuting sports body bringing forth the accusation.¹⁷⁹ The athlete at this point only has the right to present contradicting evidence to defend against the possible positive test.¹⁸⁰ Since most doping allegations involve a positive test of an athlete, it is easy to assume that the burden is on that athlete to prove his or her innocence; however, every athlete is rewarded with a full presumption of innocence.¹⁸¹ Armstrong has evidenced this standard by showing the unreliability of the doping allegations against him and the lack of evidence of a positive test.

Next, as part of the process of showing evidence of a banned substance in the athlete's biological sample, the governing sports body must show that it followed strict and ethical procedures for gathering, storing, and processing the samples, something that Armstrong has exploited in defending against the various allegations levied against him.¹⁸² The standard of proof that the sports body is required to meet when proving this sample procedure is the "comfortable satisfaction standard";¹⁸³ this benchmark is essentially the equivalent of the "clear and convincing" standard used in U.S. courts. However, when the laboratory conducting the sample analysis is already accredited by WADA, that laboratory is presumed to have performed the analysis correctly under the governing standards.¹⁸⁴

Much like the Armstrong case, if there is a legitimate discrepancy between the standards required for the collection and analyzing of the biological samples, "the discrepancy must be reasonably considered to have affected the results of an otherwise valid test to influence the ultimate finding of a doping offense."¹⁸⁵ For example, a case arising out of the Olympic Games in Sydney showed that even though two forms referenced different amounts of the urine used in sample testing, the irregularity in the record showing the amount of urine used could not "reasonably be considered to have affected the results and therefore had no effect on the finding of a doping

offense.”¹⁸⁶ At this point, once the governing sports body has established that the athlete’s sample is evidence of a prohibited substance, the burden of proof shifts to the athlete to present exculpatory evidence.¹⁸⁷

ii. Implications of a Strict Liability Policy

The strict liability standard is considered a major element of anti-doping regulations, affirmed by WADA in its comment to Article 2.1.1.:

For purposes of anti-doping violations involving the presence of a Prohibited Substance (or its Metabolites or Markers), the Code adopts the rule of strict liability which is found in the [Olympic Movement Anti-Doping Code, predecessor to the WADC] and the vast majority of existing anti-doping rules. Under the strict liability principle, an anti-doping rule violation occurs whether or not the Athlete intentionally or unintentionally used a Prohibited Substance or was negligent or otherwise at fault.¹⁸⁸

There are two different consequences of a doping violation: disqualification from a particular competition and indefinite suspension from future competition.¹⁸⁹ If an athlete is found to have a presence of a banned substance during a competition, the disqualification is effective immediately in order to preserve the fairness of the competition.¹⁹⁰ However, an exception to the two consequences listed above exists if an athlete can prove that he or she was not at fault or there was an extraordinary circumstance, then the athlete may be subject to lesser sanctions at the discretion of the governing organization.¹⁹¹

The problem that the Armstrong case presents is that his doping violations have come after the competitions have ended, and therefore his opponents have had no say in the fairness of their competitions. If Armstrong were to have had the presence of enhanced amounts of EPO or other types of doping in his system, it makes no difference to his competitors whether Armstrong obtained the competitive advantage intentionally, negligently, or unbeknownst to him;¹⁹² all that matters to competing athletes is that they participated in a fair race where the best athlete prevailed. Additionally, since Armstrong has only been found guilty in the media’s point of view, the strict liability penalty has not been enforced against him.

The strict liability standard comes into play when an athlete’s biological sample, usually urine or blood, tests positive for the presence of a banned substance.¹⁹³ The obvious problem of the undetectability of genetic doping makes this standard somewhat irrelevant. However, if the presence of genetic doping becomes traceable, it will not matter how the banned substance entered the athlete’s body, because that athlete will be held strictly liable for

its presence alone. For example, the vastness and seriousness of WADA’s strict liability standard was evidenced in a case where a male athlete whose urine tested positive for a banned substance claimed his positive test was the result of sexual intercourse with a woman who took a medication containing the substance.¹⁹⁴ Even though a WADA laboratory was able to confirm the athlete’s story, he was still held to be strictly liable for having the steroid in his system.¹⁹⁵

Obviously this standard creates many problems for the future of competition, but some still argue its necessity in order to maintain a sense of integrity to the sports. Since intent is not an element of a doping offense, no regulatory body cares why Lance Armstrong or any other athlete decided to ingest the substance. However, the amount of supplements and over-the-counter products today make it rather easy for athletes to negligently ingest something. Still, proponents of the standard maintain the principle that preserving fair competition is supreme.¹⁹⁶

If the strict-liability standard was lessened to a case-by-case basis, the work that would require regulatory bodies to prove the intent of the athlete would make the uphill battle against doping even more difficult. For example, since Armstrong’s allegations are in the past, it would be almost impossible to prove his intent on a case-by-case basis. In fact, the strict liability standard might never have been more relevant since the rise of the undetectable use of genes as a form of doping. As mentioned above, athletes have a contractual duty to ethically compete in their respective sports. In order to maintain the integrity of the game, athletes should respect and abide by the strict liability standard by always being aware of prohibited substances. While some doping allegations produce unfair outcomes, the “sum of these injustices is minor in comparison to the overall inequity that would result from a standard lower than strict liability.”¹⁹⁷

Effectuating notice upon athletes is also extremely important in order to make sure they are aware of any developments to the list of prohibited substances. However, some anti-doping rules must be kept vague for the purpose of unpredictability, much like the case of genetic doping. For example, the “...and related substances” clause can be found at the end of the list of banned substances in each category (e.g., stimulants and anabolic agents).¹⁹⁸ Mainly, this provision ensures that an athlete cannot ingest a particular substance that has been modified to the point where it is no part of the banned substances list and, therefore, not prohibited.¹⁹⁹

Not one regulatory body disputes the powerful nature of such a permanent and undetectable doping substance like gene doping, but until Armstrong’s case it might have never been more necessary to include it as a banned substance. Much like it took the BALCO scandal to bring to the light the prominence of designer steroids,

Armstrong's case, while delayed in some respects, has finally displayed the urgency needed with regard to gene doping, as cycling might now never recover from the face of its sport officially being deemed a cheater. However, if Armstrong is finally deemed innocent, the future of cycling, which has been marred with doping allegations and violations, remains far more inconclusive.

iii. Implementing Suspensions

The effect of a potential suspension on an athlete is far more detrimental than a disqualification. "Unlike a disqualification, a suspension from future competition is based on some level of culpability of the accused athlete."²⁰⁰ While strict liability is the principle for the doping offense, WADA does loosen its standards if exceptional circumstances arise and "the Athlete can demonstrate that he or she was not a fault or significant fault."²⁰¹ In this situation, the athlete can have his or her sanction reduced, but still faces a potential disqualification.²⁰² This obviously leaves the question of what the athlete must show to meet this standard. Following the standards established by the WADA, "arbitrators have defined 'no fault or negligence' as occurring when the athlete could not, even with the exercise of the utmost caution, reasonably have suspected, that he [or she] had been administered a prohibited substance."²⁰³ Given the detailed circumstances surrounding the intent of Armstrong in his doping violations, this seems to be a major hurdle he probably will not be able to overcome.

For an athlete to show "no significant fault or liability," "he or she must establish that his or her negligence, when viewed in the totality of the circumstances, was not significant in relationship to the anti-doping rule violation."²⁰⁴ If an athlete fulfills this standard, he or she is eligible to have the imposed sanction reduced up to one half of the minimum period detailed in the rules.²⁰⁵ Regulatory bodies have held that it is not a valid excuse for athletes to assert that they were given medications, supplements, or other products by individuals who should have known better.²⁰⁶ Therefore, it is only the athlete's duty to maintain his or her body in a natural state, and keep it free from any banned substance.²⁰⁷

Moreover, arbitrators have found that a separate inquiry should be made to assess whether the punishment is proportional or not.²⁰⁸ Since Armstrong has not been found guilty of any doping violation, it is anything but pure speculation as to what punishment he would receive. This is made even more difficult, considering his allegations are so far in the past, that it would be tremendously difficult to determine when, if ever, he actually ingested any forms of gene doping. While some might argue that stripping Armstrong of his seven Tour de France titles is appropriate, it might only leave the sport in a further state of uncertainty.

iv. The Effect of Gene Doping on Anti-Doping Authorities

In order to have athletes follow their rules, anti-doping regulatory bodies must first follow their own rules and enforce them with a sense of integrity and clarity. The allegations against Armstrong are a prime example of how the anti-doping authorities have exceeded their jurisdiction in order to effectuate a sanction. As mentioned above, after a French sports newspaper obtained research done on Armstrong's urine samples in 1998, the newspaper printed the information that Armstrong had used EPO.²⁰⁹ "There was no suggestion that any proper chain-of-custody procedures had been followed, no evidence that proper specimen storage and handling had occurred, no B-sample to permit Armstrong the retesting rights that any accused athlete would normally have and no proof that the information was legitimate."²¹⁰ While the leak of information and laboratory's breach of anonymity of the research specimen alone were breaches of WADA standards, Richard Pound did not distance WADA from the scandal.²¹¹ Pound implied support for the accusations against Armstrong and did not criticize the lack of credibility surrounding the newspaper's tactics.²¹² The UCI condemned WADA for not following its own guidelines more strictly²¹³ and gave further evidence of the problem that the lack of information regarding to gene doping presents to athletes and regulatory authorities.

Additionally, the Landis trial raised more serious doubts about the testing procedures for gene doping. The trial record showed alarming amounts of bookkeeping abnormalities and errors by the French laboratory, with testing results that were incredibly inconsistent.²¹⁴ Under explicit USADA rules, "testing agencies are only required to produce records pertaining to specific tests performed on an athlete's own sample; they are not required to produce anything regarding the facility's general practices."²¹⁵ What might be the most telling is that the laboratory used in Landis' case was the same one used in the Armstrong case.²¹⁶

The case against Spanish rider Iban Mayo is no different. On July 24, 2007, during the second rest day of the Tour, Mayo tested positive for EPO and was suspended by his team until the release of his "B" samples arrived.²¹⁷ "Mayo's 'B' sample was tested in a different laboratory than his 'A' sample, which 'used a slightly different technique....'"²¹⁸ The results of the "B" sample in the WADA-accredited laboratory in Belgium were inconclusive, which was effectively deemed a negative result.²¹⁹ As a result, the Spanish national cycling federation would not allow any retesting of Mayo's "B" sample, since it would have subjected him to double jeopardy.²²⁰ Nevertheless, the UCI decided to retest the sample a third time and a positive result was returned.²²¹ The UCI refused to clear Mayo at that point and left him without a team and an uncertain future in cycling.²²² This outcome is extremely

representative of a flawed testing procedure and regulatory policy. The lack of uniform testing and technological awareness on the topic has left many athletes' careers motionless in the process.

Realizing its immediate imperfections, WADA revised the Code in 2007 to take full effect in 2009.²²³ For athletes like Armstrong, Mayo and Landis, the most important revision was that which reduced penalties for athletes who facilitate investigations against other athletes who are suspected to have used a banned substance, such as gene doping, or use a banned substance with no original intention of improving performance.²²⁴ Additionally, WADA hoped to increase efficiency by eliminating the lag time between testing for "A" samples and "B" samples.²²⁵ Nevertheless, the new Code took a much-needed harsher approach against first-time users that involved "aggravating circumstances."²²⁶

Athletes such as Armstrong must not only be able to rely on the credibility of the strict liability policy, but also those overseeing the anti-doping efforts against gene doping. Whether or not Armstrong did use gene doping and/or r-EPO as a form of performance-enhancement, he should not be saddled with a regulatory system riddled with ambiguity and inconclusive results. The uniform application of testing and rules on the use of gene doping is extremely necessary to maintain and improve upon the trust of competing athletes, sporting organizations and fans.

v. Intrusive Monitoring and the Biological Passport Program

As previously mentioned, the only current method for detecting gene doping is by the use of a muscle biopsy at the doping injection point, an extremely expensive and invasive procedure that will probably cause alarm and concern among athletes. However, the biological passport program presents a promising alternative for the detection of gene doping. The program came about in 2006 during the Winter Olympics in Italy when many athletes faced penalties for increased amounts of hemoglobin in their blood.²²⁷ In an urgent response, WADA and the UCI took proactive measures toward implementing a program that would establish baseline blood samples for cyclists.²²⁸ WADA's ultimate goal was to implement the program for all Olympic sports.²²⁹

The biological passport is an electronic database for an athlete that "consists of a personalized 'hematological and steroid profile.'"²³⁰ The program's purpose is to establish any deviation from baseline blood levels that will hopefully lead to better detection of gene doping. The athlete will be suspended when there are proven and detectable fluctuations in his or her blood sample.²³¹ The passport program also distinguishes the effects to an athlete for banned substances from the effects of undetected

drugs or changes in training regimens.²³² In addition to testing, riders involved in the program "are subject to a strict rider location program developed and administered by the WADA and dubbed the Anti-Doping Administration & Monitoring System (ADAMS)."²³³ Summarizing appropriately how the program will be effective, a French regulatory official stated, "The blood passport doesn't follow products, but the athlete."²³⁴ Hence, the biological passport program is the best-suited testing regime for gene doping. Assuming that monitored parameters are relatively stable and do not fluctuate normally, having athletes such as Armstrong and Landis submit their blood samples regularly to WADA and the UCI to be tested against their own baseline sample could be the most effective weapon in the fight against gene doping.

While the biological passport program provides intriguing opportunities for anti-doping authorities, the program also presents policy concerns. One issue is the statute of limitations argument surrounding blood samples taken from athletes. When should anti-doping authorities remove the samples from their databases? Should doping authorities let bygones be bygones and vindicate those whose samples were wrongfully tested or who were found to have tested positive for a banned substance? What about the exorbitant costs that will be needed to maintain such doping databases?

Currently, samples are frozen and kept for eight years, during which they may be retroactively analyzed if a new test is made available.²³⁵ WADA's statute of limitations for enforcing doping sanctions on an athlete who has used performance-enhancing drugs is also eight years.²³⁶ WADA's current eight year safeguard allows it to shelter the integrity of the sport while it furiously tries to find a way to effectively test for gene doping. With this standard, WADA can retroactively test an athlete's old sample in light of any new gene doping test under development. WADA should expect some athletes to argue that eight years is too lengthy, especially those that are out of the sport by the time their samples are retested. However, IOC president Jacques Rogge defended retroactive testing as a cornerstone for international drug testing, saying: "We hope that this will work as a strong deterrent and make athletes think twice before cheating."²³⁷

The storage and implementation costs needed to maintain and develop such a vast database will likely bring critics as well. Currently, the cost of gene doping testing and who will pay for it are unknown, although experts say that testing for EPO can cost more than \$300 per sample.²³⁸ If a valid test for gene doping is not developed by the 2012 Olympics, athletes and skeptics will criticize such high storage and maintenance costs in conjunction with a doping mechanism that has no useful test.

VI, Recommendations

a. WADA Must Institute a Clear, Broad, and Rigid Policy

Discrepancies and questionable actions on the part of anti-doping organizations and laboratories have severely undermined the battle against gene doping. While gene doping presents a very uncertain enemy to WADA and other anti-doping organizations, the policies implemented in regulating it cannot be just as ambiguous. The case of Lance Armstrong, while it may be the most renowned at the moment, is not the only proceeding against an accused athlete that has ended in a mess because of a lack of a credible policy, objective and reliable testing regime. Cases involving Mayo and Landis also emphasize crucial problems with the amount of credibility given to laboratories in proceedings against accused athletes. These popular examples are a good representation of the inconsistent outcomes in cases against athletes, due in part to a combination of lack of informed testing with regards to types of doping, and issues with anti-doping testing procedures in general. Other than the revisions in 2007, WADA has not done much to remedy these issues. One lawyer stated, "The rules [of the WADA] are designed to make it as easy as possible to convict an athlete."²³⁹ However, the ease of obtaining or the amount of convictions should not be the goal in anti-doping efforts.²⁴⁰

In order for WADA to avoid future "Lance Armstrong" situations involving EPO or another banned substance, WADA needs to be extremely proactive and relentless in improving its testing procedures, laboratories and Code provisions concerning gene doping. As seen by the growing number of EPO users and positive tests, gene doping has been in widespread use for some time now. Nevertheless, proper testing and a clear policy against the use of gene doping is nowhere in sight. While gene doping is on the WADA Prohibited List, an ethical policy for testing procedures and staying ahead of the uses available to athletes is sadly non-existent.

To begin, WADA and other federal regulatory agencies need to make the supply of genes used for doping a criminal action. By halting supply and instituting a behavioral aspect to the act of gene doping, WADA might be more successful in reaching possible dopers. However, some athletes might view the compliance with a criminal law against the use of gene doping as a huge competitive disadvantage, which runs the risk of athletes being left behind while others enhance themselves to be stronger and faster. Nevertheless, by taking a firm policy stance against gene doping, WADA could possibly halt the growth of this popular doping mechanism. Additionally, despite knowledge and awareness of steroids and other performance-enhancing drugs in sports, the majority of the general public is fairly in the dark about gene doping. In educating the public about the potential uses of gene doping and the regulatory stance against the practice,

WADA and other agencies can gauge the public's opinion and also possibly deter potential users. By informing the public about the side effects of gene doping and possible criminal sanctions alike to those for designer steroids, WADA could have a realistic opportunity to implement a clear and rigid policy against the use of gene doping.

Furthermore, WADA should amend the Code to allow for unbiased testing by independent laboratories. Considering the work-in-process that is genetic testing, WADA "should afford athletes a higher standard of due process and allow meaningful challenges to laboratory procedures, instead of presuming the athletes are guilty."²⁴¹ Each gene doping scandal in which WADA has been involved has found the organization bending its own rules in order to effectuate a witch-hunt against the athlete. This does nothing but undermine anti-doping efforts and the credibility of sports.²⁴² By instituting independent testing in addition to WADA-approved laboratories, WADA could restore its integrity in the eyes of fans, athletes and even the UCI. Moreover, once a reliable test is developed, independent laboratories could be instrumental in preventing a future legal mess similar to Armstrong's.

WADA could also rectify any future "Lance Armstrong" predicaments by offering to reimburse athletes for their legal counsel if they are vindicated.²⁴³ To date, athletes have borne the economic and personal effects of laboratory mistakes in their pursuit of perfecting genetic testing.²⁴⁴ The UCI could promote a policy effort by endorsing team anti-doping programs, which would allow even more control of athletes.²⁴⁵ However, the UCI should still maintain some control over the teams' testing regimes by possibly requiring teams to provide their results to UCI for an unbiased approval. In order to promote this effort, WADA should encourage UCI to suspend or disqualify teams who do not subject their riders to the UCI monitoring program.

b. Enhance Gene Doping Research, Technology, and Funding

i. Discriminate Gene Therapy from Gene Doping

A potential problem in gene doping cases like Armstrong's is in the use of therapeutic gene therapies, which allow injured athletes to receive treatments with banned substances by obtaining a Therapeutic Use Exemption (TUE) authorized by the anti-doping regulatory agency governing the competition.²⁴⁶ Once the treatment is completed on the injured athlete, he or she is able to resume competition.²⁴⁷ However, an interesting problem exists when a child undergoes gene therapy by the permission of a TUE, and then later develops athletic ability.²⁴⁸ Should that athlete be banned from entering international athletic competition for the TUE he or she received as a child?²⁴⁹ Similarly, is it possible that Armstrong could have been banned from competition due to the years of

cancer treatment he underwent, including the numerous cycles of therapeutic drugs?

As there is no current test for gene doping, any future tests employed will most likely not be able to distinguish between genetic therapy techniques or genetic enhancement. While gene therapy will most likely in all circumstances enhance the athlete's performance because of the rehabilitated muscle, WADA could potentially ban an athlete even though the athlete's intent is permissible under the strict liability standard. This result should make it clear that WADA has to correctively employ a test that accurately distinguishes the intention of the original treatment for the athlete. While anti-doping agencies have expressed the difficulty in distinguishing between both types of treatment, the need for a test distinguishing the athlete's intent is highly advantageous to maintaining the integrity of sport as the technology of gene therapy advances.

ii. Increase Funding for Possible New Testing Breakthrough

The market and demand for gene doping will most likely grow quicker than the knowledge of WADA and similar anti-doping agencies. While there is no proven available test for detecting gene doping, scientists in Germany recently said they have come up with a blood test that can provide the closest thing to conclusive proof of gene doping, with the ability to go back as far as 56 days from when the doping took place.²⁵⁰ Authorities have said that the testing needs to go through more scientific validation and could possibly be available for the 2012 Olympics.²⁵¹ Possibly is not good enough.

The anti-doping authorities should increase their research funding in light of this possible breakthrough in order to stay a step ahead of potential dopers and have an available testing procedure in place before the 2012 Olympics. While WADA funded \$2 million in research projects in order to devise a reliable gene doping test,²⁵² more funding is desperately needed in order to prove the reliability of the new possible test. As athletes and fans expect that anti-doping agencies will employ the most current scientific knowledge in their testing, funding should be made available in order to increase research efforts into the potential uses and detection of gene doping. Since the outcome of any scientific test would be significantly more dependable with new scientific research, the determination of an athlete's eligibility after a doping test requires diligence and funding in obtaining the most knowledge.²⁵³

Regarding the new possible test, WADA director general David Howman said, "It's not through markers, it's through actual detection. There's a significant difference there. Using the marker method is more a probability approach, whereas the method these researchers have come up with is stone cold dead, 100 percent."²⁵⁴ However, de-

tailed studies into highly sensitive detection strategies for gene doping have led scientists to the use of biosensors and biomarkers. WADA should still keep this approach in its arsenal. This technique involves monitoring specific secondary changes or biomarkers that arise as a result of transgene transfer and expression.²⁵⁵ The underlying theory is that "expression of the transgene as a result of gene doping activates signal transduction pathways ultimately leading to quantifiable changes in expression of other genes, their protein products, and downstream biochemical pathways and their metabolites."²⁵⁶

Researching these particular effects of gene manipulation and transfer provides "identification of a 'signature pattern' following manipulation of gene expression and ultimately may form the basis for designing detection methodologies."²⁵⁷ While WADA believes its new approach could be conclusive proof of gene doping detection, the use of biosensors and markers have been involved in prior testing and could be a reliable option for future gene doping testing.

iii. Privacy and Statute of Limitation Concerns

Due to the prolific and vast nature of the sports business, athletes already have diminished privacy expectations, and the biological passport program only "necessitates further intrusion into their already compromised private lives."²⁵⁸ However, in order for the biological passport program and other future testing procedures to work, there must be complete access to athletes' laboratory results and uniformity among the anti-doping authorities. While requiring athletes to participate in the program may bring criticism, more importantly, it brings credibility to the testing process and establishes baseline laboratory results that will only help restore a currently plagued and imperfect testing system.

Additionally, WADA should increase the current statute of limitations for keeping the thousands of samples tested in laboratories in order to preserve the integrity of international competition. Even though a reliable method for detecting gene doping might soon be available, the fate of prior world records and championships is far more inconclusive. While incredible competitors like Lance Armstrong established world records and titles, they also might have forever ruined the honor of their sports, no matter how long ago the victories occurred. Armstrong, and many other athletes who have been suspected of doping, are far removed from their sports at this point and no reliable method to test their samples exists.

Therefore, in order to prevent the statute of limitations clock from stopping soon, WADA should increase the statute in order to protect the possibility that a new testing procedure will allow it to retroactively test questioned champions like Armstrong. Furthermore, in order to preserve its own reliability and image, WADA should also implement a public relations campaign that vindi-

cates wrongfully accused athletes, like Armstrong, if their samples are ultimately proven to be clean.

VII. Conclusion

Much, if not all, of Lance Armstrong's fate has been speculatively and inconclusively decided in the media. This can most likely be attributed to the fact that since no reliable test can implicate Armstrong, information-starved media constituents, fans, journalists, and anti-doping authorities have decided to fill the void. However, international sport is too crucial to society, regulatory authorities, and the athletes, to have the fate of its athletes and competition decided by uncertain testing and conjecture. While many will argue that the book on Armstrong has been closed no matter what future tests reveal, the state of cycling and gene doping detection is anything but decided.

If anyone were to analyze the state of cycling and gene doping, in the past decade-long debacle of sanctioned and battered performance-enhancing athletes, it is a far stretch to wonder if Armstrong was that much more talented or if he was participating on a even playing field? Despite the fact that Armstrong has never failed a drug test and consistently disputes any doping claims against him, it is fairly easy to discredit him since most, if not all, of his competitors have been found to have used performance-enhancing drugs, like gene doping.

Nevertheless, Armstrong still has staunch supporters, like Bob Stapleton, co-owner of the rival HTC-Highroad team, who stated that Armstrong's career, his battle against cancer, and his inception of the Livestrong foundation "is a legacy wrapped more in good than bad."²⁵⁹ "I think the story is so extraordinary," Stapleton said, "that it is the results on the bike and with cancer that will be remembered 20 years from now. Whatever happens with the grand jury, it may call into question some of the magnitude of his athletic success but as an overall historical figure not much."²⁶⁰ Stapleton also argues that despite many public battles, Armstrong had respect from his peers, "He was just a beast on the bike, a ferocious competitor and if he proved unstoppable it was because he did the work to improve."²⁶¹ Stapleton's claims point out a real key in restoring or defining Armstrong's legacy: "doping or no doping, Armstrong won on an even playing field."²⁶²

Even if a new reliable testing method for gene doping is implemented soon, Armstrong's feats and controversies are far enough in the past that he might never be proven to have used performance-enhancing drugs. However, if statute of limitations concerns and increased funding towards a new possible test are taken seriously, Armstrong's case could finally be decided appropriately and set a precedent for future proceedings involving an athlete's decision to use gene doping as a way to enhance his or her athletic ability.

Armstrong's case is much more useful as a warning to anti-doping authorities of the problems they may face in trying to retroactively rectify their records books in light of new gene doping detection methods. More importantly, the ultimate mess of allegations that has resulted from the case against Armstrong might finally show the necessity of anti-doping authorities to desperately move forward with gene doping testing methods and research and preserve the past as it currently stands. However, that might be a question for a grand jury, WADA, or the media to answer—just ask Lance Armstrong.

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183. See N.J.Y.W. v. FINA, CAS 98/208, Award of 22 December 1998 (quoting Korneev and Ghouliev v. IOC) ("...ingredients must be established to the comfortable satisfaction of the Court having in mind the seriousness of the allegation which is made").
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203. *Id.* at 189.
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210. *Id.*
211. *Id.*
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249. *Id.*
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Unsafe Bid—The Online Caveat Emptor

An Argument for an International Convention Covering Internet Auction Fraud

By Julia Engel

As technology advances, it is often a challenge for law to keep pace with the new developments.¹ This has been the case for the online auction market, which, due to a lack of effective regulation, fails to protect its users from fraud. In addition, current protective measures in place only address issues on a national level, while ignoring the Internet's global reach, which highlights the need for an international approach. Hence, there is a need for an international convention that works towards the unification of laws across borders.

Internet auctions are the world's largest and fastest growing channel of commerce.² The top 18 auction websites have more than 130 million listings.³ Each day more than six million new listings are posted on eBay, the most popular auction website.⁴ The process of participating in an online auction is very straightforward. Sellers and buyers register with the auction site and pay transaction fees in addition to an initial participation fee. Online auctions begin with a seller posting items and continue with subsequent bids from prospective buyers. After a prescribed period of time has passed, the highest bidder on the website wins and the seller and buyer usually agree through email about the terms of payment and delivery. Traditionally, the seller sends the merchandise to the buyer after having received payment. Online auction sites, such as eBay, however, are removed from responsibility in the transaction since they neither take physical possession of goods nor supervise terms of payment and delivery.⁵

The loose oversight of this process allows for various types of fraud to emerge. The seller can post fake or illegally obtained goods. A seller can also, upon receipt of payment, deliver a good of lesser quality or not deliver at all. The buyer can use stolen credit cards, bounced checks or other techniques to receive the goods without proper payment.⁶ Additionally, the buyer or seller could commit additional fraud through the use of fake online escrow services. Traditional escrow services prevent fraud by acting as a secure third party, which holds the money for the seller until the buyer inspects and confirms the quality of the item. However, buyers and sellers can exploit this intermediate process and disappear with the money or merchandise through the use of a fraudulent escrow service.⁷ As proof of the severity of the issue, Internet auction fraud is always in the top of Internet Crime Complaints.⁸

The online auction industry is not ignorant to the negative impact of fraud on its business through possible

decreases in user participation.⁹ Accordingly, there are a number of self-regulation solutions against fraud. eBay is probably the best example of a company creating proactive initiatives to protect users. The company has been implementing various "Trust and Safety Programs," the first being a feedback system, where users could rate each other.¹⁰ Further, eBay enacted the Verified Rights Owner Program that allows retailers to notify it if counterfeit or unlawful merchandise is sold on the auction website, in which case eBay will remove the listing.¹¹ Due to increasing concerns, eBay made its Selling Practices Policy stricter and announced the eBay Buyer Protection Program, which reimburses the full purchase price to the buyer in the event of fraud.¹² However, only users who purchase via the U.S. website are eligible for this protection. In addition to various exclusions, eBay also reserves the right to refuse the reimbursement service at its discretion.¹³ Essentially, all of those approaches are based on voluntary participation and on an *ex post facto* approach,¹⁴ where victims of fraud are helped, but fraud is not prevented. Most importantly, the existing procedures and protections fail to address the international nature of online auction fraud. eBay currently operates in 22 countries in Asia, Europe and North America. It has hundreds of millions of registered users globally, out of which 90 million participate actively, and its total worth of goods sold amounted to approximately \$60 billion.¹⁵

Although other smaller market players do not have the resources and capabilities to implement similar programs, there are some solutions and other initiatives to prevent fraud that can be used. For example, an online Trustmark seal on a user's account symbolizes that the user is reputable or that his or her identity has been confirmed.¹⁶ In addition, some companies outsource automated fraud detection software, which scans their databases for fraud patterns and compares them to reported fraud schemes. Unfortunately, however, many users are unaware about Trustmark seals and automated software often fails to catch new and creative fraudulent activities.¹⁷ Therefore, the self-regulation undertakings of all players in the industry fall short of what is necessary both domestically and internationally.

However, since there is no legal framework in place that covers online auction fraud, many victims refrain from taking legal action.¹⁸ Online auction houses cannot be sued because they are allowed legal abdication from responsibility.¹⁹ In addition, Internet auction websites

are not classified as auction houses, but as “Interactive Service Providers” (ISPs).²⁰ Under the Communications Decency Act,²¹ ISPs are protected from certain liability for material originating from third parties’ postings on their service sites.²² Fraud victims are limited to litigating the other party to the transaction, yet this legal expense may cost more than the loss incurred in the sale. Furthermore, lawmakers embrace a policy akin to *caveat emptor*,²³ which has been in place for years and therefore is seen as sufficient. Accordingly, laws that are designed for other jurisprudential landscapes²⁴ are being used to address Internet auction fraud.²⁵ In most cases, the Uniform Commercial Code or mail and wire fraud laws are applied.²⁶ Yet it is not possible to sue for breach of contract over a sale on auction websites.²⁷ Since there is no law governing Internet trade fraud, fraud victims do not have legally valid recourse.

One option for fraud victims is to contact trade organizations, which have for years tried to monitor online auctions and provide legal advice. For example, consumer groups like the National Fraud Information Center,²⁸ the National Consumers League,²⁹ and the Better Business Bureau Online³⁰ track auction fraud developments and present tips to avoid common schemes. In addition, for-profit online dispute resolution (ODR) enterprises that specialize in Internet issues have emerged.³¹ Governmental organizations go even a step further and try to track down defrauders. The Department of Justice created the Internet Fraud Initiative to prosecute Internet fraud.³² The Internet Crime Complaint Center, a special partnership among various legal entities, offers cyber-crime victims the possibility to report Internet crimes and alert the authorities.³³ It releases annual reports with data about the complaints received. The FBI also works closely with the Internet Crime Complaint Center to stop defrauders.³⁴ As a result, the first federal prison sentence resulting from Internet auction fraud occurred in 1999, when Robert J. Guest exploited people on eBay by never delivering bid-upon goods.³⁵ The government sued him and he was found guilty of mail fraud.³⁶

However, the most notable organization to deal with the issue has been the Federal Trade Commission (FTC). The FTC fiercely tries to fight Internet auction fraud through education training and law enforcement.³⁷ For educational purposes, the FTC published a guide for buyers and sellers about Internet auctions. The organization also created OnGuard Online, a free training program designed to assist individuals against auction fraud.³⁸ Moreover, the FTC Consumer Sentinel fraud database collects consumer complaints and disseminates them to law enforcement organizations.³⁹ The FTC even sues defrauders directly. Its first case dates back to 1998, when Craig Lee Hare⁴⁰ was sued for violating the FTC Act and the Mail or Telephone order Merchandise Rule,⁴¹ because he accepted payment and never delivered goods. He was found guilty of wire fraud.⁴² Yet all of those efforts are not

proactive or preventive, since they respond to fraud after it has already been committed.

There is a real need for an international solution, as there are large inconsistencies in the decisions of online auction fraud cases, depending on in which country the trial is held. While the United States believes in economic self-regulation, the European Union wants to protect the consumer through stricter state-imposed regulations.⁴³ The contradictory decisions reached in lawsuits brought against eBay in the United States and Europe exemplify this conflicting ideology.⁴⁴ In the 2004 case *Tiffany & Co. v. eBay Inc.*⁴⁵ the jewelry company claimed that eBay should be held liable for trademark infringement through the sale of counterfeit goods on its website. The company wanted the auction site to police listings preemptively and not solely rely on notifications received from Tiffany & Co. Yet eBay was acquitted of all charges, including for contributory liability in its duty to prevent fraud.⁴⁶ Contrary to this, in 2006 in France, the case *Moët Hennessy Louis Vuitton v. eBay Inc.*⁴⁷ was a notable defeat for eBay. Moët Hennessy Louis Vuitton (LVMH) claimed that the Internet auction site was liable for both the sale of counterfeit goods advertised as LVMH products and the illegal sale of its originals.⁴⁸ Further, it was claimed that eBay did not establish enough mechanisms to prevent fraud.⁴⁹ The court’s decision ordered eBay to pay LVMH 38.6 million Euros in damages.⁵⁰ These starkly different decisions reached in different countries serve as evidence for the growing need for international unification on auction regulations.

As the current efforts are not effective enough and ignore the international aspects of Internet auction transactions, buyers and sellers worldwide would benefit from an international convention.⁵¹ An effective agency for instituting this convention would be the United Nations Commission on International Trade Law (UNCITRAL), which establishes conventions in order to unify trade law through legal obligations.⁵² It should propose a Convention for Internet Fraud Prevention, with the purpose of setting uniform online auction fraud regulations. These new regulations must then be implemented in the existing auction websites and serve as the standard for new entrants. Each website should be required to educate its users about the danger of fraud. Furthermore, each company has to establish mandatory fraud prevention efforts which include identity and credit verification for sellers and buyers, a free in-house escrow system or a partner escrow system, and the possibility to purchase insurance in case of fraud. As an added layer of security, only one username per party should be allowed and the online auction house would be required to keep records of its users’ histories. Fraud detection software has to become mandatory. Online auction houses also have to invest into research for new ideas to fight Internet auction fraud, for example, by using social network analyses to locate groups of potential fraudsters.⁵³ Finally, online auction

houses must accept further responsibility and be held financially liable if they do not fulfill their due diligence to educate customers and prevent fraud. "Unless and until the online auction sites are held financially responsible for fraud on their sites, they have no real incentive to clean up fraud beyond the minimum necessary to ensure a customer base using their sites' services."⁵⁴ This way the UNCITRAL convention will finally establish a global solution to assure users' protection from Internet auction fraud.

Given that the current efforts by the U.S. government and the self-regulation of the industry prove ineffective in globally protecting users from Internet auction fraud, an international convention is required. This convention will provide a unified basis to prevent fraud through imperative consumer education, mandatory fraud prevention, research efforts and financial liability of auction websites. The law needs to keep pace with new technologies and their widening reach, or else its outdated structure will do more harm than good.

Endnotes

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3. Power Sellers Unite, Auction Site Count, <http://www.powerseller-sunite.com/auctionsitewatch.php> (last visited February 24, 2011).
4. MARSHA COLLIER, *eBAY FOR DUMMIES* 313 (Wiley Publishing Inc., 5th ed. 2006).
5. DIANE ROWALD, *INFORMATION TECHNOLOGY* 427 (Psychology Press, 3rd ed., 2005).
6. Internet Auction, OnGuard Online, <http://www.ogoleng.org/topics/internet-auctions.aspx>. Those are just the major examples of fraud. In other cases, the buyer can engage in bid shielding, where he or she uses fake high bids to scare off other bidders and then retracts them to buy the good at a lower price. In the "buy and switch" fraud, the buyer receives a good and then sends a fake back for a refund from the seller. The seller can also engage in bid shilling, which involves fake bids to raise the price higher. Furthermore, the seller can add fake fees for shipping and raise the price.
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10. eBay, Feedback Forum, <http://pages.ebay.com/services/forum/feedback.html>.
11. eBay, eBay Buyer Protection, <http://pages.ebay.com/help/policies/buyer-protection.html>.
12. eBay, eBay Buyer Protection, <http://pages.ebay.com/coverage/index.html>.
13. See eBay, *supra* note 10.
14. BLACK'S LAW DICTIONARY 620 (8th ed. 2004). An ex post facto approach means literally "after the fact." This is a retroactive approach, which leads to activity once the crime has happened.
15. eBay, Who We Are, <http://www.ebayinc.com/page/who>.
16. Computer Crime Research Center, *E-Commerce and Internet Auction Fraud: The E-Bay Community Model*, <http://www.crime-research.org/articles/Wahab1/3>.
17. See Computer Crime Research Center *supra* note 14; See also Rachel Konrad, *eBay touts anti-fraud software's might*, CNET News <http://news.cnet.com/2100-1017-932874.html>. eBay's created its own software called Fraud automated detection engine (FADE).
18. Miriam R. Albert, *E-buyer Beware: Why online auction fraud should be regulated*, 39 *AM. BUS. L.J.*, 575-576 (Summer 2002).
19. See HOSSEIN BIDGOLI, *THE INTERNET ENCYCLOPEDIA* 332 (John Wiley and Sons, 2004). See also eBay, *Your User Agreement*, <http://pages.ebay.com/help/policies/user-agreement.html>. "You will not hold eBay responsible for other users' content, actions or inactions, items they list or their destruction of allegedly fake items. You acknowledge that we are not a traditional auctioneer. We are not involved in the actual transaction between buyers and sellers. We do not transfer legal ownership of items from the seller to the buyer. California Commercial Code § 2401(2) and Uniform Commercial Code § 2-401(2) applies to the transfer of ownership between the buyer and the seller, unless the buyer and the seller agree otherwise. We have no control over and do not guarantee the quality, safety or legality of items advertised, the truth or accuracy of users' content or listings, the ability of sellers to sell items, the ability of buyers to pay for items, or that a buyer or seller will actually complete a transaction or return an item."
20. There have been laws passed for the protection of the service providers, but not their users. Digital Millennium Copyright Act (DMCA), 7 U.S.C. §§ 512, 1201-1205, 1301-1332; 28 U.S.C. § 4001 (1998). Passed in 1998, the DMCA exempts Internet Service Providers from both indirect and direct liability for copyright issues arising because of their platform. Copyright Directive 2001/29/EC Arts. 47(2), 55 & 95. Since the equivalent of the European Union's Copyright Directive of 2001 did not address this issue, the separate Electronic Commerce Directive was created. The United Nations Convention on Contracts for the International Sale of Goods evaluates the formation of international contracts, the responsibilities of the parties involved and the remedies in case of breach of contract. UNCITRAL Model Law on Economic Commerce, A/51/162 (June 12, 1996). The United Nations Commission on International Trade Law Model Law on E-commerce has been more concentrated on advancing electronic commerce by making electronic contracts and signatures binding than to codify law in order to regulate e-commerce.
21. Communications Decency Act, 47 U.S.C. § 230 (1996). This Section does not, however, include protection against liability for federal criminal acts and intellectual property infringements.
22. Gentry v. eBay, Inc., 99 Cal.App.4th 816 (2002). In 2002, the Internet auction house was not found liable for the sale of fake sports memorabilia to the plaintiff. The reasoning behind this decision lay in the belief that eBay was not a traditional auction house, but rather an "interactive service provider." Under the Communications Decency Act, see *supra* note 21, interactive service providers were not liable for material originating from third parties' postings on their service site. See Randall Stoner v. Ebay Inc., et al., 2000 WL 1705637, Civ. No. 305666 (Sup. Ct. Ca., 2000). The same ruling was used for the decision in Randall Stoner v. eBay Inc. two years prior. The Internet auction site was not held liable for the posting of

- bootleg recordings and illegal recordings of live performances on its auction site.
23. BLACK'S LAW DICTIONARY 236 (8th ed. 2004). The doctrine of Caveat Emptor in common law means that the buyer buys at his/her/its own risk.
 24. See Albert, *supra* note 18, at 603.
 25. See generally Counterfeit Access Device and Computer Fraud and Abuse Act, P.L. 98-473, 98 Stat. 2190 (1984). The Counterfeit Access Device and Computer Fraud and Abuse Law was the very first piece of legislation to address computer-based abuse. It allowed for prosecution of fraud related to computers. Yet the law became quickly outdated and did not encompass Internet fraud, since the Internet did not become public until 1989. See also National Information Infrastructure Protection Act, 18 U.S.C. § 1030 (1996). The National Information Infrastructure Protection Act (a new version of the Computer Fraud and Abuse Act from 1986) only covered the illegal access of information or transmission of malicious software.
 26. BLACK'S LAW DICTIONARY 687, 1565 (8th ed. 2004). The Uniform Commercial Code governs sales. Mail fraud is a federal offense that involves the usage of the postal system any time during the activity of the fraud. Under 18 U.S.C. §1343 (2010) wire fraud is a federal crime, which involves electronic communications used for fraudulent activity.
 27. GEORGE B. DELTA & JEFFREY H. MATSUURA, LAW OF THE INTERNET 3-16.2 (Aspen Publishers Online, 2002).
 28. National Consumer's League Fraud Center, <http://www.fraud.org>.
 29. National Consumer's League, <http://www.nclnet.org>.
 30. Better Business Bureau Online, <http://www.bbb.org/online>.
 31. E. KATSH, & J. RIFKIN, J., ONLINE DISPUTE RESOLUTION: RESOLVING CONFLICTS IN CYBERSPACE 9 (San Francisco: Jossey-Bass 2001).
 32. United States Department of Justice, *Attorney General Statement regarding the Internet Fraud Complaint Center*, <http://www.justice.gov/opa/pr/2000/May/254ag.htm>.
 33. Internet Crime Complaint Center, <http://www.ic3.gov/default.aspx>.
 34. Federal Bureau of Investigation, Internet Fraud, http://www.fbi.gov/scams-safety/fraud/internet_fraud.
 35. Federal Trade Commission, *Going, Going, Gone...Law Enforcement Efforts to Combat Internet Auction Fraud*, <http://www.ftc.gov/bcp/reports/int-auction.htm>. It is important to note that no other data about this case could be found other than that was provided by the FTC. Therefore, this citation is incomplete.
 36. See BLACK'S LAW DICTIONARY, *supra* note 26.
 37. Federal Trade Commission, *supra* note 7. The FTC introduced the Operation BidderBeware and Project Safebid, initiatives to advocate its efforts in education, training and law enforcement.
 38. See OnGuard Online, *supra* note 6.
 39. Consumer Sentinel Network, *FTC's Consumer Sentinel Network*, <https://www.sentinel.gov>.
 40. FTC v. Hare, Civil No. 98-8194 CIV HURLEY (M.D.Fla. March 30, 1998).
 41. Federal Trade Commission Act, 15 U.S.C.A. § 41-58. (1914). The FTC Act prohibits unfair methods of competition and unfair or deceptive acts or practices. The FTC was established in 1914 to enforce the FTC Act.
 42. See BLACK'S LAW DICTIONARY, *supra* note 26.
 43. Sylvia Mercado Kierkegaard, *E-Contract Formation: U.S. and EU Perspectives*, 3 SHIDLER J. L. COM. & TECH. 12 (Feb. 14, 2007).
 44. JANE K. WINN & BENJAMIN WRIGHT, THE LAW OF ELECTRONIC COMMERCE 5-70 (Aspen Publishers Online, 2001).
 45. Tiffany Inc. v. eBay Inc., 600 F.3d 93 (2nd. Cir. 2010).
 46. eBay was also found innocent in terms of direct infringement, trademark dilution and false advertising on remand.
 47. *Louis Vuitton Malletier v. eBay, Inc.*, Tribunal de Commerce de Paris (Commercial Court of Paris) (June 30, 2008).
 48. *Id.*
 49. *Id.*
 50. *Id.* This amounts to \$61 million. Just two months before, eBay lost a similar case against the handbag company Hermes and was ordered to pay 20,000 Euros. eBay also lost to L'Oreal, *EBay May Be Liable in L'Oreal Trademark Suit*, *EU Court Says*, Bloomberg News, <http://www.bloomberg.com/news/2011-07-12/ebay-may-be-liable-in-l-oreal-trademark-suit-eu-court-says-1.html> <http://www.nytimes.com/2011/07/13/business/global/ebay-suffers-setback-on-trademark-infringement.html>.
 51. See BLACK'S LAW DICTIONARY *supra* note 26 at 355 (8th ed. 2004). The reason a convention is better than a treaty, is that it is easier to be instituted and entered by many nations. Vienna Convention on the law of treaties, May 23, 1969. A "treaty" means an international agreement concluded between States in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments and whatever its particular designation. An international treaty has to be proposed by a state and needs to be signed by state representatives; the head of state, the head of the government or the minister of Foreign Affairs. The treaty needs to be registered with the secretariat of the United Nations. An open multilateral treaty could be proposed, which however should become universal. There are many requirements for treaty entrance. The treaty has to be entered with free consent and good faith. Furthermore, the treaty is binding, but only to the parties (*pacta sunt servanda*); a fundamental change of circumstances jeopardizes the treaty (*omnia conventio intelligitur rebus sic stantibus*) and it is better to seek maintenance than termination of a treaty (*favor contractus*).
 52. United Nations Commission on International Trade Law (<http://www.uncitral.org/uncitral/en/index.html>). The UNCITRAL is the main legal body for the U.N. in the field of international trade law. It has been reforming the international commercial law for the past 40 years. By creating conventions, model laws and rules, the UNCITRAL tries to modernize and harmonize laws worldwide. Its working Group IV concentrates on electronic commerce. Through an international meeting of representatives from many nations an agreement is created to take actions against a specific issue. The main difference from a treaty lies in the fact that states must deposit instruments of ratification or accession in order to become a party of the convention. The reason is that the pure signature of the convention is not binding.
 53. CHRISTOPHER C. YANG, DANIEL ZENG & MICHAEL CHAU, INTELLIGENCE AND SECURITY INFORMATICS 240 (Springer 2007). Social network analytics study the exchange of information and resources between users in online networks or platforms. It is possible to establish patterns in relationships and interactions.
 54. See Albert, *supra* note 18, at 602.

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More Than Just a Game: Former Players' Suits Against the NCAA and Electronic Arts Could Have Serious Consequences

By Joseph M. Hanna

Although Doug Flutie's 1984 Hail Mary pass to secure a last-second victory for Boston College over the University of Miami continues to receive widespread television play as one of the greatest moments in college sports, neither Flutie nor any of the other student-athletes on the field have received payment for the use of the footage. That is just part of life as a student-athlete. Yet former UCLA basketball star Ed O'Bannon and former Arizona State and University of Nebraska quarterback Sam Keller aim to change that—and if they succeed, their efforts could have a similarly game-changing effect for athletes in the big business world of collegiate sports.

In consolidated suits pending in the U.S. District Court for the Northern District of California¹ and currently on appeal to the Ninth Circuit,² O'Bannon and Keller argue that the National Collegiate Athletic Association (NCAA) and its licensees, including video game producer Electronic Arts Inc. (EA), have infringed upon student-athletes' right of publicity by requiring all student-athletes to forever relinquish all future rights in the NCAA's licensing of their likenesses as a condition of participating in college sports.

While the lawsuit specifically addresses the use of student-athletes' likenesses, it promises to have broad implications for sports and other entertainment industries in defining the limits of the right of publicity and the degree to which the First Amendment affords protection against such claims.

Right of Publicity

The right of publicity generally prohibits appropriating a person's name or likeness for commercial gain without that person's consent. The right bears certain parallels to trademark law by preventing customer confusion regarding a person's association with commercial goods or services.

A person's "likeness" is an intangible asset that is broader than a literal image of the person and can extend to other aspects associated with that person. For example, in one of the more notable right of publicity cases, Woody Allen successfully brought suit against a video chain whose advertising featured a Woody Allen celebrity lookalike claiming to be a satisfied customer.³ In another case, a professional race car driver brought a successful right of publicity claim, where the defendant's cigarette advertising featured an image of a race car with remarkably similar pin striping and coloring to the driver's and, thus, implied that the plaintiff endorsed the cigarettes.⁴

NCAA Student-Athlete Name and Likeness Litigation

NCAA-licensed products, such as commemorative DVD sets or EA Sports video games, are part of a multi-billion-dollar industry generated from uncompensated student-athletes. Footage of college championship games or memorable plays is often used decades after the events, whether in commercials or ESPN replays.

O'Bannon and Keller argue that students are in essence forced to sign away their likenesses and that the NCAA thereby unfairly capitalizes off of the student-athletes, even after the students have left their colleges or universities.⁵ To be eligible to play college sports, student-athletes must sign certain authorizations, such as Form 08-3a, which authorizes the NCAA "to use your name or picture to generally promote NCAA championships or other NCAA events, activities or programs."⁶ Based on the players' execution of such documents, the NCAA claims entitlement to license uses of the student-athletes' images in perpetuity without offering them compensation.

At least theoretically, the NCAA's amateurism rules, however, seek to avoid commercially exploiting an individual student-athlete's likeness. Specifically, NCAA Bylaw 12.5 prohibits commercial licensing of a student-athlete's "name, picture or likeness."

Whether the NCAA follows this Bylaw is open to debate. For example, in licenses granted to EA, the maker of the popular EA Sports video games, EA is given free rein to feature virtual players with undeniable resemblances to their real life student-athlete counterparts, though without using actual names. The virtual players feature the same jersey numbers, heights, weights, home states, playing styles, and even highly individual traits, like tattoos, as the actual student-athletes.

The plaintiffs argue that there can be no mistaking that the virtual players feature the likenesses of the real-life student-athletes and that EA intentionally violates not only the spirit of the NCAA's amateurism rule, but also its unambiguous terms, since video game players can download rosters to assign the real student-athlete's names and personal information to their virtual personas.⁷ EA also contracts with the in-game play-by-play announcers so that the actual student-athletes' names will be spoken after the roster download.⁸

First Amendment Defense

EA counters that its use of the players' likenesses is protected speech under the First Amendment, specifically that its use of the players' likenesses is constitutionally protected as "transformative." Under the transformative use test, courts consider whether a product containing a person's likeness is so transformed that it has become primarily the defendant's own expression rather than the person's likeness.

In denying EA's motion to dismiss, the district court looked to the video games' depictions of the individual student-athletes and noted that the games depicted the virtual players as close to their real-life counterparts as possible.⁹ The court concluded that this was not sufficiently transformative to provide a First Amendment defense as a matter of law.¹⁰

EA argued before the Ninth Circuit that the district court should have looked at the video game "as a whole" to see that it contained enough creative elements to be considered transformative. It also argued on appeal that the district court's application of the transformative-use test, by looking at the individual depictions of the student-athletes as opposed to the work as a whole, would, if affirmed, have widespread repercussions on the use of famous persons' likenesses in other entertainment. Specifically, the game maker noted that if courts looked solely to the individual depiction of those persons, as opposed to the works as a whole, the transformative use test would afford no protection to widely popular works of historical fiction, such as *Forrest Gump* or *The Social Network*.¹¹

Additionally, EA argues that the Ninth Circuit should adopt the more stringent *Rogers* test applied by the Second Circuit in determining whether the First Amendment affords protection against right of publicity claims. Under the *Rogers* test, the First Amendment provides protection unless the use of the person's likeness "is wholly unrelated" to the content of the work or was "simply a disguised advertisement for the sale of goods."¹²

While the plaintiffs contest EA's interpretation of the First Amendment, they also argue that the Ninth Circuit need not address the constitutional issue because EA contractually waived its First Amendment rights. The plaintiffs point to EA's licensing agreement, which, consistent with NCAA Bylaw 12.5, prohibits "the use of NCAA athlete names and/or likenesses in NCAA branded video games."¹³ The plaintiffs argue that after having entered in such a licensing agreement, EA cannot now turn to the First Amendment to "recapture surrendered rights."¹⁴

A Potential Game Changer

An NCAA loss in the O'Bannon/Keller litigation could essentially mandate payment to student-athletes. Footage of plays like "Flutie's Miracle" in Miami, or former Duke basketball star Christian Laettner's three-point

buzzer-beater in 1992, have been repeatedly recycled for commercial use for decades without payment to the players, such that any damages could be huge.

Additionally, a victory by O'Bannon and Keller would pose many practical questions: Would Carmelo Anthony-like star players be entitled to greater compensation than other players on their college teams, or would compensation be equal? If student-athletes are entitled to damages, to what extent is the NCAA or its licensees on the hook? Are individual colleges, which indirectly receive much of the licensing fees collected by the NCAA, liable to their student-athletes and, if so, how will colleges afford to cover those damages?

Alternatively, if the defendants prevail in their argument that the use of the student-athletes' likenesses is transformative, this would cast doubt on the need for EA to secure expensive licenses for the depiction of professional players in games such as NBA Live or Tiger Woods PGA Tour. Currently, EA pays large sums to secure licenses to feature professional players' likenesses and such players have a vested financial interest in the current arrangement. Indeed, several of the professional players' associations have submitted a joint amicus brief supporting the plaintiffs in the NCAA action.¹⁵

The full extent of this case's potential repercussions remains to be seen, but one thing is for sure—its legal and economic impacts could be significant and far-reaching.

Endnotes

1. (09-cv-01967).
2. (10-15387).
3. *Allen v. NAT'L Video, Inc.*, 610 F.Supp. 612 (1985).
4. *Motschhenbacher v. R.J. Tobacco Co.*, 498 F.2d 821 (1974).
5. *O'Bannon v. NAT'L Coll. Athletic Ass'n*, 2010 WL 445190 (Feb. 8, 2010); *Keller v. Electronic Arts, Inc., et al.*, 2010 U.S. Dist. LEXIS 10719 (Feb. 8, 2010).
6. National Collegiate Athletic Association [NCAA] Bylaw No. 12.5.
7. *Keller*, *supra* at *6.
8. *Id.*
9. *Id.* at *16.
10. *Id.* at *18.
11. Defendant-Appellant's Opening Brief, p. 3, U.S. Court of Appeals, 9th Cir., No. 10-15387.
12. *Id.*
13. Appellee's Brief, p. 8, U.S. Court of Appeals, 9th Cir., No. 10-15387.
14. *Id.* at p.19.
15. *Keller v. Electronic Arts, Inc.*, U.S. Court of Appeals, 9th Cir., No. 10-15387.

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Legal Issues in Conserving Contemporary Art

By Cristina Biaggi

"Collecting art is such a great thing. Not everything that you pay money for will be there for centuries to come."¹

Donald L. Bryant Jr.—one of New York's most prominent art collectors—recalls an inherent characteristic of art: the assumption and expectation that art is made to last for eternity. What it takes to preserve a work of art is easily forgotten or simply taken for granted.² The average museum visitor is not aware of the amount of effort and specialized attention given to a work of art. Conservators have one of the most difficult tasks in the art world. The profession is a complex activity, which involves a high level of responsibility, expertise and skill.³ When it comes to the conservation of contemporary art, the challenges conservators face are even greater. Contemporary art brings with it a wide range of specific problems. For example, many artists use unusual and unconventional materials that were initially not intended to be used for art works. Chocolate, latex, rubber and organic materials like insects, are just a few examples. Although these materials have inherent issues with their longevity, the conservator is still required to find ways to make them last in perpetuity. Further, many artists see change and decay as part of their intention for their works. How can the artist's intent be reconciled with the conservator's duty to preserve what is considered cultural property?

"There is still no body of law governing the profession of art conservation."

From a legal perspective, conservators can face several problems when trying to conserve and preserve contemporary art works. There is still no body of law governing the profession of art conservation. Creating a system of licensing or accreditation, and certain legally enforceable professional standards to monitor the activities of art conservation, seems appropriate and plausible.⁴ A number of individuals and institutions have addressed the need for governmental regulation of conservation.⁵ Most of these see legislation as a way to protect fine art from the bad judgment of art conservators and would ensure that works of art are not damaged by them.⁶ It is important not to forget to view this issue from the perspective of the conservators as well, and especially the conservators of contemporary art. If a conservation statute should be enacted, the specific difficulties and problems regarding contemporary art must be considered and included.

Moral rights are the main concern conservators should bear in mind when working with works by contemporary artists. In the United States, as well as in Europe, creators of works of art are granted with moral

rights that are intended to protect the bond between an artist and his or her work. These rights are based on copyright law, which is automatically awarded to the creator of an original work.⁷ Copyright law is based on economic purposes with the intent of protecting the creators from unauthorized use of their inventions and creations. Moral rights are concerned with the protection of the integrity of the artist and his or her artistic intent.⁸ In 1990, Congress passed the Visual Artists Right Act (VARA),⁹ granting new rights to U.S. artists. These rights include the "right of attribution," which gives artists the right to be identified with their works and the "right of integrity,"¹⁰ which assures artists the right to protect their works from modification and destruction.¹¹ Full moral rights last for the life of the artist.¹² VARA only applies to artists, and not to collectors, dealers or museums. Although VARA applies only to a rather narrow scope of works, it is often exactly these works that require conservation, namely "works of recognized stature" and works created by renowned artists.¹³ Under VARA, the modification of a work of art resulting from conservation is not considered a mutilation or destruction unless the modification is caused by "gross negligence."¹⁴ This provision, however, should not lead to the assumption that an artist cannot invoke his or her integrity right against a conservator. Under tort law, a person is considered to have been "negligent" when he or she has "failed to exercise the degree of care that someone of ordinary prudence would have exercised in the same circumstances."¹⁵ "Gross negligence" refers to a person who has fallen very far below the ordinary standard of care that one can expect.¹⁶ When this person with the duty of care is a professional in his or her field, the standard for duty of care is higher than for an average person.¹⁷ Therefore, if an artist can show that his or her work was harmed by the conservator's negligent act, he or she can file a claim for damages to integrity. One example of such an allegation of gross negligence occurred in *Flack v. Friends of Queen Catherine, Inc.*¹⁸ In this case, the artist Audrey Flack claimed that the defendants had acted in a grossly negligent manner when they hired an assistant to restore a part of her sculpture. Flack argued that the result was "a grossly negligent or intentional modification within the meaning of VARA."¹⁹ The court found her allegation sufficient to deny the defendants' motion to dismiss.²⁰ The case was ultimately settled.

An artist can further deny the attribution of an altered work and the conservator could be held responsible for the resulting negative economic effect this has for the creator.²¹ It is not easy to distinguish between what is "dis-

tortion,” “mutilation” and “other modification,” but if an artist rejects any alterations to his or her work and there is a serious harm caused to the piece, even if done so by a conservator, the artist can claim damages or ask that the work be restored to its original state.²² There have not been many cases in which an artist invoked his or her integrity rights to a conservator. If this does arise, however, the court has to make a decision by weighing the interests of both parties against each other.²³ In short, a conservator can violate the artist’s moral rights if the conservation, intentionally or by being grossly negligent, modifies or damages a work of recognized stature and in a way that causes harm to the artist’s reputation or honor.²⁴

“In America, a person wishing to become an architect has to meet the requirements of his or her respective state.”

In addition to VARA, an artist can bring several potential claims against conservators who he or she finds to have damaged a work. In addition to tort law, there are other common-law rights, such as contract law, that predate VARA, but are still available today.²⁵ Contract law can provide similar protection to what moral rights offer; however, the artist must make sure that specific provisions regarding his or her rights are included in the contract.²⁶ One example in which a conservator was sued under contract law is the case of *The City of Amsterdam v. Daniel Goldreyer*.²⁷ Goldreyer, a well-known New York art restorer, was hired by a Dutch museum to repair a Barnett Newman painting that had been slashed by a vandal. Although Goldreyer had agreed per contract to use a specific method of restoring which would not overpaint the canvas, it was later discovered that he had painted over a large section of the painting and used a sealant that could not be removed.²⁸ The Stedelijk Museum in Amsterdam brought suit against Goldreyer in the Eastern District of New York to recover damages for breach of contract. Although Goldreyer argued that the contract claim should be dismissed, as the museum had signed releases when it received the painting, the court held for Amsterdam on the grounds that the validity of the releases was “a question of fact that must be resolved at trial.”²⁹ The lawsuit was settled out of court.

Under tort law an artist can sue a conservator for “defamation,” which is the “act of harming the reputation of someone by a false oral or written statement.”³⁰ This can occur for example, if a conservator’s intervention diminishes the quality of the piece, which can then, if displayed, harm the reputation of the artist.³¹ In a similar way, section 43(a) of the Lanham Act,³² a federal statute that protects trademarks, prohibits the act of “reverse passing off.” This occurs when a person removes or changes something of an original trademark of somebody

else’s goods before these goods are sold.³³ Therefore, if a conservator alters a work, it can be considered a false description of representation.³⁴ Furthermore, a violation of the Lanham Act occurs when the artist is subsequently falsely identified as the creator of this altered work. In the case of *Flack v. Friends of Queen Catherine Inc.*, Audrey Flack also sued under the Lanham Act, alleging that the display of her distorted statue, which she now considered an inferior work, would be associated with her name and would negatively impact the market for her works.³⁵ The court dismissed the claim on the grounds that the defendants had agreed not to display the statue in the first place.³⁶

Conservation is a profession that requires a high level of expertise as well as prudent and careful practice. The legal issues for which a conservator can be held liable underline the complexity of the field and the complicated matters that he or she must consider. As there is a high recognition of the value of art and cultural property in general, it is surprising that this profession still lacks an official system of licensing. Any person can present himself or herself as a conservator. As conservator Christian Scheidemann says, “anyone who is capable to hold a brush can open their own practice and work on precious works of art.”³⁷

Creating a licensing statute would insure a certain standard of training without which one would not be allowed to begin conservation. This would not only protect the art works but also be in the interest of a greater professionalism within the field of conservation.³⁸ In Europe, there are at least two states, Greece and Mecklenburg-Vorpommern (Germany), which have enacted statutes regulating the practice of art conservation.³⁹ For the United States, the same model could be considered for conservation professionals, as already exists for architects. In America, a person wishing to become an architect has to meet the requirements of his or her respective state.⁴⁰ Each state has its own licensing board with specific established standards.⁴¹ The three common requirements for registration are education, experience and examination. Several states require that students have graduated from an architectural program approved by the National Architectural Accrediting Board (NAAB). Furthermore, another national registration board helps ensure parity between the states and issues a national certificate to qualified licensed architects.⁴² The U.S. licensing model for architects exemplifies what can be enacted for conservators.

Caselaw has already accepted the difference between professionally trained conservators and those practitioners who lack proper qualification. In *Frey v. Chicago Conservation Center*,⁴³ an Illinois district court held that the opinion of an art consultant practicing conservation without proper training was not qualified to testify as an expert regarding the cause of the deterioration of the defendant appellees’ art collection.⁴⁴

When a conservator approaches a work of art, he or she has to know exactly which steps to take before even laying hand on the work. A licensing statute would ensure that everybody working in the field of conservation has received the proper training and is aware of the essential precautionary measures that must be taken. The conservator should run prior tests, just as a doctor does with the patient. This provides both protection for the work of art as well as for the conservator.⁴⁵ If there had been a licensing requirement in *Goldreyer*, then he could have been held liable for malpractice and his license could have been revoked, protecting potential subsequent artists, museums and collectors, as well as the reputation of his professional colleagues.⁴⁶

When working in conservation, every work step should be well documented, and the conservator must be fully aware of all the effective techniques that can and should be taken into account. Legal recognition of the practice of conservation would require conservators to follow certain standards and methods. Professional associations, such as the Association of Conservators in America (AIC), could help standardize the important methodologies of conservation practice. The AIC provides a code of ethics and certain guidelines for practice that could be adopted as a set of binding rules for the entire profession.⁴⁷ Legal recognition of the practice and enforceable standards would require conservators to follow certain standards or risk losing their eligibility to practice. This would be an advantage to the conservators, as being required to disclose and communicate all risks and problems could help them avoid incurring legal liability.

The AIC code of ethics, however, does not include certain provisions specifically important for the conservation of contemporary art. Section II states that “all actions of the conservation professional must be governed by an informed respect for the cultural property, its unique character and significance, and the people or person who created it.”⁴⁸ There is no obligation to consult the artist about the conservation. Although this can lead to a wide range of conflicts, since the artist’s wishes might not coincide with the conservator’s regarding the physical state of the work,⁴⁹ the artist should always give written permission before any conservation or restoration is applied. Several paragraphs of the AIC code require conservators to choose the appropriate methods and treatments for a specific object.⁵⁰ When dealing with the difficult materials and technologies used in contemporary art, conservators should further be limited to practicing work in a field in which they have absolute expertise or would otherwise need to consult with another professional colleague in that area. Lastly, a provision advising conservators to take into consideration that other countries extend their moral rights to individuals other than the artist could be of great benefit to them.⁵¹

Conservators of contemporary art are faced with considerable challenges. They must consider the artist’s intent or the message as well as preserve the work in its original state as far as possible. If an artist does not agree with the intervention or considers it threatening to have modified the work of art, then the artist may invoke his or her integrity right.⁵² To avoid incurring legal liability, the conservator must follow strict and precise methods and be very cautious when intervening with the work of a living artist. Although conservation brings such high responsibility and requires great expertise and knowledge, there is still no legal recognition of this profession. A form of certification or licensing such as already exists for other similar professions would be appropriate. Standardized and enforceable rules and guidelines would assure a proper and professional treatment of works of art and would further benefit the reputation of the profession. Such guidelines would need to consider the specific precautionary measures for the conservation of contemporary art.

“By acknowledging these difficulties and including instructions that must be met before beginning work with a creation of a living artist, conservators are given essential guidelines that diminish their risk of incurring legal liability and support them when confronted with these complex choices and decisions.”

Existing ethical codes for conservation mainly look at conservation from the perspective of the object and the need to preserve cultural property. This view is difficult to reconcile with the problems conservators face with contemporary art. By acknowledging these difficulties and including instructions that must be met before beginning work with a creation of a living artist, conservators are given essential guidelines that diminish their risk of incurring legal liability and support them when confronted with these complex choices and decisions.

Endnotes

1. Donald L. Bryant Jr., Lecture at Sotheby’s Institute of Art (Mar. 2, 2010).
2. Throughout this article, the word “conservation” is used in the broadest sense to include all activities of the profession, incorporating restoration, preservation and other possibly related areas. For a detailed analysis of the use of terms see SALVADOR MUÑOZ VIÑAS, *CONTEMPORARY THEORY OF CONSERVATION* 14-19 (Oxford: Elsevier Butterworth-Heinemann, 2005).
3. Conservation as we think of it today began between the nineteenth and twentieth centuries, when it became clear that art could not simply be “cleaned” like any other commodity but had to be treated with a different approach and attitude. For decades the main challenge for conservation theorists has been to find out how to

- balance two essential, but hard to reconcile positions: to conserve both an object's original state as well as the signs that history has left on it. This dilemma led to several principles, such as reversibility and the clear distinction of what is considered "inpainting" and "overpainting." See MUÑOZ VIÑAS, *supra* note 2, at 2.
4. There are professional associations that try to regulate conservation (such as the American Institute of Conservation); however, there is no legal requirement to follow their guidelines.
 5. See, e.g., Heidi Stroh, *Preserving fine art from the ravages of art restoration*, 16 ALB. L.J. SCI. & TECH. 239, at 252, (2006); Sarah E. Botha, *Art Conservation: Problems Encountered in an Unregulated Industry*, 26 COLUM. J.L. & ARTS. 251, at 270 (2002); see also Workgroup for Legal Issues in Conservation (L.I.C), at <http://www.icom-cc.org/30/Legal%20Issues%20in%20Conservation/>.
 6. Stroh, *supra* note 5, at 1.
 7. Section 102 of the 1976 Copyright Act states that "Copyright protection subsists [...], in original works of authorship fixed in any tangible medium of expression [...]." Copyright Act of 1976, 17 U.S.C § 102(a)(1976).
 8. ANNEMARIE BEUNEN, *Moral Rights In Modern Art: An International Survey*, MODERN ART: WHO CARES?, 223 (J Hummelen, D. Sille ed., Archetype Publications 2005).
 9. Visual Artists Right Act of 1990, 17 U.S.C. § 106A (1990).
 10. In other countries the author of a work is also granted with the Right of Disclosure. The artist has the right to decide when and how to make his or her work public (in France, Germany, Japan, and Spain) and the Right to Withdraw from Publication or to Make Modifications (recognized in France, Italy, Spain, and Brazil). See RALPH E. LERNER & JUDITH BRESLER, *ART LAW: THE GUIDE FOR COLLECTORS, ARTISTS, INVESTORS, DEALERS, AND ARTISTS* 1253 (3rd ed. New York City: Practising Law Institute 2005).
 11. Copyright Act of 1976, *supra* note 7, at § 106A.
 12. For works created before June 1, 1991, the duration of VARA is the life of the author plus 70 years. For works created on or after June 1, 1991, moral rights endure for the life of the author. If a work is made by two or more artists, the rights endure for the life of the last surviving one. Copyright Act of 1976, *supra* note 7, at 106A(d)).
 13. *Id.* at § 106A(a)(3)(B).
 14. *Id.* at § 106A(c)(2).
 15. BLACK'S LAW DICTIONARY 1527 (8th ed. 2004).
 16. "As it originally appeared [gross negligence] was very great negligence, or the want of even slight or scant care. It has been described as a failure to exercise even that care which a careless person would use. Several courts [...], have construed gross negligence as requiring willful, wanton, or reckless misconduct, or such utter lack of all care as will be evidence thereof [...]." WILLIAM LLOYD PROSSER ET AL, *PROSSER AND KEETON ON TORTS* 211-12 (5th ed. 1984).
 17. Ann M. Garfinkle, et al., *ART CONSERVATION AND THE LEGAL OBLIGATION TO PRESERVE ARTISTIC INTENT*, J. AMER. INST. FOR CONSERVATION 165, at 170 (1997).
 18. *Flack v. Friends of Queen Catherine Inc.*, 139 F. Supp. 2d 526 (S.D.N.Y. 2001).
 19. *Id.* at 535.
 20. *Id.* "Flack's complaint contains sufficient allegations that, if proven, could support an inference that the hiring of Simon [David Simon, the conservator] was grossly negligent. Flack avers that Simon was a mere assistant who was not trained in conservation, was not competent to perform work without her supervision, had not previously undertaken unsupervised work, and had little knowledge or experience in creating a monumental sculpture that would be viewed from the ground [...]. Those allegations are sufficient to enable that claim to survive the motion to dismiss."
 21. The right of attribution includes (1) the right to be identified as the work's author, (2) the right to prevent the use of the author's name as the author of a work that he or she did not create and (3) the right to prevent the use of the author's name as the author of the work if it has been distorted, mutilated, or modified so as to be prejudicial to the author's honor or reputation. Copyright Act of 1976, *supra* note 7, § 106A(a).
 22. BEUNEN, *supra* note 8, at 224.
 23. *Id.* at 225.
 24. *Id.* at 173. Conservators can also be sued under state statutes that are similar to VARA. California and New York were the first states to enact moral rights statutes for artists and their works. There are several smaller differences between VARA and certain statutes, such as in New York, where the standard of care required is not "gross negligence," but mere "negligence." Although a federal law will take precedence over state law, the two can coexist and there is still no exact answer to question whether the state law is preempted.
 25. *Id.*
 26. *Id.*
 27. *City of Amsterdam v. Goldreyer*, 882 F. Supp. 1273 (E.D.NY. 1995).
 28. *Id.* at 1277.
 29. *Id.* at 1280.
 30. BLACK'S LAW DICTIONARY, 448 (8th ed. 2004).
 31. Note that this would be difficult to argue, as the oral or written statement would have to be about the artist and the mistake by the conservator would have to be very severe.
 32. The Lanham Act is a federal trademark statute, enacted in 1946, that provides for a national system of trademark registration and protects the owner of marks if any confusion might result or if the strength of a strong mark would be diluted. See BLACK'S LAW DICTIONARY, 896 (8th ed. 2004).
 33. BLACK'S LAW DICTIONARY, 1155 (8th ed. 2004).
 34. Section 1125 of the Lanham Act states that "any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any work, term, name, symbol, or device, or any combination thereof, or any false designation or origin, false or misleading description of fact, or false or misleading representation of fact [...]." Lanham Act, 15 U.S.C. § 1125(a)(1).
 35. *Flack, supra* note 18, at 537.
 36. *Id.*
 37. Christian Scheidemann, E-Mail Message to Author (March 1, 2010).
 38. Botha, *supra* note 5, at 2.
 39. According to Greek law, "permission is required for study, undertaking, (and) supervision of conservation projects and the operation of laboratories-workshops for conservation of antiquities and works of art, movable or not." See *Institutions, Measures and Actions for Cultural Development*, Nomos (1997/2557), A:8 (Gr.). The permission to practice is also only granted within those specialties in which the applicant has a combination of training and experience. See Botha, *supra* note 5, at 12. Mecklenbrug-Vorpommern enacted a law that allows the professional title of "restauror" to be used only by those persons who have been accepted onto a national register by a nine-member Commission of experienced conservator-restorers and lawyers. See *Gesetz über die Führung der Berufsbezeichnung "Restaurator"*, 1999 GVOBl. M-V at 582, § 2 (De.).
 40. Other examples of professions with such licensing models are doctors and lawyers.
 41. *US Architect Licenses & International Graduates*, University Language Services, at <http://www.universitylanguage.com/guides/architect-license/> (last visited Oct. 2, 2011).

42. The National Council of Architectural Registration Boards (NCARB) is a non-profit professional association created in 1920. All the registration boards of each of the 50 states are NCARB member boards. See National Council of Architectural Registration Boards, at <http://www.ncarb.org/> (last visited Oct. 2, 2011).
43. *Frey v. Chicago Conservation Center*, 119 F. Supp. 2d 794 (D. Ill. 2000), *aff'd*, 40 Fed. Appx. 251(7th Cir. 2002).
44. *Id.* In this case, the collector Bruce Frey sued the Chicago Conservation Center alleging that the Center damaged several works during the transport and storage of his collection. Frey also hired an art consultant (David King) to supervise matters regarding the restoration. The Conservation Center argued that the testimony of the consultant King was not valid as he was simply unqualified in this matter. The court held that King could only offer "lay opinions" and was not "qualified to offer expert opinion testimony" (*Id.* at 799). The Chicago Conservation Center filed a counterclaim (a defamation action) against Frey and the art consultant King. The Center alleged that King had published false statements, calling into question the Center's business practices. The district court dismissed this defamation action, as Mr. King's statement was a nonactionable opinion. The Conservation Center appealed and the Court of Appeals affirmed the judgment of the district court. (*Chicago Conservation Center v. Frey*, 40 Fed. Appx. 251, 257 (7th Cir. 2002)).
45. Garfinkle, *supra* note 17, at 176.
46. Botha, *supra* note 5, at 2.
47. *Code of Ethics and Guidelines for Practice*, The American Institute for Conservation of Historic Works, at http://www.nps.gov/training/tel/Guides/HPS1022_AIC_Code_of_Ethics.pdf (last visited Oct. 2, 2011) (hereafter, "AIC Code of Ethics").
48. *Id.* at Section II.
49. For example, the artist might not agree with a certain method or could use the opportunity to make changes to the work. Further, an artist might not want his or her work to be restored or conserved because the deliberate decay is part of his or her intention. See BEUNEN, *supra* note 8, at 232.
50. See AIC Code of Ethics, *supra* note 47 at Sections I and VI: Section I states that "the conservation professional shall strive to attain the highest possible standards in all aspects of conservation, including, but not limited to, preventive conservation, examination, documentation, treatment, research, and education." Section VI states that "the conservation professional must strive to select methods and materials that, to the best of current knowledge, do not adversely affect cultural property or its future examination, scientific investigation, treatment, or function."
51. In France and Germany moral rights are automatically transferred to the heirs. In the Netherlands the right must be transferred in a written will. In the U.S. the rights are valid for 50 years after the artist's death only if the work was created after June 1, 1991. In Europe (except for France) the rights last eternally. See BEUNEN, *supra* note 8, at 224.
52. *Id.* at 231.

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Independent Contractors/Work for Hire Agreements

By Andrew I. Bart

New York City, as the nation's cultural capital, has a dazzling array of cultural institutions, ranging in scope from the Museum of Contemporary African Diasporan Art in Fort Greene to the Metropolitan Museum of Art on Manhattan's Museum Mile, that are visited by millions of tourists and residents alike. These institutions, despite their diverse missions and constituencies, have one unifying administrative issue that they all face: how to engage creative individuals to work on special projects while ensuring that no employment relationships are created with said individuals and how to retain the intellectual property rights to the created work.

It is a difficult area to negotiate because, while on one hand an institution wants to retain artistic workers (such as curators and catalogue contributors) that contribute value and creativity to a project, the institution must also ensure that it protects itself for both tax and intellectual property purposes. In general, if a worker is considered an employee and not an independent contractor, an institution must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages; an institution will have to also have to pay overtime and for benefits, such as health insurance and retirement contributions. However, if a worker is an independent contractor, the institution, besides avoiding overtime and costly benefit payments, does not have to withhold or pay any taxes on payments made to the worker.

In terms of the right to the completed work, a "work for hire" is the intellectual property of the institution. Thus, the artistic contributor is not entitled to any proceeds that may be derived from a reproduction of the work.

As institutions are seeing their government funding dry up and financial contributions wither in these tight financial times, they clearly want to maximize any financial returns that may result from a worker's contribution to a project (such as profits derived from a special exhibition catalogue) while minimizing any unnecessary costs (such as the payment of unemployment tax). In order to fully protect an institution's interests, one must understand how to avoid the creation of an employer/employee relationship and how to ensure that the completed work is a "work for hire" and thus remains the property of the institution.

Preventing the Creation of an Employer/Employee Relationship

An institution clearly wants to prevent the creation of an employment relationship to avoid the extensive costs associated with overtime pay, employee health benefits, retirement contributions, and unemployment insurance.

Unfortunately, avoiding having a worker classified as an employee will often prove to be difficult in practice. In terms of unemployment insurance law, "the existence of an employment relationship presents a question of fact for the [New York State Unemployment Insurance Board] to resolve, and while not single factor is determinative, control over the means used to achieve the desired result is particularly significant."¹

While a contract may state that a worker is an "independent contractor," that language alone does not determine whether an employment relationship exists.² Thus, while an institution may have a guest curator, for example, execute an "independent contractor" agreement, that alone will not be sufficient to prevent the finding that he is an employee of the institution.

A. New York State Unemployment Insurance Appeals Board

What factors does the New York State Unemployment Insurance Appeals Board (Board) consider when determining whether a worker is an independent contractor or an employee? The New York State Department of Labor (Labor Department) looks to the common law test of agency in this regard. While the Labor Department cautions that the "real" distinction depends "primarily on the level of supervision, direction and control exercised by the person engaging in the services," it finds that the following are indicators of an employment relationship:

- Control over the worker's activities by such means as requiring full-time services, stipulating hours of work, requiring attendance at meetings, and requiring prior permission for absence from work;
- Requiring the worker to comply with instruction as to when, where, and how to do the job;
- Direct supervision over the performed services;
- Providing facilities, equipment, or supplies for the performance of the services;
- Setting the pay rate;
- Compensating the worker in the form of a salary or hourly rate of pay;
- Reimbursing or providing an allowance for business or travel expenses;
- Evaluating job performance;
- Providing fringe benefits;
- Providing training;
- Requiring oral or written reports;

- Reserving the right to review/approve the work product;
- Furnishing business cards or other means of identification demonstrating that the worker is a representative of the employer; and
- Restricting the worker from performing services for competitive businesses.³

On the other hand, the Labor Department finds that “signs of independent contractor status include a person who”:

- Has an established business offering services to the public;
- Advertises his services;
- Uses business cards, stationery and billheads;
- Carries his own insurance;
- Has his own place of business, equipment, and supplies;
- Pays his own expenses;
- Negotiates his own pay rate;
- Sets his own schedule;
- Has the freedom to provide services concurrently for other businesses, competitive or non-competitive, during the term of the contract;
- May refuse work offers;
- Is not required to attend meetings or training sessions;
- Is not required to submit oral or written reports;
- Assumes the risk of profit or loss in providing services; and
- May hire his own help.⁴

B. IRS Evaluation of the Worker Relationship

The Internal Revenue Service (IRS), like the Board, also uses common law factors when determining whether a worker is an independent contractor or an employee. In its online guide to assist businesses in determining whether a worker is an independent contractor or an employee, it states that “all information that provides evidence of the degree of control and independence must be considered.”⁵ The IRS divides the evidence of the degree of control and independence into three categories:

1. **Behavioral:** Does the company control or have the right to control what the worker does and how the worker does his or her job?
2. **Financial:** Are the business aspects of the worker’s job controlled by the payer? (including how the worker is paid, whether expenses are reimbursed, and who provides tools/supplies).

3. **Type of Relationship:** Are there written contracts or employee type benefits (i.e., pension plan, insurance, and vacation pay)? Will the relationship continue and is the work performed a key aspect of the business?⁶

While this article will not delve into the IRS’ analysis of each category, it is unclear what the IRS means by the phrase “[w]ill the relationship continue and is the work performed a key aspect of the business?” The IRS finds that, if the relationship is to continue “indefinitely,” then it is more likely that the intent of the parties was to create an employee-employer relationship. As to a “key aspect of the business,” the IRS finds that if a worker provides such services, it is more likely that the business will have the right to direct and control his or her activities. The IRS thereafter gives the example of a law firm hiring an attorney; the law firm will present the work as its own and have the right to direct/control such work. An employer-employee relationship is formed in such a situation.⁷

Institutions should be aware, however, that the IRS (like the Board) cautions that:

There is no “magic” or set number of factors that “makes” the worker an employee or an independent contractor, and no one factor stands alone in making this determination...The keys are to look at the entire relationship, consider the degree or extent of the right to direct and control, and finally, to document each of the factors used in coming up with the determination.⁸

How then is an institution to prevent the creation of an employment relationship? One first should examine how the courts weigh the various common law factors in rendering their decisions.

C. How the Courts Weigh the Employment Relationship Factors

The *Scotia-Glenville*⁹ case is illustrative in this regard. There, as stated above, the Appellate Division, Third Department upheld the Board’s determination that exhibit teachers, who worked for a museum that offered programs at schools and libraries, were employees because the museum “exercised sufficient direction and control over the services of the...teachers.”¹⁰ Specifically, the court found that the teachers had to:

- Adhere to museum guidelines;
- Attend four meetings a year; and
- Become museum members so that they could “familiarize themselves with the museum’s policies, procedures, and...programs.”¹¹

Moreover, the museum:

- Made all of the work assignments;

- Prepared an outline for the teachers' presentations at the schools and libraries; and
- Did all of the billing and collection for the programs.¹²

*Matter of Ted is Back Corporation [Roberts]*¹³ provides a useful contrast to institutions seeking to avoid the finding of an employment relationship. In this case, the Court of Appeals held that the Board's finding that an employment relationship existed between its salespeople and the corporation was *not* supported by substantial evidence in the record. The Court held, in relevant part, that:

Although a determination that an employer-employee relationship exists may rest upon evidence that the employer exercises either control over the results produced or over the means used to achieve the results...control over the means is the more important factor to be considered. Thus, incidental control over the results produced without further indicia of control over the means employed to achieve the results will not constitute substantial evidence of an employer-employee relationship.¹⁴

The Court found that "the evidence does not support the finding of control over the means of achieving the results," as the salespeople "worked at their own convenience, were free to hold outside employment and were not limited to any particular territory...they were not reimbursed for expenses and received no salary or drawing account, but were paid on a strictly commission basis. No taxes were withheld on their compensation."¹⁵

The recent case of *Matter of Empire State Towing and Recovery Association, Inc. v. Comm'r of Labor*¹⁶ actually reversed the Board and found that a lawyer who worked as a lobbyist, attorney and administrator for a trade organization was not an employee of the organization. In this case, the attorney performed services from his own office, was free to set his own schedule, and was not working exclusively for the association. The court found that neither the fact that the association's treasurer had to co-sign checks for over \$500 nor that the attorney had to submit periodic reports to the board and attend board meetings supported a finding that he was an employee of the organization.¹⁷

D. Guest Curator Illustration

As an example of how to avoid an employment relationship, let us assume that a museum in New York City is retaining a guest curator for a Picasso exhibit. While this article does not detail specific contractual provisions in such an agreement, it would be prudent for the museum to consider the following:

- Do not provide the guest curator with an exclusive office for the duration of the project;

- Do not set standard working hours for him or her;
- Do not provide him or her with any materials (i.e., a laptop computer) or supplies or instruct the curator where to buy supplies;
- Have a set fee for the services;
- Do not specify what work must be performed by what individual (if the museum is employing a consulting group);
- Do not provide him or her with specific detailed instructions as to how/what/where to perform the work;
- Do not reimburse for expenses;
- Do not sign the curator to an exclusive contract for the project period;
- Do not provide any benefits; and
- Do not require him or her to submit oral and/or written reports.

This list is certainly not exhaustive and an institution should tailor any independent contractor agreement to best satisfy the project at issue. It is a very fact-specific analysis and involves examining the specific needs of the institution versus the desires of the guest worker. An institution, furthermore, wants to ensure that it retains the intellectual property rights to the work performed by the independent contractor. For that, one must examine the work for hire doctrine.

Work for Hire Doctrine

The work for hire doctrine governs the intellectual property rights surrounding the creation of the creative/artistic/literary work at issue. The Copyright Act of 1976 (the Act)¹⁸ provides, in relevant part, that:

In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and unless the parties have expressly agreed otherwise in a written agreement signed by them, owns all of the rights comprised in the copyright.¹⁹

The Act explicitly defines a work for hire as either:

- (1) a work prepared by an employee within the scope of his...employment;²⁰ or
- (2) a work specifically ordered or commissioned for use as a contribution to a collective work, as 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...if the parties expressly agree in a written instrument signed by them that

the work shall be considered a work made for hire.²¹

Several questions that immediately arise are: (1) is the work “specifically ordered or commissioned”?; (2) what are the qualifying categories of “specifically ordered or commissioned work”?; and (3) have the parties expressly agreed that the work “shall be considered a work made for hire”?

A. Specially Ordered/Commissioned Work

First, a work is “specially ordered or commissioned” under the Act “if the hiring party was the ‘motivating factor’ behind the work and the independent contractor was paid for the work.”²²

As an illustration, in *Logicom Inclusive, Inc. v. W.P. Stewart & Co.*²³ the plaintiffs, developers of computer programs, brought an action against the defendants, users of the programs, alleging, among other things, copyright infringement. The Southern District found that the “specially ordered or commissioned” requirement of the three-prong test was met, as the independent contractor was paid a sum certain for making targeted modifications to the computer programs at issue. Thus, the plaintiffs were “clearly the motivating factor behind the creation of the...work.”²⁴

This aspect of the three prong test should not be difficult to meet; the institution would clearly seek out, for example, a noted expert to write a piece for an exhibition catalogue and pay him or her a set fee for his or her contribution thereto. Such a piece would be considered to be one that was “specially ordered or commissioned.”

B. Qualifying Works

The Act defines a collective work as a “a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.”²⁵ Two categories are thereafter specifically defined: (1) a supplementary work; and (2) an instructional text. A supplementary work is a “work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations...charts, tables, editorial notes, musical arrangements...bibliographies, appendixes, and indexes”; an “instructional text” is a “literary, pictorial, or graphic work prepared for publication with the purpose of use in systematic instructional activities.”²⁶

Based on these definitions, an institution hiring an editor of an exhibition catalogue (or contributor to such a catalogue) or a graphic artist to design exhibition illustrations can safely assume that those contributions will be most likely be “qualifying works” and thus meet the second prong of the work for hire test. Clearly, what constitutes a “qualifying work” is a very fact-specific determination

based upon the contribution of the independent contractor. The institution should be aware, however, that not every work prepared by an independent contractor qualifies as a work for hire under the Act.²⁷ If a work does not fall within one of the qualifying categories, it will not qualify as a “work for hire” “with the special legal consequences which flow from this designation.”²⁸

In order to meet the third prong of the test, the institution, as set forth below, must ensure that the independent contractor executes a valid written agreement in connection with the work at issue.²⁹

C. Valid Work for Hire Agreements

Potential copyright claims will likely be ripe for dismissal if there is a valid work for hire agreement executed by the parties.³⁰

In *Morris*, the plaintiffs claimed, among other things, that the production of “The American President” and “The West Wing” infringed on their copyrighted material, namely an original film treatment about a widowed President raising a young daughter. The court, however, found that the plaintiffs were unable to establish their ownership of a valid copyright because the contract at issue clearly stated that the plaintiffs’ produced work was to be done in the context of a work for hire relationship with all intellectual property rights assigned by the plaintiffs to the production companies.³¹ The court held that the “language in this assignment provision is unambiguous.”³² The “unambiguous” assignment provision in the agreement stated, in relevant part, that Walt Disney Productions obtained:

[T]he copyright...and all now or hereinafter existing rights of every kind or character whatsoever pertaining to said work, and the title thereof, whether or not such rights are now known, recognized or contemplated; and...the complete, unrestricted, unconditional, and unencumbered title in and to said work, and all results and proceeds of [plaintiffs’] services hereunder, for all uses and purposes whatsoever.³³

While it is recommended that an institution obtains a strongly worded provision that it retains all the rights and any proceeds that result from a work, such a provision may alienate artistic contributors and must be carefully crafted to balance the institution’s needs with the artistic integrity of the contributor. Thus, for example, an institution may hire a writer for a special exhibition catalogue. The writer may want to be able to reproduce the catalogue piece at a later date for his or her own professional development. Perhaps the solution would be that, in the specific work for hire provision of the agreement, the parties agree that the piece remains the property of the institution but that it can be reproduced by the writer only upon written

permission of the institution and only after a set time period after the exhibition itself has closed.

It should be noted that the Act “requires that the parties agree *before* the creation of the work that it will be a work for hire.”³⁴ A written work for hire agreement may be executed after the work has been created, however, provided that it is confirming the parties’ explicit or implicit intent in this regard.³⁵

Conclusion

In these economic times, New York City institutions certainly want to minimize their costs while ensuring that they retain professionals of the highest artistic caliber to contribute to their exhibitions. In order to do so, the artistic contributors clearly should be treated as “independent contractors” and not employees, so that the institutions are not responsible for unnecessary costs. The museums must also make sure that an independent contractor’s work is a “work for hire” that remains the intellectual property of the institution; if so, the institution can safely profit from the reproduction rights that will derive from the work itself.

Endnotes

1. See Matter of Pepsi Cola Buffalo Bottling Corp. [Harnett], 144 A.D.2d 220, 222(3d Dep’t 1988); Matter of Field Delivery Serv. [Roberts], 66 N.Y.2d 516, 521 (1985).
2. Matter of Scotia-Glenville Children’s Museum [Harnett], 173 A.D.2d 1046, 1047 (3d Dep’t 1991) (teachers working for a traveling museum were held to be employees and not independent contractors); *but see* Matter of Watz (Equitable Life Assur. Socy. of U.S.–Ross), 60 A.D.2d 259, 262 (3d Dep’t 1977) (Appellate Division found an insurance agent to be an independent contractor and held that “[w]hile it is not itself determinative, that claimant’s contract... provided that he was an independent contractor is another factor to be considered”).
3. See New York State Department of Labor, Unemployment Insurance Division, *Independent Contractors*, at www.labor.ny.gov/ui/pdfs/ia31814.pdf (last visited Oct. 2, 2011); and New York State Department of Labor, *Independent Contractors*, at <http://www.labor.ny.gov/ui/dande/ic.shtm> (last visited Oct. 2, 2011).
4. *Id.*
5. Internal Revenue Service, *Independent Contractor (Self Employed) or Employee?*, at <http://www.irs.gov/businesses/small/article/0,,id=99921,00.html> (last visited Oct. 2, 2011).
6. *Id.*
7. Internal Revenue Service, *Type of Relationship*, at <http://www.irs.gov/businesses/small/article/0,,id=179116,00.html> (last visited Oct. 2, 2011).
8. Internal Revenue Service, *supra* note 5.
9. Matter of Scotia-Glenville Children’s Museum [Harnett], *supra* note 2.
10. *Id.* at 1046.
11. *Id.* at 1047.
12. *Id.*
13. 64 N.Y.2d 725 (1984).
14. *Id.* at 726.
15. *Id.*
16. 15 N.Y.3d 433 (2010).

17. *Id.* at 438; *see also*, Matter of Hertz Corporation v. Comm’r of Labor, 2 N.Y.3d 733, 735 (2004) (Promoter not found to be an employee even though Hertz gave her “instruction on what to wear, what products to promote and how to make a presentation” as “the requirement that the work be done properly is a condition just as readily required of an independent contractor as that of an employee and not conclusive as to either”).
18. The Act governs all works created after January 1, 1978.
19. 17 U.S.C. §201(b).
20. For the purposes of this article, we will assume that the worker at issue is an independent contractor and not an employee. Courts will analyze the worker’s status using the general common law of agency. Cmty. for Creative Non-Violence v. Reid, 490 U.S. 730, 751-752 (1989).
21. 17 U.S.C. §101.
22. Archie Comic Publ’ns, Inc. v. DeCarlo, 258 F. Supp.2d 315, 333-334 (S.D.N.Y. 2003), *aff’d*, 88 Fed. Appx. 468 (2d Cir. N.Y. 2004) (Artistic contributions to a comic book held to be works for hire); Playboy Enterprises, Inc. v. Dumas, 53 F.3d 549, 562-563 (2d Cir. 1995), *cert. den.*, 516 U.S.1010 (1995); 1 Melville B. Nimmer & David Nimmer, Nimmer on Copyright §5.03 [2][a][ii][d](2008) (A work is produced on commission where one party “is requested by another to prepare a copyrightable work”).
23. 04 Civ. 0604, 2004 U.S. Dist. LEXIS 15668 (S.D.N.Y. August 9, 2004).
24. *Id.* at 25.
25. 17 U.S.C. §101.
26. 17 U.S.C. §101(2).
27. Valdez v. Laffrey Associates, 07 Civ. 4566, 2010 U.S. Dist. LEXIS 30160, *12-*13 (S.D.N.Y. March 26, 2010) (Photographs taken by an independent contractor were found not to be “works for hire” as, among other things, they did not fall into one of the nine statutory categories).
28. Nimmer, *supra* note 22, at Copyright §5.03[2][a][i] (2008); *see also* Logicom Inclusive, Inc, *supra* note 23, at *25 (“To be a ‘work made for hire’ the work in question must also fit under one of nine categories listed in subsection (2) of the definition”).
29. *See* Valdez, *supra* note 27, at *12-*13 (No signed written agreement between parties regarding photographs at issue).
30. *See* Morris v. Castle Rock Entm’t, 246 F. Supp.2d 290 (S.D.N.Y. 2003); *see also* Contractual Obligation Prods., LLC v. AMC Networks, Inc., 546 F. Supp.2d 120, 126-127 (Court granted summary judgment on the plaintiff’s copyright claim as the agreement rendered the plaintiff’s services work made for hire and designated the defendant the author and owner of the work and the proceeds therefrom).
31. In order to prevail on a copyright infringement claim, a plaintiff must demonstrate: (1) its ownership of a valid copyright; and (2) copying of original elements of plaintiff’s work. *See* BanxCorp v. Costco Wholesale Corp., 723 F. Supp. 2d 596, 601 (S.D.N.Y. 2010).
32. Morris, *supra* note 30, at 294. The court rejected the plaintiff’s other arguments; namely, that it could reclaim its copyright because of a breach of contract by the commissioning parties and because the contract was unenforceable as the treatment was not actually produced.
33. *Id.*
34. *See* Playboy Enterprises, Inc., *supra* note 22, at 559 (emphasis added).
35. *Id.*

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Cinderella's New Ball: The History and Outlook of Title IX as it Celebrates its Fortieth Year

By Wesley Ryan Shelley

I. Introduction

Though Title IX legislation was not originally intended to specifically regulate college athletics, its interpretation has changed the face of intercollegiate sports and the way university athletic departments conduct business. The brief language of Title IX left room for numerous ambiguities to be resolved through executive clarifications and judicial rulings. Despite varying degrees of Title IX's applicability throughout history, the law has generally seen an increase in scope that now includes nearly all aspects of college sports. While hundreds of groups and individuals have challenged Title IX legislation and those who violate it, athletic departments have been forced to adjust and comply with the constantly evolving regulations Title IX places on intercollegiate athletics. Women have gone from being a heavily underrepresented minority in higher education and college athletics prior to Title IX, to having mainstream acceptance today. Their rise to prominence against a history of discrimination has been nothing less than a Cinderella story. As 2012 marks the fortieth anniversary of the enactment of Title IX, many questions about the current and future status of the law remain unanswered.

This article will first examine the history of college athletics and the evolution of women's sports. It will then discuss Congress' role in creating Title IX legislation and the changes it has made to Title IX since its inception. Next, the article will look at how the courts have dealt with interpreting Title IX, first from challenges to schools accused of discriminating against female athletes, then to challenges against schools accused of reversely discriminating against male athletes. The article ends with a discussion about some of the unintended negative effects Title IX has imposed on women's sports, as well as issues and solutions that may shape the future of Title IX's evolution.

II. Early History of Intercollegiate Athletics

Originally, athletics were thought by Ivy League institutions and other top universities to be a supplement to the academic curriculum for males, with the idea that being physically fit as a student would increase his potential for knowledge and scholarship.¹ The first college sports were merely gymnasiums with gymnastics equipment and a few weights.² What once began as simple exercise for students quickly turned into competition between rival schools, notably beginning with gymnastics meets and rowing regattas between Harvard's and Yale's top intramural teams.³ Not long after, students began compet-

ing in sports such as football and baseball, and spectators became a regular part of college athletics.⁴

"While hundreds of groups and individuals have challenged Title IX legislation and those who violate it, athletic departments have been forced to adjust and comply with the constantly evolving regulations Title IX places on intercollegiate athletics."

In the early era of men's college sports, school presidents were opposed to the financial cost and time that would be spent by students participating in intercollegiate athletics, believing that time would be better served in the classroom.⁵ Further, even physical educators had their doubts about football, considering it to be a barbaric sport with a high risk of injury, and arguing that coaches had a greater interest in weeding out weak football players than developing all of the students who participated into men, which was the ultimate goal of college athletics.⁶ It did not take long for college athletics to lose its focus as an educational tool meant to supplement the curriculum of a university education, and to evolve into a competition between schools to see who had better athletes and could draw the most spectators.⁷

In contrast, the beginning of women's sports centered on the same ideals that the men's had: that athletics were intended to supplement education, the purposes of which were exercise, fun and the gain of practical skills that could be used after graduation.⁸ Despite strides by women in Olympic and professional sports, such as tennis, in the early part of the 20th century, governing bodies of women's collegiate athletics did their best to downplay the competitive role of women in sports.⁹ The original ideals that fueled men's college athletics were the foundation for women's sports in college, and the competitive and business-like nature that took hold of the men's games was the result which women's athletic administrators sought to avoid.¹⁰

Men's intercollegiate sports would go on to become mainstream long before women's sports.¹¹ Excerpts from earlier times include stories of women with less experience being hired to higher positions than men's coaches with the same credentials due to the void of coaches for female sports.¹² Part of the discrepancy was due to different governing bodies for men's and women's sports,

the Association for Intercollegiate Athletics for Women (AIAW), and the National Collegiate Athletic Association (NCAA) for men.¹³ The AIAW sought to control competition from becoming too similar to the men's game, wanting women's sports to resemble only the academic ideal of men's sports.¹⁴ Title IX would be the spark which began to level the playing field between men's and women's athletic programs.¹⁵

III. Legislative History of Title IX

Title IX of the Education Amendments of 1972, commonly referred to as Title IX, was enacted with the purpose of ending discrimination on the basis of sex in educational programs and activities that received federal financial assistance.¹⁶ The law largely came about as a revival of the women's rights movement after great strides had been made during the civil rights movement in the 1950s and 1960s.¹⁷ Part of the civil rights movement included the passage of the Civil Rights Act of 1964, and in it Title IV, which forced educational institutions receiving federal financial assistance to end practices of racial segregation.¹⁸ Title IX gained its focus from gender discriminatory hiring practices against female college and university employees.¹⁹ Reform of women's rights was initially spearheaded by Bernice Sandler, a female student at the University of Maryland, who wished to challenge inequalities in the admission and hiring standards between men and women.²⁰ Sandler had been a doctoral candidate in psychology and was not selected because she was "too strong for a woman" to be on the University of Maryland faculty.²¹ The formal complaint lodged by Sandler with the Department of Labor, where she was joined by the National Organization for Women and the Women's Equality Action League, as well as her assistance in the hearings of the House Subcommittee on Higher Education, laid the foundation for women's rights in education and the first proposals for Title IX legislation.²² Title IV and Title IX eventually would use similar language to give racial and gender minorities, respectively, equal opportunity to access education at federally funded schools.²³

Though the law eventually had a dramatic impact on high school and college athletics, the original draft of Title IX made no mention of extracurricular athletics, and there was very little talk of Title IX's effect on high school and collegiate athletics during the congressional hearings.²⁴ The initial intent of Title IX's drafters even specifically exempted private institutions as well as military and religious schools whose compliance with Title IX would violate the tenets on which the schools were founded.²⁵ It also specifically excluded activities and programs with a "unique facet," such as football and men's locker rooms, though Colorado Senator Peter Dominick jokingly conceded that he "would have had much more fun playing college football if it had been integrated."²⁶ The law was created with the express provision that a quota system to promote compliance with Title IX was prohibited, though

consideration of the proportion of males to females could be taken into account when determining whether a school was compliant.²⁷ Early challenges and interpretations to the law would prove to expand its scope beyond the original intent.²⁸ While Title IX was founded without athletics as a primary concern, college and high school sports quickly became a topic of clarification and a medium for lawsuits wishing to challenge Title IX violations.²⁹

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Early questions regarding the implementation of Title IX were focused on how to determine what an "educational program or activity receiving Federal financial assistance" was, as well as how equality between men and women was to be defined.³⁰ President Richard Nixon put the now defunct Department of Health Education and Welfare (HEW), which would go on to become in part the Department of Education as it is known today, in charge of interpreting the brief language of Title IX.³¹ Senator John Tower of Texas, with support from the NCAA and other southern senators, unsuccessfully attempted to amend the law in 1974 so that it would exempt revenue-generating sports from Title IX equality numbers.³² This was a clear effort to take football out of the Title IX equation, since it was the men's sport with the greatest impact on scholarships and expenditures and was, as it remains, a paramount of southern culture.³³ The rejected proposal was replaced by a more general amendment from New York Senator Jacob Javits that simply allowed HEW to issue public regulations and have authority over Title IX issues within athletics.³⁴ Despite extreme criticism from the NCAA and others, the Javits amendment stood, and HEW became the governing body of Title IX.³⁵ In 1975 HEW drafted regulations including information pertaining to Title IX's role in athletics, generally obligating institutions to "effectively accommodate the interests and abilities of members of both sexes."³⁶ The regulations further required that athletic facilities and support services be provided equally for male and female athletes.³⁷

In 1979, HEW released a new policy interpretation containing a three-part test to determine whether a school was within the boundaries of Title IX.³⁸ If a school could prove that it satisfied one of the three elements of the test, it was deemed to be compliant.³⁹ This three-part test remains the key guide to educational institutions on how to

comply with Title IX, as well as the most scrutinized piece of Title IX enforcement.⁴⁰

The first part of the test asked whether a school's ratio of women to men in the athletic department matched that of the general student body.⁴¹ This element served as a safety net for schools, because if their men's and women's numbers matched, they were absolutely immune from Title IX challenges.⁴² Despite being the most commonly used avenue to compliance with Title IX, the first element often draws criticism for essentially being a quota and for being so rigid as to not take into account differences in the interests of males and females.⁴³ Proponents of Title IX argued that the law did not equate to a quota because it offered two other avenues of compliance, an explanation with which courts would later agree.⁴⁴ The other two elements of the three-part test, however, required a court determination during a lawsuit to establish whether the school had taken sufficient steps to provide equal opportunities for its women as it had for its men.⁴⁵

The second element required the school to prove a "history and continuing practice" of increasing activities for women.⁴⁶ The third way a school could show that it was compliant with Title IX was to prove that it had fully accommodated the athletic interests of all of the female students on campus.⁴⁷ The second element could hypothetically be shown by adding one female athlete to one team every year to demonstrate growth; however, courts have continually established a higher standard.⁴⁸ The third element required administrators to keep up with the interests of every female at the school, a task nearly impossible with the evolving interests of students as well as the changing demands of every new incoming class of freshmen.⁴⁹

While the three-part test provided options for schools to comply with Title IX, only the first option allowed a school to preemptively be sure it was compliant without having to first be sued.⁵⁰ For this reason, the argument continued as to whether the ratio rule of the first option was a quota, which was prohibited under Title IX, or was not, because there were other avenues to compliance outside of the ratio element.⁵¹

Congress gave more responsibility to schools by issuing the Equity in Athletics Disclosure Act (EADA) in 1994 to increase transparency of university athletic departments and make monitoring of Title IX violations easier.⁵² Schools were required to provide a list of their varsity teams, number of athletes, whether the coaches were full or part-time, the gender of the coaches and assistant coaches, salaries for coaches, total operating expenses and total financial aid available for athletes.⁵³ By forcing schools that received federal financial assistance to publish data on the athletic opportunities available to male and female athletes at their schools, the legislation was effective in increasing the scope and authority of Title IX.⁵⁴ Steps were also taken in 2007 to create similar federal

legislation that would require high schools to disclose gender equity statistics in the same way the EADA did for colleges.⁵⁵ In 1996, the Department of Education took further action to clarify implementation of Title IX by releasing detailed guidelines on how to comply with the three-part test.⁵⁶ The roadmaps to compliance outlined in the 1996 clarification would assist schools by relieving them of the need to rely on whatever was the most recent court decision, and instead gave specific examples of means to reach compliance.⁵⁷

In 2002 President George W. Bush formed the Commission on Opportunity in Athletics (the Commission), whose express goal was to "assess the workings" of Title IX through town hall meetings across the United States (Atlanta, Chicago, Colorado Springs, and San Diego) during the summer and fall of 2002.⁵⁸ The 15-member Commission, made up of a cross section of athletic and academic coaches, administrators, former athletes, and students, was given a list of seven questions to address and eventually returned 14 findings.⁵⁹ Based on those findings, the Commission presented 24 recommendations for Title IX reform to Secretary of Education Ron Paige.⁶⁰ Of those, 15 were unanimously supported, eight received majority support and one received a tie vote.⁶¹ Secretary Paige later decided only to pursue those recommendations that received unanimous support.⁶²

Although it was not entered into the official record of the report, Commission members Julie Foudy and Donna DeVarona also issued a "minority report."⁶³ This report criticized the Commission for the process by which it reached its conclusions, and largely recommended that Title IX be enforced as it had been previously.⁶⁴ Further, Foudy and DeVarona questioned the Commission's failure to address budgetary crises in college sports that they claimed were a major cause of men's programs' removal, rather than Title IX concerns which were being used by athletic directors as a scapegoat for cutting men's programs.⁶⁵ To curb the elimination of men's teams, the "minority report" suggested that athletic directors try harder to harness the unrestrained expenditures of their football programs.⁶⁶

The Bush administration was active with regard to researching and investigating Title IX early in its first term, giving hope to many opponents of Title IX that new laws limiting the effectiveness of Title IX were imminent.⁶⁷ Despite the initial optimism, fear of alienating the parents of athletic daughters before the 2004 election forced inaction in the Executive Department and resulted in little change being made to the law and its most controversial aspects.⁶⁸

The law saw additional clarification in 2005 by providing a model survey that would allow schools to use email and Internet polls to gauge interest in sports from their student bodies for purposes of the third prong of the three-part test.⁶⁹ The NCAA and others vehemently

opposed the 2005 clarification, however, with few schools ever using the model online surveys because of the way the non-responses were counted as a lack of interest in sports participation.⁷⁰ The 2005 clarification to the third prong was eventually abandoned in 2010 under the Obama administration, reverting guidelines for the third prong back to those laid out in the 1996 clarification, to the delight of the NCAA.⁷¹

In 2006, the Department of Education amended Title IX to give elementary and secondary schools more flexibility to offer single-sex program opportunities, while also allowing them to operate within the bounds of the Equal Protection Clause of the Fourteenth Amendment.⁷² Though the amendment was brought about to embrace the recent growth of single-sex education in the United States, many question its constitutionality, and the Supreme Court has refused to hear and clarify the issue of separate but equal programs in college sports.⁷³ However, the issue of separate but equal athletic programs under Title IX has been heard by numerous lower courts and always upheld.⁷⁴ Change to Title IX may be looming again after a 2010 series of recommendations from the U.S. Commission on Civil Rights amended the survey techniques that measure college students' interest in athletics for purposes of the third prong of the three part test, and additionally addressed concern for Title IX in the future to "explicitly take into account the interest of both sexes rather than just the interest of the underrepresented sex," which is almost always female.⁷⁵

IV. Legal Challenges Involving Title IX

A. Cases Against Title IX Violators

Clarifications to Title IX legislation also came in the late 1970s and 1980s in the form of court decisions where female athletes challenged schools they believed to be in violation. In 1979, the Supreme Court ruled that an individual had a right to sue if he or she was affected by a violation of Title IX.⁷⁶ This gave authority to courts to interpret Title IX, rather than just HEW, and hand down punishments to schools deemed to have violated the law.⁷⁷ In determining the amount of federal funding necessary to be within the scope of Title IX, *University of Richmond v. Bell* found that because the athletic department did not directly receive federal money even though other parts of the school did, it was exempt from Title IX legislation.⁷⁸ Shortly after, in *Haffer v. Temple University*, a separate court contrarily found that not only could an athletic department not receiving federal funds be within the scope of Title IX, but that a school with a ratio of women to men greater in its athletic department than in its general student body could still be found noncompliant with Title IX if its expenditures for female athletics were disproportional with its male sports' expenditures.⁷⁹ To reconcile the discrepancy between *Richmond* and *Temple* of whether athletic departments could be sued for violating the provisions of Title IX, the Supreme Court

decided to hear *Grove City College v. Bell*.⁸⁰ The Supreme Court found that Grove City was not bound by Title IX because the programs in question did not directly receive federal funding.⁸¹ This decision came as an immense victory for opponents of Title IX and greatly limited the law's applicability, though its effects were short-lived.⁸² The Civil Rights Act of 1984 was passed within the year to expressly overturn the *Grove City* decision.⁸³ Specifically, the law was amended to put all programs at educational institutions receiving federal financial assistance under the umbrella of Title IX, therefore forcing athletic departments to be compliant with Title IX once again.⁸⁴ Later, the Civil Rights Restoration Act of 1988 ensured that all programs within a school were subject to Title IX regulation if the school received any direct or indirect federal financial assistance.⁸⁵

The scope of Title IX continued to increase in the 1990s with cases such as *Franklin v. Gwinnett County Public Schools* and *Favia v. Indiana University of Pennsylvania*.⁸⁶ The next major case to take on the issue of Title IX, however, would be *Cohen v. Brown University*, where Brown University attempted to justify the disparate ratio of women to men in its athletic programs by claiming that women simply were not as interested in sports as were men.⁸⁷ This argument was defended by proponents of Title IX, who claimed that perhaps the reason women were less interested in sports than men was because they were historically not afforded equal opportunity to participate as were men.⁸⁸ Brown University's attorneys also revived the claim that forcing the school to match its women-to-men athletic ratio with that of the general student population was a quota.⁸⁹ The Supreme Court refused to hear the case, and Brown University lost on all counts.⁹⁰

Shortly after the *Brown* decision, in 1997 the National Women's Law Center filed 25 separate Title IX complaints against schools of varying sizes and cultures in conjunction with Title IX legislation's 25th anniversary.⁹¹ The overall result of these cases was a generally stricter enforcement of the law.⁹² School administrators were unhappy with the new interpretations, as Toledo athletics director Peter Liske claimed, because they "were measured by a stick no one knew about...and the hardest part is that things change—[athletes] leave midyear or transfer or flunk out" making it more difficult for schools to comply with the new strict standard.⁹³ In addition to the increased Title IX scrutiny developed by the courts in the 1990s, the EADA in 1994 was forcing schools covered by Title IX to submit reports to the Department of Education detailing data on operating expenses, coach salaries, athletic scholarships, recruiting expenditures, and revenues.⁹⁴ Title IX's applicability was drastically increased during the 1990s through legislative revisions and clarifications from court cases, and much of the law that was extended during that time still remains to limit the discriminatory practices of educational institutions receiving federal funds.

In 2005, the Supreme Court again expanded the applicability of Title IX by ruling that whistleblowers, or individuals who have been retaliated against by their superiors for bringing attention to gender inequities in school sports programs, had a private right to action under Title IX against those who retaliated against them.⁹⁵ The plaintiff in that case was ironically a male coach of the high school girls' basketball team, who was relieved of his duties as coach after telling a female school administrator that the girls' basketball team did not receive equal funding or use of athletic equipment or facilities as the men's team.⁹⁶

B. Male Reverse Gender Discrimination Cases

As plaintiffs realized that Title IX was not going anywhere, the frequency of challenges to schools being in compliance with the law became less, while challenges from males claiming to have been reversely discriminated against as a result of Title IX implementation grew.⁹⁷ A common criticism of Title IX has been the negative impact it has on non-revenue generating men's sports that have been cut in order to increase the ratio of women to men in athletic programs as well as cut expenditures to balance athletic department budgets.⁹⁸ Many women's groups set aside the claim that men's teams were cut because of Title IX, often citing the period after *Grove City* in the 1980s when men's teams were being cut despite Title IX hardly being enforced.⁹⁹ The women's group's stance was countered, however, by athletic directors specifically citing compliance with Title IX as the primary reason for dropping men's athletic programs, as well as the number of male athletes in NCAA Division I sports decreasing by 10 percent in the 1990s, while the number of female athletes increased by the same amount.¹⁰⁰ From 1992 to 2000, men's teams were discontinued at a rate of 386 to 150 women's teams, with 54 percent of Division I schools citing gender equity concerns as a "great or very great influence" on the decision.¹⁰¹ While women's sports participation has grown exponentially from its pre-Title IX numbers, the gap between men's and women's participation has been narrowed even more due to decreased opportunities for men's teams.¹⁰² By getting rid of sports like men's wrestling, swimming, tennis and soccer, athletic departments decreased their male-to-female ratio for Title IX purposes and were freed from the burden of men's programs that spent more revenue than they generated.¹⁰³ Lawsuits from the male athletes whose programs were removed focused mainly on violations of Title IX's express provision requiring no quotas and theories of reverse gender discrimination under the Fourteenth Amendment.¹⁰⁴ Despite numerous challenges from male athletes, the Sixth, Seventh, Eighth, and Ninth Circuits found no Title IX violation in cases commenced by men whose teams had been cut.¹⁰⁵ Further, in a case alleging reverse sex discrimination but not Title IX violation, a court for the Eleventh Circuit upheld a university reducing the salary of its men's basketball coach to match that of the

women's coach, instead of raising the women's coach's salary to that of the men's.¹⁰⁶ The University of Delaware even presumptively cut its men's track and cross-country teams in 2010, not to immediately become compliant with Title IX, but out of concern that the school's athletic department may run afoul of Title IX sometime in the future.¹⁰⁷ Though numerous cases have been brought by men's programs that were cut in order to comply with Title IX, only one was victorious in court, and was subsequently overturned on appeal.¹⁰⁸ In sum, it could be said that the courts are more interested in seeing the end goals of Title IX be achieved than constantly having to oversee the avenues schools take to reach those goals and the collateral damage potentially caused to male student athletes in the process.¹⁰⁹

"By getting rid of sports like men's wrestling, swimming, tennis and soccer, athletic departments decreased their male-to-female ratio for Title IX purposes and were freed from the burden of men's programs that spent more revenue than they generated."

C. The Strangest Case, but the Same Result

In 2006 one of the only instances of a school taking action for having a disproportionate number of female athletes came when the Western Kentucky University Board of Regents decided to upgrade its Division I FCS football program to Division I FBS.¹¹⁰ The university was close to being in violation of Title IX for giving female athletes six percent more of the scholarship budget than male athletes, which would be balanced by the addition of 22 more football scholarships allowed in Division I FBS football.¹¹¹ Before 2009 when the school would implement the transition to Division I FBS football, however, Western Kentucky University was forced to cut its men's soccer program, citing "current and future budget reductions from the state government."¹¹² Despite starting out having an overabundance of women's sports in the percentage of the Title IX equation, Western Kentucky University chose to fall for the financial draw of Division I FBS football at the eventual expense of its men's soccer team rather than eliminating a less expendable women's sport.

V. The Current Status of Title IX

A. Negative Effects

Complaints about Title IX's effects concern the women's game becoming too similar to the men's and losing sight of the core educational values that the AIAW intended to supplement, instead moving toward the ultra competitive win-at-all-costs style that it is today.¹¹³ With the increased competitiveness comes specialization from

an early age in a particular sport, a primary reason for children to lose interest in sports before they ever reach the collegiate level.¹¹⁴ The lower admission standards of student-athletes are an additional example of college athletics having lost their focus on the student part of student-athlete.¹¹⁵

"A proposed solution for the future of Title IX has been to professionalize revenue-generating men's sports at the university level."

Another complaint made by college athletics officials has been the way women's sports are added, choosing sports like soccer and rowing that require little equipment and a large number of women to play, which benefits the school's Title IX numbers without incurring much financial cost.¹¹⁶ Rowing is particularly troublesome due to the fact that it is nearly non-existent at the high school level, yet women receive scholarships every year based on other athletic ability and potential to learn the sport.¹¹⁷ Meanwhile, men who dedicated their lives to specific sports are forced to walk on without scholarships, or worse, quit their sports because they are not competitive at a collegiate level.¹¹⁸

Additionally, of the women's sports being added to athletic departments since Title IX, they have been filled by more than 97 percent non-black females with the exception of basketball and track.¹¹⁹ Women competing at a high level have also shown a greater tendency to be injured than men, primarily in the knee and ACL, for which doctors have been unable to identify a cause for the disparity in male and female injuries.¹²⁰ Further, the high stress competitive nature of women's sports has been criticized for leading to increased eating disorders among female athletes.¹²¹

B. Future Issues Facing Title IX

A proposed solution for the future of Title IX has been to professionalize revenue-generating men's sports at the university level.¹²² The reasoning behind this plan would be to alleviate some of the problems with cheating and paying players that have plagued major college football and basketball by paying the athletes legally; however, its effect on Title IX would be equally as great, as some argue that the professionalized sports would no longer be within Title IX consideration because they would not be functioning within the educational programs.¹²³ This would almost always decrease the number of men in the male to female ratio by taking football and men's basketball out of the Title IX equation without touching the number of women's teams.¹²⁴ Alternatively, some argue that by professionalizing revenue generating sports and paying those athletes, there is a Title IX duty for schools

to equitably compensate female athletes.¹²⁵ Besides the benefits to athletic departments in reaching their Title IX goals, there is a growing perception amongst Americans that commercial interests in college sports often prevail over academics and that there is a clear conflict between the modern business model of athletic departments and the academic values of student-athletes.¹²⁶

In 2003, the Nebraska state legislature passed a bill which would officially compensate football players beyond that allowed by the NCAA, in an effort to thwart unofficial compensation in the forms of illegal gifts and under-the-table payments to the players.¹²⁷ The bill came under instant criticism and was never implemented as intended, because not only would the school implementing it without doubt be heavily punished for blatantly violating the bylaws of the NCAA, but also because many believed that the payment to one group of athletes created an inequity against the provisions of Title IX, creating a situation where female athletes would also have to be compensated.¹²⁸ Despite taking steps to semi-professionalize college football in Nebraska, the law inevitably never came to fruition, as Title IX supporters and the public chose to stick with the status quo and dismiss the idea of turning what they called "first-class amateur programs" into "third-rate professional sports franchises."¹²⁹

The growth of commercial interests in college sports can easily be seen by looking at the increasingly lucrative coaching contracts in football and men's basketball, or the financial benefits universities gain from sponsorship and media rights deals.¹³⁰ Some universities in fact have already taken steps to separate their athletic departments from the rest of the school, by establishing distinct legal entities in the form of non-profit foundations to house the athletic departments, remaining school affiliated but serving a different mission than that of the greater university.¹³¹ The separation of academic and athletic aims of the schools raises even more questions about the place of athletics in higher education and the non-profit charity status of gifts earmarked for athletic programs.¹³² Focus has been taken off of the best interest of the student-athlete and instead has taken a back seat to the best interest of the spectators who financially support the athletic departments.¹³³

Despite the conflict, most Americans are comfortable with the direction that college athletics are headed and have an overall positive view of university sports.¹³⁴ It can be inferred from those trends that Americans would favor a system of increased commercialization to the point of turning some college athletics into professional sports as a way to separate the already profit-driven sports from the true amateur, non-revenue generating sports that would likely remain under the authority of Title IX.¹³⁵ The effects on Title IX of professionalizing revenue-generating sports would come full circle to mirror the original intent of the failed Tower Amendment, by

only including non-revenue sports which primary aim is to supplement the academic goals of student-athletes in the Title IX equation.¹³⁶ One concern, however, is the professionalization of all university athletics, at which point there will be an erosion of states' willingness to uphold the application of Title IX to sport, as no athletic programs will serve an educational purpose.¹³⁷

Another movement that has gained mass popularity in recent years, and even endorsement from President Barack Obama, has been the abolishment of the Bowl Championship Series (BCS) in favor of a Division I FBS college football playoff.¹³⁸ Multiple bills have been introduced in Congress seeking to establish a Division I FBS college football playoff, but none have been passed into law.¹³⁹ A major reason for the delay in creating a Division I FBS football playoff, as cited by proponents of the BCS, has been not knowing where the over \$68 million in bowl money currently being dispersed to participating BCS schools would go.¹⁴⁰ Title IX plays a major role in this question, as BCS money helps to float many athletic department budgets, without which schools would have to make drastic cuts to remain fiscally viable and compliant with Title IX.¹⁴¹ Should schools lose out on this money or have it reduced, the problem of eliminating non-revenue-generating men's sports to comply with Title IX only stands to get worse.¹⁴² The reality of trying to balance men's and women's sports without what is currently one of athletic departments' greatest sources of income could be the abolition of all non-revenue-generating men's sports. While the debate over whether to implement a college football playoff continues, none of the bills proposed thus far have stated a solution explaining how to remain within the boundaries of Title IX while coming up with a different way to disburse the enormous bowl revenues currently seen through the BCS on which athletic departments have become dependent.¹⁴³

An additional likely change to come in the future that will affect Title IX is the increase of women being admitted to colleges and universities. Title IX has historically protected women as the underrepresented sex in higher education, but as men become the minority in colleges and universities it is unclear what steps lawmakers will take to alleviate the difficulty of complying with the first prong of the three-part test, with increasing proportions of women to men in the general student population.¹⁴⁴ If female athletic programs continue to grow while men's programs are cut, it is possible that seemingly bizarre cases like that of Western Kentucky University will become commonplace as schools try to reach a middle ground of Title IX compliance. Will there be a point in the growth of women's access to athletic opportunities where the goals of Title IX are reached and both men's and women's sports are allowed to naturally grow, or as a former captain of the now defunct Delaware track team asked, will "we ever get to a place where a program [Title IX] that is supposed to be about creating opportunities for women

is now being used in a way to create no opportunities for women and to cut men?"¹⁴⁵ A similar argument was seen in *Grutter v. Bollinger*, where the Supreme Court upheld affirmative action in law school but acknowledged that a day would come (25 years, in that case) where the minority group would no longer need legislative assistance to gain equality.¹⁴⁶ It seems that eventually the returns gained from strict adherence to the current guidelines of Title IX will diminish, and at that time Congress will be forced to determine whether females still need the assistance of Title IX legislation to enforce equal opportunities in education, or if Title IX has succeeded in its goals and put women at equal standing with men.

"A major reason for the delay in creating a Division I FBS football playoff, as cited by proponents of the BCS, has been not knowing where the over \$68 million in bowl money currently being dispersed to participating BCS schools would go."

Other issues for the future of Title IX include whether gender segregated elementary and secondary school programs made possible through the 2006 amendment to Title IX will be challenged, and if so how they will be resolved.¹⁴⁷ In 1996 the Supreme Court held in *United States v. Virginia* that there was no persuasive justification for excluding women from Virginia Military Institute (VMI) or for establishing a separate but equal women's military college; however, that sentiment has somewhat changed as Americans have acknowledged the possible benefits of single-sex education.¹⁴⁸ Further, the court in *Virginia* did not necessarily invalidate single-sex schools, but rather ruled that the Commonwealth of Virginia had failed to justify why VMI should be available to only males, leaving open the door for other schools to attempt justifiable single-sex education.¹⁴⁹ Further, Title IX has expressly permitted gender segregation in activities such as fraternities and sororities, the Boy and Girl Scouts, father-son or mother-daughter activities, or beauty pageants.¹⁵⁰ Though separate but equal racial programs have long been declared unconstitutional, courts have adamantly upheld separate but equal gendered athletic programs.¹⁵¹ Should the idea of single gender schooling become more widely accepted, it is difficult to know the effect it would have on college athletics and how enforcement of current Title IX laws in athletic programs would change. If academic institutions simply implemented the athletic separate but equal model, there would likely be no change to college athletics;¹⁵² however, an extreme permission of single-sex institutions created with a justifiable purpose of being single sex, without equal counterparts of the opposite gender, could lead to courts accepting justified imbalances in men's and women's athletic programs.

VI. Conclusion

Despite the extensive scrutiny of Title IX from executive officials and judges, the law remains uncertain in the eyes of many athletics officials. In Title IX's short nearly 40-year history with athletics, it has had its scope expanded, been made nearly obsolete, then been resurrected and had its scope expanded more, and now seems to be facing another trend of limiting its applicability. Throughout all of this, athletic departments have adjusted the programs they offer to comply with evolving regulations set forth by Title IX. Though problems have arisen as a result of the law, it has been overwhelmingly successful in increasing women's participation in intercollegiate athletics. While some suggestions have been made to solve the controversy that surrounds the law so that both sides of the argument can reach an agreement in the future, perhaps the only thing that can be certain for the future of Title IX will be its continued tendency to force adaptation from schools to evolve with each new challenge and interpretation. Though Title IX has yet to fully reach its goals, the ability of women to overcome years of adversity and grow to prominence in college athletics is extraordinary, and Title IX has transformed women in this Cinderella story from going to the ball, to playing with one.

"Though Title IX has yet to fully reach its goals, the ability of women to overcome years of adversity and grow to prominence in college athletics is extraordinary, and Title IX has transformed women in this Cinderella story from going to the ball, to playing with one."

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58. Catherine Pieronek, *Title IX Beyond Thirty: A Review of Recent Developments* 30 J.C. & U.L. 76 (2003).

59. SCOA Report, *supra* note 36, at 21-32. The seven questions were:
 1. Are Title IX standards for assessing equal opportunity in athletics working to promote opportunities for male and female athletes?
 2. Is there adequate Title IX guidance that enables colleges and school districts to know what is expected of them and to plan for an athletic program that effectively meets the needs and interests of their students?
 3. Are further guidance or other steps needed at the junior and senior high school levels, where the availability or absence of opportunities will critically affect the prospective interests and abilities of student athletes when they reach college age?
 4. How should activities such as cheerleading or bowling factor into the analysis of equitable opportunities?
 5. How do revenue producing and large-roster teams affect the provision of equal athletic opportunities? The Department has heard from some parties that whereas some men athletes will “walk-on” to intercollegiate teams—without athletic financial aid and without having been recruited—women rarely do this. Is this accurate and, if so, what are its implications for Title IX analysis?
 6. In what ways do opportunities in other sports venues, such as the Olympics, professional leagues, and community recreation programs, interact with the obligations of colleges and school districts to provide equal athletic opportunity? What are the implications for Title IX?
 7. Apart from Title IX enforcement, are there other efforts to promote athletic opportunities for male and female students that the Department might support, such as public-private partnerships to support the efforts of schools and colleges in this area?
60. *Id.* at 59-60.
61. *Id.*
62. U.S. Dept. of Education, *Paige Issues Statement Regarding Final Report of Commission on Opportunity in Athletics* (Feb. 26, 2003), available at <http://www2.ed.gov/news/pressreleases/2003/02/02262003a.html>.
63. Joanna Grossman, *The Future of Title IX, The Federal Statute Concerning Gender Equality In Athletics: Can It Survive the Secretary of Education's Planned Revisions?*, FINDLAW (Mar. 11, 2003), available at <http://writ.news.findlaw.com/grossman/20030311.html>.
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68. *Id.* at 174.
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71. *Id.*
72. Rebecca A. Kiselewich, *In Defense of the 2006 Title IX Regulations for Single-Sex Public Education: How Separate Can Be Equal* 49 B.C. L. REV. 217 (2008).
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74. *Id.* at 254.
75. Erik Brady, *Commission: Title IX interpretation unnecessarily hurts men's sports*, USA TODAY, April 2, 2010, available at http://www.usatoday.com/sports/college/2010-04-01-title-ix_N.htm.
76. SCOA Report, *supra* note 36, at 15. See *Cannon v. University of Chicago*, 441 U.S. 677 (1979).
77. *Id.*, at 15-16.
78. *University of Richmond v. Bell*, 543 F. Supp. 321 (E.D. Va. 1982).
79. *Haffer v. Temple University of the Commonwealth System of Higher Education et al.*, 524 F.Supp. 531 (E.D. Pa. 1981), affirmed, 688 F.2d 14 (3d Cir. 1982).
80. *Grove City College v. Bell*, 687 F.2d 684, 691 (3d Cir. 1982), affirmed 465 U.S. 555 (1984). Grove City College was a religious school in Pennsylvania that had cut itself off from all forms of federal funding as a way of remaining autonomous from government interference. The school therefore believed it was not bound by Title IX, while HEW argued that because individual students at the school received federal money in the form of Pell grants, that Grove City was within the scope of Title IX.
81. *Id.*
82. Suggs, *supra* note 1, at 89-90.
83. *Id.*
84. SCOA Report, *supra* note 36, at 16.
85. 20 U.S.C. § 1681.
86. *Franklin v. Gwinnett County Public Schools*, 503 U.S. 60 (1991) (holding that damages could be awarded in an action brought to enforce Title IX); *Favia v. Indiana University of Pennsylvania*, 7 F.3d 332 (3d Cir. 1993) (holding that a school's financial hardships are not an excuse for non-compliance with Title IX).
87. *Cohen et al. v. Brown University et al.*, 809 F. Supp. 978 (D. R.I., 1992), affirmed, 991 F.2d 888 (1st Cir. 1993), *cert. denied*, 117 S.Ct. 1469 (1997).
88. Suggs, *supra* note 1, at 110.
89. *Id.* at 121.
90. *Cohen v. Brown University*, *supra* note 87, at 888.
91. National Women's Law Center, *25 Colleges and Universities Being Challenged by Center for Intercollegiate Scholarship Violations Under Title IX of the Education Amendments of 1972* (June 2, 1997), <http://www.nwlc.org/sites/default/files/pdfs/25complaints.pdf>. The 25 schools were: Bethune Cookman University, Boston University, Coppin State University, Wofford College; Boston College, Bowling Green State University, Brigham Young University, Colorado State University, Duke University, Hampton University, Liberty University, Northeastern University, South Carolina State University, Utah State University, Vanderbilt University, Wake Forest University, the College of William and Mary, the University of Colorado at Boulder, the University of Maine at Orono, the University of New Hampshire, the University of North Texas, the University of Oregon, the University of Texas at El Paso, the University of Toledo and the University of Tulsa.
92. *Id.* Suggs, at 133-34. In the Bowling Green and UTEP cases, officials claimed that disparities of more than 1% in proportionality or in expenditures compared to that of women on campus would create a strong presumption of discriminatory practices. Before, a more complicated formula and process were used to determine whether a school was in compliance.
93. *Id.* at 133.
94. 20 U.S.C. § 1092(g).
95. *Jackson v. Birmingham Bd. of Educ.*, 544 U.S. 167 (2005).
96. Adam Epstein, *Whistle-Blowing and the Continued Expansion of Title IX in Jackson v. Birmingham Board of Education*, 2 WILLAMETTE SPORTS L.J. 1 (2005).
97. Suggs, *supra* note 1, at 135.
98. *Id.*
99. *Id.* at 90.

100. *Id.* at 139.
101. SCAO Report, *supra* note 36, at 19.
102. *Id.*
103. Suggs, *supra* note 1, at 135-36.
104. *Id.* at 136-39.
105. Diane Heckman, *The Glass Sneaker: Thirty Years of Victory and Defeats Involving Title IX and Sex Discrimination in Athletics* 13 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 583 (2003); *Harper v. Bd. of Regents of Ill. State Univ.*, 35 F. Supp. 2d 1118 (C.D. Ill. 1999), *aff'd sub nom. Boulahanis v. Bd. of Regents of Ill. State Univ.*, 198 F.3d 633 (7th Cir. 1999); *Kelley v. Bd. of Regents of the Univ. of Ill.*, 35 F.3d 265 (7th Cir. 1994); *Neal v. Board of Trustees of the Calif. State Univ.*, 198 F.3d 763 (9th Cir. 2000); *Chalenor v. Univ. of North Dakota*, 142 F. Supp. 2d 1154 (D.N.D. 2000), *aff'd*, 291 F.3d 1042 (8th Cir. 2002); *Miami University Wrestling Club v. Miami University*, 195 F. Supp. 2d 1010 (S.D. Ohio 2001), *aff'd*, 802 F.3d 608 (6th Cir. 2002).
106. Heckman, at 611; *Reinhart v. Georgia State University*, No. 95-CV-0204 (N.D. Ga. 1996), *aff'd without op.*, 119 F.3d 11 (11th Cir. 1997).
107. Katie Thomas, *Colleges Cut Men's Programs to Satisfy Title IX*, N.Y. TIMES, (May 1, 2011). Available at <http://www.nytimes.com/2011/05/02/sports/02gender.html>.
108. Suggs, *supra* note 1, at 136-37. *Neal v. California State Board of Trustees*, 198 F.3d 763 (9th Cir. 1999), *cert. denied*, 124 S.Ct. 226 (2003).
109. Walter T. Champion, Jr., *Fundamentals of Sports Law* § 13:4 Title IX (November 2010).
110. Western Kentucky University, *WKU Regents Approve Move to Division 1-A Football*, News Release (Nov. 2, 2006), <http://wku.edu/news/releases06/november/football.html>.
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113. Suggs, *supra* note 1, at 177.
114. *Id.* at 177-79.
115. *Id.* at 179-80.
116. *Id.* at 140.
117. *Id.*
118. *Id.* at 136-37.
119. *Id.* at 180.
120. *Id.* at 185.
121. *Id.* at 186-87.
122. *Id.* at 193.
123. *Id.*
124. *Id.*
125. Greg Skidmore, *Payment for College Football Players in Nebraska*, 41 HARV. J. ON LEGIS. 319, 320 (2004).
126. Todd Crosset & Lisa Masteralexis, *The Changing Collective Definition of Collegiate Sport and the Potential Demise of Title IX Protections* 34 J.C. & U.L. 688 (2008); Sharon Shields, *Educational and Athletic Pursuits Should Be Separate*, USA TODAY, Sept. 20, 1996, at C20 ("It's time for us to face the reality that sports in college is a business, and it's revenue-generating and it's entertainment and it sacrifices the student-athlete. If we believe that is a reality, then there may be a need for a separation of sport from education.").
127. Skidmore, *supra* note 125, at 319-20.
128. *Id.* at 319-23. (The bill also required three states with Big XII Conference schools to pass similar laws before the Nebraska law could be implemented).
129. *Id.* at 335. See also Myles Brand, *Welfare of Student-Athletes NCAA's Top Priority*, DENVER POST, Aug. 17, 2003.
130. Crosset, *supra* note 126, at 686-87.
131. *Id.* at 691 (citing the University of Florida, Georgia Institute of Technology, and the University of Georgia). The University Athletic Association, Inc.'s mission statement, which is responsible for intercollegiate athletics at the University of Florida, states:

[T]he UAA is governed by a Board of Directors who provide guidance and direction through approval of policies, procedures and the budget. The UAA has developed a mission statement that was adopted by the Board of Directors to provide goals and objectives in the development and delivery of the athletics program at the University of Florida. This "vision" provides the road map for the University's commitment to be second to none in the area of intercollegiate athletics.
132. *Id.* at 692.
133. *Id.* at 688.
134. *Id.*
135. *Id.*
136. Suggs, *supra* note 1, at 67-68.
137. Crosset, *supra* note 126, at 694.
138. Leslie Bauknight Nixon, *Playoff or Bust: The Bowl Championship Series Debate Hits Congress (Again)* 21 ST. THOMAS L. REV. 365 (2009).
139. *Id.* at 372-82.
140. *Id.* at 384.
141. *Id.* at 384-85.
142. *Id.*
143. *Id.* at 385.
144. Thomas, *supra* note 107.
145. *Id.*
146. *Grutter v. Bollinger*, 539 U.S. 306 (2003).
147. Kiselewich, *supra* note 72, at 231-32.
148. *Id.* at 231-40; *United States v. Virginia*, 518 U.S. 515 (1996).
149. Kiselewich, *supra* note 72, at 241-43.
150. *Id.* at 247.
151. *Id.* at 254.
152. *Id.* at 258-60.

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What's a "Bunker"?: The Curious Case of How Dustin Johnson Lost the 92nd PGA Championship and Why the PGA Must Revise the Now Infamous Local Rule at Whistling Straits

By Brian Pelanda

I. Introduction

Dustin Johnson stood on the 18th tee on Sunday afternoon at Whistling Straits poised to capture his first major championship victory, a feat that had painfully eluded him in the final round of the U.S. Open at Pebble Beach only six weeks earlier in perhaps the most infamous collapse by a third-round leader in major golf championship history.¹ Now, only a single hole stood between him and redemption in the form of the Wanamaker Trophy. Most players would have never recovered so quickly from the embarrassment that he had endured at Pebble Beach to put themselves back in contention to win another major championship in the same season—but Johnson did. Anyone who might not have been a fan of the previously unknown South Carolinian at the U.S. Open back in June was at least now pulling for the amiable young linksman to redeem himself in what appeared to be one of the more remarkable comebacks in professional sports. Unfortunately, Johnson ended up as the tragic hero in yet another historically disappointing championship moment.

Just after finishing the final hole with what he and everyone else had thought was a bogey to put him into a three-way tie for first place in the championship and a playoff with Bubba Watson and the eventual champion Martin Kaymer, Johnson, to his surprise, was approached by Rules official David Price about a possible Rules infraction earlier on that hole. Price told him "I think you grounded your club in the bunker," to which the flabbergasted Johnson replied, "What bunker?"²

Johnson had launched his tee shot to the far right of the fairway into the middle of a sea of spectators. The crowd had narrowly parted around his lie, in what was a small grassless patch of earth that the officials eventually ruled was a bunker. The swarm of fans gathered closely around Johnson as he evaluated his shot, obscuring the topography of the area as they stood within only a few feet of his ball as he fired it toward the green. Everything seemed perfectly fine, as Johnson had moved on after the shot without the officials indicating that anything was wrong. Unfortunately, Johnson's possible violation of the Rules for grounding his club while his ball was in a bunker on that shot was not brought to the attention of the Rules officials until after he had moved on to finish the hole for an apparent tie for first place.

After a long and drawn out meeting in the official scoring area that left spectators reeling for an explana-

tion, the tournament committee penalized Johnson two shots according to the Rules for having grounded his club in what was an arguably unrecognizable bunker.³ The penalty dropped his name from atop the leaderboard and out of contention, down to a tie for fifth place.⁴ Martin Kaymer went on to outlast Watson in an anticlimactic three-hole playoff. Instead of cashing in for the \$1.35 million grand prize, or the \$660,000 that he at least would have won just for making it into the playoff, Johnson took home a check for \$270,833.33.⁵

Having one of the most coveted accomplishments in professional sports and more than a million dollars practically taken out of your hands by a murky ruling on a mere technicality is probably enough to make even the most rational person react irrationally. It does not take much imagination to envision how John McEnroe or Bobby Knight might have responded had one of them been in Johnson's predicament. Yet the lanky 26-year-old out of Coastal Carolina University put on a clinic for how to show class in the midst of bitter disappointment. No temper tantrum. No whining. No accusations. No muttering under his breath. Nada. Disappointed for sure, but as much of the post-event news coverage of the incident surmised, Johnson might have been the *only* person not demonstrably upset with the ruling. When asked how Johnson reacted after having the devastating final ruling explained to him, co-chairman of the PGA of America's rules committee Mark Wilson said, "he couldn't have been more of a gentleman about it. He really couldn't have been."⁶

In a *USA Today* poll conducted just after the tournament that had more than 29,000 respondents, when asked whether they agreed with the penalty assessed against Johnson, 63 percent responded that they disagreed, while another 20 percent responded that they agreed but that there was room for doubt about the call.⁷ The overwhelming disagreement and doubt seems to have stemmed from legitimate confusion over the application of the Rules that led to Johnson's dramatic penalization.

The video replay had confirmed that Johnson had lightly tapped the ground with his club as he addressed the ball on his second shot, and he never denied having done so. At issue was whether he was actually in a bunker when he did it, because the Rules explicitly prohibit players from touching the ground with their clubs prior to making a stroke when their balls lie in a bunker.⁸ "Never once did it cross my mind it was in a sand trap,"⁹

Johnson stated afterward. Now this is an interesting statement coming from a professional golfer, because even for those of us who are only casually familiar with the game of golf, we all know what a bunker is. Or do we?

For someone who did not watch the coverage of the tournament held at Whistling Straits, a course located just off the coast of Lake Michigan in the town of Haven, Wisconsin, the thought of there being any question as to whether a player's ball was in a bunker or not is likely to sound a bit perplexing. Bunkers are typically lightly colored sandy pits scattered throughout contrasting green grassy golf courses. However, at Whistling Straits that is not necessarily the case. The incomparable links-style course boasts over 1,000 bunkers strewn throughout its treacherous terrain, many of which the grounds crew neither maintain nor groom and lay outside of the spectator ropes.¹⁰ By comparison, the Old Course at St. Andrews has 112 bunkers.¹¹ Johnson's second shot on his final hole came to rest on a small dusty barren patch of earth square in the middle of a throng of spectators. "I just thought I was on a piece of dirt that the crowd had trampled down," he explained afterward.¹²

Whereas other tournaments often consider unmaintained bunkers outside of the rope-line to be "waste bunkers" that can be played as non-hazards, because of Whistling Straits' uniquely "hazardous" landscape, the PGA implemented a blanket Local Rule for the tournament that held that all areas of the course that were "designed and built as sand bunkers" would be played as hazards without exception.¹³ Tournament officials had provided all players with written notice of the Local Rule prior to and throughout the tournament that further explained that many bunkers outside of the ropes would be unraked and would likely include numerous footprints from tournament patrons.¹⁴ Johnson admittedly failed to read and make himself aware both of the Local Rules sheet that had been provided to him, and of the notices of the Local Rule that tournament officials had posted all around the course, one of which was actually located near his locker.¹⁵

Of course, ignorance of the law is no defense. Yet while many have been quick to point out that it was obviously Johnson's sole responsibility to be aware of the Local Rule on the play of bunkers and that "a rule is a rule,"¹⁶ there has been very little analysis of the collection of rules at issue and their application.¹⁷ The interplay of the actual rules and the factual circumstances surrounding Johnson's alleged infraction are not nearly as clear as some would like to believe. For instance, after the incident, Bruce Patterson, a member of the PGA of America's board of directors, proclaimed, "It's very black and white to me. The rules were posted everywhere, and it's the player's responsibility in golf to know the rules, period."¹⁸ According to Ed Mate, the executive director of the Colorado Golf Association, "[I]t was Dustin Johnson's responsibility to know the rules, and he failed to fol-

low them...It's up to the players to know the rules."¹⁹ Rick Morrissey of the *Chicago Sun Times* wrote, "Rules are rules...If Johnson didn't know the rule, he should have."²⁰ Even Johnson himself chimed in along with the chorus of his critics afterward, stating that while he obviously knew that the Rules of Golf do not permit players to ground their clubs in bunkers, "Maybe I should have looked at the [local] rule sheet a little harder."²¹

The problem is that even *had* Johnson been aware of the local course rule on bunkers it probably would not have mattered, because he never once thought he was *in* a bunker. This may be going too far to state the obvious, but it is unlikely that a player will follow a rule specific to playing a shot out of a bunker when the player either (A) is not in a bunker, or (B) is not aware that he is in a bunker. Johnson never argued that he did not know that the alleged bunker was to be played as a hazard—which is all that the Local Rule said—his excuse was that he did not know he was even in a bunker to begin with. Thus, Johnson's tragic incident complicated the heretofore seemingly basic question of what constitutes a bunker under the Rules of Golf, and raises questions as to whether the Local Rule on bunkers at Whistling Straits might have unexpectedly and impermissibly altered that definition.

While questionable rulings are an inherent aspect of any sport, the arc of analysis that this article swings is important for at least one reason. While Johnson's mishap at the 2010 PGA Championship was enough to at least cause a reasonable person to pause for serious consideration of the bunker rules at issue, before the dust—or rather, the sand—had even settled around the controversy, the PGA announced on the day immediately following the tournament that it is unlikely that it will opt to change the ambiguous Local Rule when the championship returns to Whistling Straits in 2015.²² PGA President Jim Remy opined that there just was not a practical solution for the bunker issue at the course. "Do you mark 900 of them not as bunkers and 300 as bunkers? How do you ever mark them?" he said.²³ Yet the numerosity of bunkers on the course is not the real issue. The issue is a simple problem of identification. Remy announced the PGA's apparent decision to maintain the current Local Rule—which states that all areas of the course that were merely designed and built as sand bunkers are to be played as hazards—in spite of the fact that the co-chair of its rules committee had actually admitted after the incident that many of the estimated 1,200 bunkers at Whistling Straits are so difficult to identify that "I think that even the superintendent and his staff would admit that they have never been able to count them all."²⁴

Considering the fact that if the rule does not change, tournament officials will no doubt require the *players* to be aware of every conceivable bunker on the course regardless of what some might appear to be, it begs the question as to why the *officials* think it would be too burdensome and unimportant for them to even attempt to somehow

mark or identify them. Furthermore, if the best professional golfers in the world such as Johnson have difficulty identifying some of the sand traps at Whistling Straits, there is no reason to believe that tournament officials, who already expressly find it too difficult just to even find and mark all of the bunkers on the course, will not have similar difficulties in identification the next time around.

The Rules of Golf have changed before in response to ambiguities and practical problems,²⁵ and the PGA must both clarify the Local Rule at Whistling Straits and clearly define the bunkers there. The real issue surrounding the 92nd PGA Championship is not about whether Dustin Johnson should have been aware of the rules, but about whether the rules were clear and their application sound. Players are not the only ones that must abide by the Rules of Golf. Tournament committees themselves also must adhere to the Rules, and under the Rules a committee cannot merely decide to call anything a bunker. If the location where Johnson incurred his ill-fated penalty was a bunker, the question thus becomes, what is a bunker?

II. The Rules at Play

Promulgated jointly by the Royal and Ancient Golf Club of St. Andrews (R&A) and the United States Golf Association (USGA) for more than a century, the Rules of Golf are notoriously strict. They are so strict that one federal judge quipped in a decision published several decades ago that even “[f]ederal district court is no place for the strict rules of golf.”²⁶ The austerity of the Rules is one of the game’s singularly defining characteristics. More than a century ago as the USGA considered revisions to the official Rules in 1907, an editorial in the *New York Times* advocated that for medal games, the term for tournament-style stroke play, “there should be the strictest provisions possible and no possible compromise with the letter of the law.”²⁷ Countless Rules decisions at competitive tournaments over the years since have held true to this request. Yet it has not always been merely the strictness of the Rules that fans and players have come to recognize; over the years their clarity and application has also been subject to fierce debate and criticism. One headline that ran in the *New York Times* in 1960, after a series of Rules-related incidents in professional golf events, read: “Golfers Advised to Hire Lawyer or Study Rules Book Carefully.”²⁸

Perhaps the most infamous Rules violation to ever cost a player a major championship victory was Argentinean Roberto De Vincenzo’s innocuous scorecard mishap at the 1968 Masters. Under circumstances strikingly similar to Johnson’s finale at Whistling Straits, De Vincenzo bogeyed the 18th hole in the final round at Augusta National to place him in a tie for a share of the lead and a playoff with Bob Goalby. While thousands of on-site spectators and millions of television viewers had witnessed De Vincenzo shoot a 65 for his final round, after finishing the round he had signed-off on and submitted the un-subtotalled scorecard that his paired playing part-

ner Tommy Aaron had kept for him without noticing that the card mistakenly totaled 66. Aaron had erred by writing a par 4 on De Vincenzo’s card for the 17th hole rather than the birdie 3 that he had actually scored. Under the Rules of Golf, “No alteration may be made on a card after the competitor has returned it to the committee. If the competitor returns a score for any hole lower than actually played, he shall be disqualified. A score higher than actually played must stand as returned.”²⁹ A rule is a rule, so De Vincenzo’s mistake tacked an extra shot on to his overall score, which in turn knocked him down to second place and fitted Bob Goalby into a Green Jacket.

Whereas the application of the Rule in De Vincenzo’s case may have been harsh, the Rule itself and the factual circumstances of the infraction were crystal clear. The same cannot be said, however, of the penalty assessed to Dustin Johnson at Whistling Straits.

The interplay of three distinct Rules lies at the heart of the controversy that erupted in the final minutes of the 2010 PGA Championship. The first is the prohibition on grounding a club in a bunker, the second is the definition of a bunker, and the third is the Local Rule that the PGA implemented at Whistling Straits that stated that any area that was designed to be a bunker would be played as a bunker. Any adequate analysis of the application of the Rules in Johnson’s situation must begin with the text of the Rules themselves.

A. Rule 13-4. Ball in Hazard; Prohibited Actions

Johnson was penalized two strokes on the 18th hole for grounding his club in a bunker on his second shot. Under the Rules of Golf, players are not permitted to improve the lie of their balls by pressing their clubs on the ground behind the ball. However, the Rules specifically state that a player incurs no penalty by “grounding the club lightly when addressing the ball,”³⁰ so long as the ball does not lie in a hazard. Rule 13-4 expressly prohibits such an action. The text of the Rule reads as follows:

Except as provided in the Rules, before making a stroke at a ball that is in a hazard (whether a bunker or a water hazard) or that, having been lifted from a hazard, may be dropped or placed in the hazard, the player must not:

- a. Test the condition of the hazard or any similar hazard;
- b. Touch the ground in the hazard or water in the water hazard with his hand or a club; or
- c. Touch or move a loose impediment lying in or touching the hazard.³¹

In essence, Rule 13-4b states that if a player’s ball lies in a hazard, the player may not touch the ground in the hazard at all with his or her hand or club prior to striking the ball. The penalty for breach of the Rule in stroke

play is two strokes. The policy underlying the rule is to prevent players from improving their lies when their balls are in bunkers. Grounding a golf club in a bunker prior to making a stroke could improve a player's lie both because it would allow a player to test the condition of the sand and create additional space behind the ball prior to making a stroke, which would allow him or her to make cleaner contact with the ball. The only exceptions to the Rule are when the player touches the ground in a hazard as a result of or to prevent falling, removing an obstruction, in measuring or in marking the position of, retrieving, lifting, placing or replacing a ball under any other Rule, or if the player actually places his or her entire set of clubs in a hazard.³²

The video replay confirmed that Johnson did in fact lightly ground his club as he addressed his ball, and he admitted that he had done so.³³ Thus, the issue turned on whether his ball was in a hazard and hence whether Rule 13-4 governed the circumstances, or whether the general allowance for grounding the club prior to making a stroke applied. Fortunately, the Rules also provide a definition for what constitutes a hazard.

B. Definition of Hazard

Similar to many statutory code titles, Section II of the Rules of Golf consists of a list of definitions for various terms used in the Rules of Play. Similar to specific statutorily defined terms, these definitions are part of the Rules themselves. Hence, the definitions are also rules.

Courts in the United States often invoke a doctrine known as “the plain meaning rule” when evaluating statutory language. According to the plain meaning rule, “where the language of an enactment is clear [or, in modern parlance, plain], and construction according to its terms does not lead to absurd or impracticable consequences, the words employed are to be taken as the final expression of the meaning intended.”³⁴ In essence, if a rule is unambiguous according to the standard meanings of its terms, one should not look to anything further to interpret its meaning. While American courts obviously do not have jurisdiction over golf tournaments, and although the Rules of Golf themselves do not include a provision for the standard by which the Rules should be interpreted, the plain meaning rule is generally a sound rule and thus will be used here for analytical purposes.

The Rules define “Hazard” simply as “any bunker or water hazard.”³⁵ “Bunker” itself is a defined term as well, and this is where the situation begins to get interesting. The definition reads as follows:

A “bunker” is a hazard consisting of a prepared area of ground, often a hollow, from which turf or soil has been removed and replaced with sand or the like.

Grass-covered ground bordering or within a bunker, including a stacked turf face (whether grass-covered or earthen),

is not part of the bunker. A wall or lip of the bunker not covered with grass is part of the bunker. The margin of a bunker extends vertically downwards, but not upwards.

A ball is in a bunker when it lies in or any part of it touches the bunker.³⁶

Under the definition above, a bunker has three distinct elements: it must consist of (1) a prepared area of ground, (2) from which the turf or soil has been removed, and (3) the space therein must be replaced with sand or the like. The structure of the sentence is perfectly clear: nothing can qualify as a bunker unless all three elements are present.

Analyzing the terms of each element, the second and third are straightforward: the turf or soil must be removed from the area and the remaining space must be filled with sand or the like. However, what constitutes a “prepared” area of ground under the first element is not so apparent at first glance. Nevertheless, we can look to the dictionary definition of “prepared” to understand the plain meaning of the word. According to the Merriam-Webster dictionary, “prepared” means “subjected to a special process or treatment.”³⁷ This definition clarifies any ambiguity that might be alleged to exist within the first element. The element should be properly construed to mean an area of ground subjected to a special process or treatment, and this makes sense when read in conjunction with following two elements. The removal of soil and its replacement with sand is consistent with the special treatment required under the first element. The three elements combine to create a practical rule for what constitutes a bunker: (1) there must be an area prepared to be a bunker, (2) the turf or soil must be removed from that area, and (3) the remaining space must be filled with sand or the like. Under the elements of this rule, bunkers should be relatively simple to construct, and a properly designed bunker should be an easily recognizable feature on a golf course.

Applying the plain meaning rule, because the construction of the definition for a bunker according to its terms does not lead to absurd or impracticable consequences, the words used in the rule itself should be taken as the final expression of the meaning intended. In other words, an area on a golf course will only qualify as a bunker if it adheres to the language of the rule. An area on the course would not qualify as a bunker merely because the course designer or tournament committee intended for it to be a bunker.

This last point is where the controversy over the Local Rule on bunkers at Whistling Straits begins to emerge.

C. The Local Rule

Rule 33-8a of the Rules of Golf allows a committee in charge of a competition to “establish Local Rules for local abnormal conditions if they are consistent with the

policy set forth in Appendix I.”³⁸ In fact, Appendix I sets forth several policies however, only one of them could possibly apply to the conditions at Whistling Straits. Part A 4b states that: “Adverse conditions, including the poor condition of the course or the existence of mud, are sometimes so general, particularly during the winter months, that the committee may decide to grant relief by temporary Local Rule either to protect the course or to promote fair and pleasant play.”³⁹ The PGA Championship tournament committee allegedly came to the conclusion that the unusual overabundance of bunkers at Whistling Straits—especially those that are ungroomed and located outside of the ropes in high-traffic spectator areas, thus making them more difficult to identify—was an “adverse condition.” Rather than attempt to identify which bunkers should be played as hazards and those that should not, the committee apparently thought it would “promote fair play” by simply establishing a blanket rule that every area that was “designed and built” to be a bunker would be played as a bunker.⁴⁰ In hindsight, it appears that the real effect of this rule was to make things easier for the tournament officials, as it shifted the entire onus onto the players for identifying what might and what might not be a bunker, even as the officials themselves simultaneously acknowledged the near impossibility of that task.

The fact that the tournament committee decided to implement a Local Rule for the championship is not problematic. Regardless of the wisdom or reasoning behind the Local Rule itself, even the committee’s intention to establish a blanket rule on the play of bunkers was not necessarily faulty. The actual rule that the committee adopted, however, does prove to be quite problematic.

Several days after the event, David Price, the Rules official who walked with Johnson’s group during the final round, explained: “We told the players on the information we gave them that all sand on the course was considered a hazard, even if there were footprints or tire marks.”⁴¹ Yet the Local Rule that the committee adopted *did not* say that “all sand” was considered a hazard.⁴² Even if it did, under the Rules, a tournament committee cannot just decide to call “all sand on the course” a hazard. For an area on a golf course to qualify as a hazard, it must meet all of the elements under the definition in the Rules. The Local Rule that the PGA implemented and its application strayed from this requirement.

In its entirety, the Local Rule stated as follows:

All areas of the course that were designed and built as sand bunkers will be played as bunkers (hazards), whether or not they have been raked. This will mean that many bunkers positioned outside of the ropes, as well as some areas of bunkers inside the ropes, close to the rope line, will likely include numerous footprints, heel prints and tire tracks during the play of the Championship. Such irregularities

of surface are a part of the game and no free relief will be available from these conditions.⁴³

This rule effectively replaced the objective definition of what constitutes a bunker under the Rules with a new and subjective one. While the Rules require a bunker to be (1) a prepared area of ground, (2) from which turf or soil has been removed, and (3) replaced with sand or the like, the Local Rule redefined a bunker as being any area that was merely “*designed and built*” as a sand bunker, regardless of its present condition. This essentially required the players to have an intimate knowledge of the architect’s plans for Whistling Straits, a course that was built more than a decade ago.⁴⁴ Even if we were to presume for the moment that holding players responsible for being familiar with the course’s architectural plans would be fair, we cannot reasonably apply such a presumption in Dustin Johnson’s case, because tournament officials actually admitted that the reason they did not provide players with a map of all the existing bunkers on the course was precisely because *no such map even exists*, primarily due to the fact that not all of them can be readily identified.⁴⁵ Among other things, this point raises the troubling question as to how the tournament officials were thus ever able to conclusively determine whether Dustin Johnson actually was in an area that was “designed and built” as a bunker when he took his second shot on the 18th hole.⁴⁶

Had Johnson been aware of the Local Rule as he should have been—despite the Rule’s obvious faultiness—it’s possible that he might have been more careful around areas that looked like they could have been designed and built as bunkers. Yet what about areas on the course that did not look like bunkers at all, but were supposedly “designed and built” as bunkers?

The problem with the Local Rule is simple. While the definition for a bunker under the Rules of Golf requires a bunker to consist of (1) a prepared area of ground, (2) from which the turf or soil has been removed, and (3) that the space therein be replaced with sand or the like, under the language of the Local Rule, it is easy to imagine an unidentifiable-bunker-scenario where the course architect supposedly had “designed and built” an area on the course to be a bunker, but the turf or soil from that area has since returned, or the sand has vanished—things that are more than likely to happen with thousands of spectators trampling through it over a six-day period and when the bunker itself is not maintained by the grounds crew. Under the Rules of Golf, a bunker is required to be objectively identifiable, not subjectively determinable.

After the championship, Johnson told the press, “Rules are rules. Obviously, I know the Rules very well. I just never thought I was in a bunker, or I would have never grounded my club. Maybe walking up to the ball, if all those people hadn’t been there, maybe I would have recognized it as a sand trap. I knew there wasn’t [sic] any waste bunkers. But all the bunkers on the course

had a darkish color to the sand. This was white dirt.”⁴⁷ Whether we find this to be a good explanation or not, the uniqueness of Whistling Straits and the Local Rule itself opened the door for debatable interpretations as to what constituted a bunker, and neither the players nor the officials were ever given sufficient information to be able to identify what areas were in fact “designed and built” to be bunkers.

III. So, What Is a “Bunker”?

According to Rick Morrissey of the *Chicago Sun Times*, “By the PGA’s definition, it was a bunker, and that’s the only definition that matters.”⁴⁸ This assessment is painfully mistaken. The only definition that matters is the definition that the USGA and the R&A have provided in the official Rules of Golf, and that definition requires that a bunker consist of (1) a prepared area of ground, (2) from which turf or soil has been removed, and (3) that the space therein be replaced with sand or the like. From the visual pictures of the area where Johnson incurred the penalty, it was not clear at all that the area was prepared to be a bunker, nor that any turf or soil had actually been removed and replaced with sand. However, it is undeniable that there was not any grass within a few feet of where his ball lay and that the small area of ground was very dry and dusty. Nevertheless, hundreds of spectators had encircled the ball and stood packed tightly within only a club’s length of it, preventing Johnson from noticing any possible outer rim or lip of the “bunker” that might have warned him of its existence (although even had the crowd been held back it still probably would not have helped, considering that CBS television announcer David Feherty went back and stood in the exact same spot after the crowd had left and he still could not identify it as a bunker).⁴⁹

As Ron Kroichick of the *San Francisco Chronicle* stated, “It still defies common sense to think tournament officials considered the resting spot for Johnson’s drive a bunker. No way. Not when spectators traipsed through it all week. Not when they stood there as he launched his tee shot. Not when they surrounded him in the ‘bunker’ as he took his fateful swing.”⁵⁰ Stewart Cink, the 2009 champion of the British Open, made the seemingly obvious suggestion that “Maybe Whistling Straits should rethink some of those obscure bunkerish features.”⁵¹

Nonetheless, the PGA remains firmly behind its Local Rule.⁵² And the issue remains that the Local Rule itself both fails to give players adequate notice of what might constitute a bunker and might also have impermissibly altered the definition of what constitutes a bunker.

Rule 33-1 of the Rules explicitly states that a committee in charge of a competition “has no power to waive a Rule of Golf.”⁵³ Furthermore, Rule 33-8b goes on to say that “A Rule of Golf must not be waived by a Local Rule.”⁵⁴ As it is, the Local Rule that the PGA implemented at Whistling Straits effectively waived a Rule of Golf by

broadening the definition of what constitutes a bunker to anything that was merely “designed and built” to be a bunker. However, Rule 33-8b does carve out an exception to the no-waiver rule: “[I]f a committee considers that local abnormal conditions interfere with the proper playing of the game to the extent that it is necessary to make a Local Rule that modifies the Rules of Golf, the Local Rule must be authorized by the USGA.”⁵⁵ There has been no indication that the PGA Championship tournament committee sought or received such authorization.

The existing definition of what constitutes a bunker under the Rules is sound. Under that definition, an area on a golf course does not become a bunker just because a tournament committee says so, or because some sand or dirt by chance happens to be there. The requirement that a bunker consists of a prepared area of ground from which the turf or soil has been removed and replaced with sand or the like establishes an objective standard by which any reasonably observant player can easily distinguish between areas that *are* bunkers and areas that are *not*. The Local Rule that the PGA implemented and plans to maintain at Whistling Straits altered this requirement by establishing that a bunker is any area that was simply “designed and built” to be a bunker, regardless of the area’s actual condition or appearance.

This Local Rule is problematic both in the sense that it requires players to know something of which they are not capable of knowing (i.e., whether an area was originally *designed* and *built* to be a bunker), and because it establishes that certain areas are to be considered bunkers even when they might not appear to be bunkers at all. The innumerable hazards at Whistling Straits make it a unique and challenging course for the world’s top golfers. That is fine, but if tournament officials are going to strictly construe the rules of the game against players, the rules must be unambiguous and comport with the standards set forth by the official Rules of Golf. The Local Rule at issue here does not, and Dustin Johnson was the unfortunate victim of its ambiguity.

IV. Where to Go from Here

After Roberto De Vincenzo’s scorecard incident at the 1968 Masters, fans and even some other professional golfers denounced the seemingly unfair scorecard rule.⁵⁶ While many argued that the Rule should be changed or that an exception should have been made, others argued that there were other obvious measures that would have prevented the incident from happening in the first place, and the USGA immediately took steps to ensure that similar bookkeeping mishaps would not happen to players at future events.⁵⁷

De Vincenzo’s failure to notice that his scorecard erroneously gave him a par 4 on the 17th hole rather than the birdie 3 that he had made was mostly attributable to the fact that after he finished his round, he did not have a quiet place where he could go to concentrate and review his

card. After the incident, Don January, the PGA Champion from the previous year, expressed that “I don’t think the Rule should be changed but I think a separate area should be established at the 18th green at every tournament where players can go over their scores.”⁵⁸ Joseph Dey, the USGA’s executive director, agreed and proposed creating an isolation booth that would protect players from the crowd and provide them with a private location to check their scorecards after finishing their rounds.⁵⁹ Dey followed through, and a few days prior to the U.S. Open later that season, the USGA’s president Hord Hardin announced that “the de Vincenzo incident has made us aware of what can happen here. All our people have been instructed to give players a quiet place at the 18th green and [to] help them in every way.”⁶⁰ Hardin even made sure to provide a Rules official in the isolated scoring area who would offer to help players tabulate their cards before submitting them if they so desired.⁶¹ Ever since, almost all professional golf tournaments have provided players with a secluded place to review their scorecards. Problem solved.

The bunker controversy at the 2010 PGA Championship poses a problem of even greater magnitude that the PGA cannot afford to have repeated in the future. Whereas the De Vincenzo incident highlighted only the need to take certain measures to enable players to more easily comply with a perfectly clear Rule, the Dustin Johnson incident highlighted an untenable ambiguity in the Local Rule on the play of bunkers at Whistling Straits, where even the tournament officials themselves admittedly could not visibly identify all of the existing bunkers on the course.

Just as the USGA acknowledged that a curable problem had contributed to De Vincenzo’s mistake in the 1968 Masters and thereafter responded with an effective solution, the PGA should similarly acknowledge the inherent problem with its Local Rule at Whistling Straits and take appropriate steps to fix it for future events.

Nothing can be done to change the outcome of the 92nd PGA Championship—it is a sport. Bad calls happen, which is part of the game. The question is where to proceed from here. The PGA needs to ask itself whether it is worth risking the possibility of another leaderboard-altering-unidentifiable-bunker-scenario when the tournament returns to Whistling Straits in 2015, or when it hosts the Ryder Cup there in 2020. It is not. The faulty Local Rule deprived Dustin Johnson of a chance to win the tournament in a playoff, and it deprived Martin Kaymer of a major championship victory untainted by controversy. For the sake of fairness and to prevent another bunker blunder, the PGA must change the now infamous Local Rule at Whistling Straits.

The very least that the PGA could do is (1) revise the Local Rule to state that only bunkers within the spectator ropes are to be played as hazards, and (2) mark any bunker that sits on both sides of the ropes so as to clearly

identify the status of the area. This would mean that most playable bunkers would be free from the erosion of spectator foot traffic, making them easier to identify, and the questionable areas that would be subjected to foot traffic because they border spectator areas would be clearly identified for players. The tournament officials would not even have to locate every bunker on the course, but only the potentially confusing ones near the ropes. Further, if the officials also resolved to groom and maintain all of the bunkers within the ropes, it would probably prevent an incident similar to the one Johnson suffered from ever happening again.

The confusion during the final moments of the 92nd PGA Championship spoke for itself. The Local Rule on the play of bunkers at Whistling Straits simply cannot remain in effect during future tournaments without damaging both the PGA’s credibility and the game of professional golf.

Endnotes

1. Leading the field by three strokes after the first three rounds at Pebble Beach, Johnson triple-bogeyed the second hole, double-bogeyed the third hole, and bogeyed the fourth. He finished with an 82, the worst score for a third-round leader at the U.S. Open in 99 years, ultimately finishing tied for eighth in the tournament. John Branch, *In Stunning Losses, Winning Over Fans*, N.Y. TIMES, Aug. 29, 2010, at SP 1.
2. Michael Whitmer, *Johnson Avoids Bunker Mentality After PGA Gaffe*, BOS. GLOBE, Aug. 19, 2010, at 1.
3. Dustin Johnson, 8/15/2010, PGA.COM, (Aug. 15, 2010), at <http://www.pga.com/pgachampionship/2010/multimedia/video/gotuit.cfm?c=pgachamps2010-playlists&p=504880&s=5053193>.
4. *The 92nd PGA Championship: Final Results and Prize Money*, PGA.COM (Aug. 15, 2010), at <http://www.pga.com/pgachampionship/2010/upload/FinalResultsW.pdf>.
5. *Id.* For a simplified breakdown of PGA prize money distributions see *PGA Tour Prize Money Charts*, <http://frankosport.us/golf/Purse>.
6. *Flash Interview With: Mark Wilson*, PGA.COM, (Aug. 15, 2010), at <http://www.pga.com/pgachampionship/2010/news/johnson-081510.cfm> (follow “Interview With Rules Official Mark Wilson” hyperlink).
7. *Ruling on Rules Day-After Conversation*, USA TODAY, Aug. 17, 2010, at C3.
8. THE RULES OF GOLF 2010-2011, Rule 13-4b (U. S. Golf Assoc. 2009).
9. Mike Chambers, *Golf Front Range Experts See Gaffe Differently*, DENVER POST, Aug. 17, 2010, at C7.
10. Alan Shipnuck, *Trap Game*, SPORTS ILLUSTRATED, 39 (Aug. 23, 2010); *92nd PGA Championship Dustin Johnson Ruling*, PGA.com, at <http://www.pga.com/pgachampionship/2010/event/loader.cfm?csModule=security/getfile&pageid=36224>.
11. *Golf Courses*, STANDREWS.COM, at <http://www.standrews.com/golf/golf-courses>.
12. Shipnuck, *supra* note 10, at 40.
13. *92nd PGA Championship Dustin Johnson Ruling*, *supra* note 10.
14. *Id.*; Shipnuck, *supra* note 10, at 40.
15. Shipnuck, *supra* note 10, at 40.
16. See Kevin Scarbinsky, *In Golf, a Rule is a (Dumb) Rule*, BIRMINGHAM NEWS, Aug. 17, 2010, at D2 (“But a rule is a rule, especially when it’s printed on a rules sheet and posted in the locker room and handed to every player before the tournament begins.”); Jerome

- Solomon, *Johnson's Ignorance Proves Costly*, HOUSTON CHRON., Aug. 17, 2010, at 1 ("Johnson has no one to blame but himself for his unfortunate mistake."); Scott Michaux, *Rules of Golf Can't be Beaten*, AUGUSTA CHRON., Aug. 16, 2010, at C1 ("[I]gnorance of the law is no defense in golf, and the law was posted for all to see in the locker room regarding the nearly endless array of random bunkers scattered all the way to the entrance of Whistling Straits."); Greg Johnson, *Local Rules Official Gets National Earful: GR Native Wilson Explains Controversial PGA Shot*, GRAND RAPIDS PRESS, Aug. 18, 2010, at C1 ("Johnson did this to himself by not paying attention to a rules sheet made specifically for the tournament. It pointed to that very specific violation."); Gary D'Amato, *Johnson Has No One to Blame But Himself*, Aug. 17, 2010, MILWAUKEE J. SENTINEL, at SP ("Johnson should have known better...[he] didn't read a rules sheet distributed to the contestants that clearly explained a local rule about bunkers...and in this case there was only one possible interpretation.").
17. Quinn Hillyer of the *American Spectator* has provided the most insightful analysis to date of the factual circumstances and the actual rules at issue. Quinn Hillyer, *A Badly Wounded Spirit of Golf*, AMERICAN SPECTATOR (Aug. 16, 2010), at <http://spectator.org/archives/2010/08/16/a-badly-wounded-spirit-of-golf>.
 18. Teddy Greenstein, *Players, Fans Tee Off on Bunker Penalty: PGA Says Rules Clear, But Many Not So Sure*, CHI. TRIB., Aug. 17, 2010, at C1.
 19. Chambers, *supra* note 9.
 20. Rick Morrissey, *Golf a True Role Model: Sport's Regulations Might Seem Oppressive, But They're There to Be Obeyed*, CHI. SUN TIMES, Aug. 18, 2010, at 66.
 21. Shipnuck, *supra* note 10, at 40.
 22. Steve DiMeglio, *PGA: Bunker Rule Likely Won't be Grounded*, USA TODAY, Aug. 17, 2010, at C1; Doug Ferguson, *PGA President Doesn't Expect Bunker Rule to Change at Whistling Straits*, PITTSBURGH POST-GAZETTE, Aug. 17, 2010, at D1.
 23. Ferguson, *supra* note 22.
 24. Flash Interview With: Mark Wilson, *supra* note 6.
 25. See *Golf Rules are Approved: Code Will Remain Unchanged at Least Until Jan. 1, 1954*, N.Y. TIMES, Nov. 24, 1952, at 27; Lincoln Werden, *Gambling in Golf Again Assailed as Rule Changes are Announced: Action Clearly Indicating Intent to Play as Pro Held Violating Amateur Status--Water Hazard Situations Clarified*, N.Y. TIMES, Mar. 15, 1950, at 39; *Few Changes Seen in Condensed Code*, N.Y. TIMES, Mar. 16, 1947, at S5; William Richardson, *Revisions Made in Rules of Golf*, N.Y. TIMES, Nov. 25, 1933, at 21; *Golf Rule Revision: Simplification of Code Will be Aim of American Committee*, N.Y. TIMES, Oct. 27, 1907, at S7.
 26. *Barrett Line v. Alamo Chemical Transportation Co.*, 271 F. Supp. 482, 485 (W. Dist. La. 1967).
 27. *Golf Rule Revision: Simplification of Code Will be Aim of American Committee*, N.Y. TIMES, Oct. 27, 1907, at S7.
 28. Lincoln Werden, *Golfers Advised to Hire Lawyer Or Study Rules Book Carefully*, N.Y. TIMES, Apr. 17, 1960, at S6.
 29. Lincoln Werden, *Millions Watch a Masters Tie, Then Goalby Wins on an Error*, N.Y. TIMES, Apr. 15, 1968, at 1.
 30. THE RULES OF GOLF, *supra* note 8, at Rule 13-2.
 31. *Id.* at Rule 13-4b.
 32. *Id.* at Rule 13-4.
 33. Michaux, *supra* note 16.
 34. *U.S. v. Mo. Pac. R.R. Co.*, 278 U.S. 269, 278 (1929).
 35. THE RULES OF GOLF, *supra* note 8, at Section II.
 36. *Id.*
 37. MERRIAM-WEBSTER, Prepared, at <http://www.merriam-webster.com/dictionary/prepared>.
 38. THE RULES OF GOLF, *supra* note 8, at Rule 33-8a.
 39. *Id.* at Appendix I, Part A, 4b.
 40. See also D'Amato, *supra* note 16.
 41. Rick Morrissey, *supra* note 20.
 42. Scott Michaux was one of the few, if not the only reporter, to take note of this mistaken understanding by the Rules official. Scott Michaux, *Only De Vincenzo Can Empathize With Johnson*, AUGUSTA CHRON., Aug. 22, 2010, at C1.
 43. 92nd PGA Championship Dustin Johnson Ruling, *supra* note 10.
 44. Straits Course at Whistling Straits, WISCONSINGOLF.COM, <http://www.wisconsin-golf.com/courses/sheboygan/whistling-straits-straits/>.
 45. Flash Interview With: Mark Wilson, *supra* note 6.
 46. As Berry Tramel of the *Oklahoman* newspaper wrote, "Frankly, if I was Johnson, I might have asked the PGA honcho who popped me with the two-stroke penalty, 'Did you build that area of land? Did you design it?' If the answer is no, then how the heck do you know?" *Dire Straits: Johnson, Fans Cheated: PGA: Ridiculous Penalty an Ugly Scene at Major*, OKLAHOMAN, Aug. 17, 2010, at C1.
 47. Scott Michaux, *Only De Vincenzo Can Empathize With Johnson*, AUGUSTA CHRON., Aug. 22, 2010.
 48. Rick Morrissey, *supra* note 20.
 49. Hillyer, *supra* note 17.
 50. Ron Kroichick, *PGA Officials Could Be Stuck in Sand Trap*, S.F. CHRON., Aug. 19, 2010, at B7.
 51. DiMeglio, *supra* note 22.
 52. *Id.*; Ferguson, *supra* note 22.
 53. THE RULES OF GOLF, *supra* note 8, at Rule 33-1.
 54. *Id.* at Rule 33-8b.
 55. *Id.*
 56. See Lincoln Werden, *Top Golf Pros Swing at Rule Penalizing Errors in Scoring*, N.Y. TIMES, Apr. 18, 1968, at 63; Daley, Arthur, *Sports of the Times: A Ridiculous Rule*, N.Y. TIMES, Apr. 16, 1968, at 58; Lincoln Werden, *Golf Rule Costly to Vincenzo Is Unlikely to Be Changed: Isolation Booth Proposed by Dey: Official Says Players Need Protection From Crowd in Checking Scorecards*, N.Y. TIMES, Apr. 16, 1968, at 58.
 57. Lincoln Werden, *De Vincenzo's Loss in Masters Leads U.S. Open to Aid Scoring*, N.Y. TIMES, June 12, 1968, at 53.
 58. Lincoln Werden, *Top Golf Pros Swing at Rule Penalizing Errors in Scoring*, N.Y. TIMES, Apr. 18, 1968, at 63.
 59. Lincoln Werden, *Golf Rule Costly to Vincenzo Is Unlikely to Be Changed: Isolation Booth Proposed by Dey: Official Says Players Need Protection From Crowd in Checking Scorecards*, N.Y. TIMES, Apr. 16, 1968, at 58.
 60. Lincoln Werden, *De Vincenzo's Loss in Masters Leads U.S. Open to Aid Scoring*, N.Y. TIMES, June 12, 1968, at 53.
 61. *Id.*
- Brian Pelanda recently graduated as valedictorian from Whittier Law School, where he was a fellow in the Center for Intellectual Property Law. Special thanks go to Andrea Funk, whose enthusiasm and encouragement made this project possible. This article is dedicated to the Pelanda family reunion of 2010, where we sat in Dad's living room and watched the final moments of the 92nd PGA Championship unfold and argued on into the evening without any final resolution about the historic controversy that ensued. Dad's constant refrain in that argument "What do the rules say?!" inspired this article. As countless other sons have reluctantly done and admitted to their fathers at one point or another in their lives, Dad, you were right.**
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Brady, et al. v. National Football League—Refining the Legal Landscape of Collective Bargaining in the NFL and Across North American Professional Sports Leagues

By Brian C. Laskiewicz

A Blog entry by Brian C. Laskiewicz is currently available at nybar.com/blogs/EASL, which updates the issues described herein with regard to the NBA.

I. Introduction

Until July 2011, the dominant theme of news developments regarding professional football concerned the ongoing collective bargaining negotiations being held between the National Football League (NFL or League) and National Football League Players' Association (NFLPA). These negotiations moved at a very slow pace prior to the outcome in the antitrust case of *American Needle, Inc. v. Nat'l Football League*, which was decided by the United States Supreme Court in May 2010.¹ Even so, the NFL and NFLPA failed to make significant progress in their collective bargaining negotiations in time to avoid the expiration of the parties' collective bargaining agreement by March 11, 2011. This resulted in the decertification of the NFLPA as a collective bargaining unit, a lockout instituted by the NFL, and antitrust litigation filed by current and former players, which was a path cleared by way of NFLPA decertification. Between March and July the developments were centered largely on the cases of *Tom Brady, et al. v. National Football League*, a class action filed by current and incoming rookie players, and *Carl Eller, et al. v. National Football League*, a class action filed on behalf of retired players. These filings resulted in applications for injunctive relief before both the United States District Court for the District of Minnesota and the Eighth Circuit Court of Appeals. The Eighth Circuit ruled that the NFL owners had the right to impose the lockout, but suggested that rookies and free agent players could be entitled to injunctive relief, and that the antitrust case-in-chief could remain on track.² The two sides were then able to reach an agreement on a new Collective Bargaining Agreement (CBA) in July that preserved the current season's full schedule of regular season and playoff games, forcing the cancellation of only a single preseason contest, the annual Hall of Fame Game. This new agreement is significant for both its terms, which include ten years of labor peace until early 2021, as well as an indication that a new era may have arrived with respect to the recognition of rights between owners and players in North American professional sports leagues. This new era may be characterized by a strong emphasis on the actual damages at issue and respective rights of players and owners, whereby blanket legal victories by players may no longer be assured, due in large part to the significant rights and benefits gained by players in years past. History and current circumstan-

ces indicate that this dynamic is not confined solely to the realm of football, but may in fact be seen in the present National Basketball Association (NBA) lockout, as well as the labor negotiations taking place that involve Major League Baseball (MLB), the National Hockey League (NHL), and their respective player unions.

II. Background of the Parties and Applicable Law

A. National Football League

The NFL is the preeminent professional sports league that conducts competitive games of professional American football. It was formed in 1920 by a number of independent professional football clubs, and prior to 1922 was known as the American Professional Football Association. Originally existing on the fringe of the American college and professional sporting landscape, the NFL gradually obtained stability of its franchises and increased its standing in the world of sports and entertainment. The NFL grew in size through a series of self-initiated expansions and mergers with other leagues, including a partial merger with the All-America Football Conference in 1950, as well as a full merger with the American Football League (1960 through 1970) that received the formal approval of Congress in 1966, exempting the merger from antitrust scrutiny.³

Along with the growth of television and mass media, the NFL became the most popular professional sports league in the U.S. The NFL-AFL merger brought about the Super Bowl championship game, which has grown from a non-sellout debut in 1967 to the unofficial national holiday that currently exists. The NFL has certainly used its increased attention to promote the game and its star players. Historic championship teams have benefited from promotions. Much, if not all, of this increased attention by sports fans and the general public has come by way of tremendous television, multimedia, and Internet exposure, as well as through the extensive intellectual property licensing and promotion conducted by the NFL since the 1960s.⁴ The expanded business earnings, as well as collective bargaining negotiations and litigation involving the NFL and NFLPA, have brought about significant and ever-increasing earnings shared between the NFL and its players throughout the years.⁵

B. National Football League Players Association and Collective Bargaining

The NFLPA is the collective bargaining entity formed by the players of the NFL, which primary purpose is to represent the interests of the players with respect to working conditions and collective bargaining. The NFLPA was originally formed in 1968, during a time in which the players across various professional major team sports leagues in North America were organizing and actively fighting for a number of increased rights concerning compensation and free agency.⁶

Throughout the years, the NFLPA pursuit of improved player rights and working conditions has led to a number of work stoppages, including the player strikes that took place in 1974, 1982, and 1987. These labor disputes were fought within the context of antitrust and labor law, which have generally recognized collective bargaining as a right of labor and that the business of professional football must comply with antitrust requirements. Significantly, upon the expiration of a CBA between labor and management in a management-imposed lockout or strike by labor often results. Whenever this happens, management has the ability to impose work rules based upon its most recent offer in negotiations, which may then be subject to litigation by labor.⁷ This is precisely what transpired following the previous NFL work stoppage, the players' strike in 1987. The owners imposed work rules in the aftermath of the strike. Several lawsuits were then filed by or on behalf of NFL players, which also involved the NFLPA's move to decertify as a collective bargaining entity for the purposes of the labor dispute. The League subsequently operated without a negotiated CBA until 1993, when the players won significant victories in federal court. Prior to 1993, the players enjoyed relatively little in the way of the right of free agency. Following the resolution of litigation instituted by the players, the NFL and NFLPA reached a deal on a new CBA, which resulted in the tremendous expansion of free agency rights, as well as the imposition of a salary cap and increased revenue sharing among the teams.⁸ Such provisions were widely hailed for creating parity among the teams, regardless of market size, and for providing teams with the ability to become competitive in much shorter timescales than ever before. Thereafter, relative labor peace ensued until 2006, when the negotiations on the current CBA were completed, leading to the present climate.⁹

Conversely, management asserted the ability to impose a lockout of players upon the expiration of a CBA, which is what occurred following the expiration of the 2006 CBA on March 11, 2011. The NFL used this tactic by imposing a lockout on March 12, 2011, which followed the NFLPA's exercise of its ability to decertify as a collective bargaining unit, itself clearing the way for the players to file an antitrust lawsuit challenging the NFL's imposition of a lockout. This dynamic was further complicated

by the NFLPA's filing of a legal challenge against the NFL's broadcast agreement, which had provided for approximately \$4 billion in guaranteed television contract revenues for the 2011 season (even if the season were cancelled due to a lockout), asserting that such tactic provides an improper NFL team owners' fund by which to ride out any NFL work stoppage. The NFLPA prevailed on this challenge at the district court level prior to the settlement and new CBA in July 2011, which also resolved all outstanding litigation, including the *Brady* antitrust suit filed in March 2011, undoubtedly factors in determining the relative negotiating power of the respective parties.¹⁰

As set forth further below, the courts preserved the general contours of antitrust and labor law in this dispute, but resulted in a ruling suggesting that significant player gains during the last 40 years across various professional sports leagues have been substantial enough that players would not automatically win litigation against ownership in every dispute involving issues relating to labor, collective bargaining, or compensation rights. Rather, the opinion issued by the Eighth Circuit suggested that the balancing of the interests of the parties, as well as instant factual circumstances, could lead to more nuanced legal analysis in the future. In order to understand this dynamic, it is helpful to analyze both the *Brady* litigation and background of the general state of antitrust law through the 2010 Supreme Court case, *American Needle, Inc. v. National Football League*, which provided at least one significant source of delay in the most recent NFL-NFLPA negotiations toward the present CBA, as such talks did not begin in earnest until after the May 24, 2010 decision even though the NFL exercised a right under the 2006 CBA in 2008 to opt out of the agreement by 2011.¹¹

C. Antitrust Background and *American Needle*

Section 1 of the Sherman Antitrust Act prohibits "[e]very contract, combination in the form of a trust or otherwise, or, conspiracy, in restraint of trade."¹² With the historical exception and retrospectively historical oddity of MLB, professional sports leagues have long been subjected to the contours of antitrust law.¹³ The courts have reviewed various practices of the NFL and other leagues under antitrust analysis since at least the 1950s.¹⁴ As a result, the business practices of the NFL have a long history of either being litigated, as in cases involving franchise relocation and labor practices, or being the subject of legislation designed to protect such activity from being invalidated under the Sherman Act.¹⁵

Antitrust law provides for two different standards of review: (1) *per se* review for certain kinds of § 1 violations, where a restraint reveals a "predictable and pernicious anticompetitive effect;"¹⁶ and (2) rule of reason review, which courts have commonly applied to other types of enterprises, such as joint ventures, including professional sports leagues, and involves fact-intensive discovery along with a balancing test between competi-

tive and anti-competitive effects.¹⁷ The rule of reason standard of review has prevailed with respect to the NFL, which had historically been regarded by the courts as a joint venture of individually owned franchises. These franchises competed at various levels while combining their efforts to enhance their products in areas that were beneficial, or even necessary, to the enterprise until temporary uncertainty caused by the Seventh Circuit's decision in *American Needle*. There, the single entity defense gained some traction for the NFL.¹⁸ While the difference between a joint venture and a single entity for limited purposes (such as licensing) may appear to be subtle, the difference is pronounced with respect to the subject matter of the instant litigation, as well as the broader application to other aspects of the business of the NFL, especially toward labor relations between the League and NFLPA. For example, the NFL has long been subject to antitrust requirements with respect to labor, working conditions, collective bargaining, and other legal requirements.¹⁹ In order for the NFL to institute and maintain certain types of personnel practices that would be considered anticompetitive under antitrust law (such as a player draft, salary cap, free agency rules, and other conditions concerning wages, hours, and other working conditions), such practices would have to be collectively bargained with the NFLPA so that they would fall within the "non-statutory exception" safe harbor that protects collectively bargained provisions from attack under antitrust law.²⁰

The law appeared to be settled prior to *American Needle* and its ultimate resolution by the United States Supreme Court, except for the existence, advocacy for, and ultimately temporary application of the judicially recognized single entity defense. This defense stems largely from *Copperweld Corp. v. Independence Tube Corp.*, a case in which the Supreme Court found that a parent corporation and its wholly owned subsidiary were a single entity and acting with a "complete unity of interest."²¹ This finding provided a critical distinction between a single entity and joint venture, by clarifying that there were no separate parts to a single entity, while a joint venture is deemed to contain a number of constituent parts with both common and diverging interests. This distinction was critical, because a single entity by definition cannot compete against itself, which therefore exempts the entity from Sherman Antitrust Act §1 scrutiny for any purpose that the entity is deemed to operate as a single entity.²²

B. *American Needle v. NFL* Litigation

American Needle, Inc. (American Needle), a longtime manufacturer of apparel that had a licensing agreement with the NFL through 2000, appealed the NFL's decision to award an exclusive 10-year contract to Reebok for the manufacture of NFL team apparel. Summary judgment was entered by the district court in favor of the NFL, reasoning that the League, its teams, and licensing entities had integrated their operations for intellectual property purposes so that they should be deemed a single entity.²³

The Seventh Circuit affirmed, and did not limit the application of the single entity defense to intellectual property operations.²⁴ In response, both American Needle and the NFL filed petitions for certiorari with the United States Supreme Court. In contrast to American Needle's appeal of the rulings below, the NFL took the unusual step of a successful party appealing the decision as part of a calculated risk. The League saw the potential to gain a long-coveted expansion of the protection of its business practices from requirements under the Sherman Antitrust Act, including conceivably altering the bargaining power between the NFL and NFLPA substantially in favor of the former.²⁵

On May 24, 2010, the United States Supreme Court reversed the decision of the Seventh Circuit by a unanimous 9-0 vote, a decision that attracted significant attention from the news media and members of the NFL and NFLPA establishment.²⁶ The opinion was delivered by Justice John Paul Stevens, who was set to retire at the conclusion of the October 2009 Term. The Court remanded the matter for pre-trial discovery and a trial on the specific facts of American Needle's antitrust claims under the rule of reason standard.²⁷ Notably, the Court rejected the NFL's single entity argument, indicating that "[a]lthough NFL teams have common interests such as promoting the NFL brand, they are still separate, profit-maximizing entities, and their interests in licensing team trademarks are not necessarily aligned."²⁸ The Court also focused on the potential competition among different teams in various ways "to attract fans, for gate receipts and for contracts with managerial and playing personnel, which included competition with respect to intellectual property."²⁹

The opinion defused a contention by the NFL that an adverse ruling would turn every collectively made League decision into an antitrust conspiracy by focusing on the specific nature of the NFL's decision to award an exclusive license to Reebok for the production of headgear, explaining that "[d]ecisions by NFL teams to license their separately owned trademarks collectively and only to one vendor are decisions that 'deprive the marketplace of independent centers of decisionmaking...and therefore of actual or potential competition.'"³⁰ Justice Stevens also noted that "[t]he fact that NFL teams share an interest in making the entire league successful and profitable, and that they must cooperate in the production and scheduling of games, provides a perfectly sensible justification for making a host of collective decisions."³¹ In this sense, the Court distinguished the common interests in NFL teams pursuing promotion of intellectual property from their own competing interests relating to the desired performance of each team's own intellectual property assets, thereby precluding a finding of single entity activity supported in *Copperweld*, while also recognizing that a certain level of cooperation among a group of actors may be necessary to preserve a form of competition desired by them.³² Accordingly, the status quo of antitrust law was

preserved in this narrowly tailored decision, which would permit the NFL and its teams to make a number of collective decisions, although the Supreme Court did not find as to the legality of any particular decision, the merits of each which would be subject to rule of reason analysis in the event any collective decision of the League was challenged.³³

C. Reaction and Impact on CBA Talks, May 2010–March 2011

Following the Supreme Court opinion, a number of individuals, including commentators and NFLPA President DeMaurice Smith, made observations indicating that: (a) the pending nature of the *American Needle* decision was one of the main obstacles to meaningful labor negotiations up to that point; and (b) that the actual outcome provided a beneficial effect that enhanced the bargaining power of the NFLPA vis-à-vis the NFL owners' comments and actions that suggested preparation for an extended lockout.³⁴ Upon the announcement of the opinion, Smith issued the following statement:

Today's Supreme Court ruling is not only a win for the players past, present and future, but a win for the fans. While the NFLPA and the players of the National Football League are pleased with the ruling, we remain focused on reaching a fair and equitable Collective Bargaining Agreement. We hope that today also marks a renewed effort by the NFL to bargain in good faith and avoid a lockout.³⁵

The NFL downplayed any link between *American Needle* and the ongoing CBA negotiations, but chose to focus on the positive aspects of the case and expressed a commitment to reaching a new CBA in order to prevent a work stoppage. NFL spokesman Greg Aiello stated that the ruling "has no bearing on collective bargaining, which is governed by labor law," welcomed the recognition that collective decisions by sports leagues may be protected, and expressed confidence that the League would prevail in the remanded lawsuit, "because the league decision about how to best promote the NFL was reasonable, pro-competitive, and entirely lawful."³⁶ NFL Commissioner Roger Goodell indicated that talks with the NFLPA would restart in June 2010, that the timing of an agreement was unknown, a labor-cost number acceptable to owners and players was the biggest obstacle, but that "[w]e will have a labor agreement" that "will be collectively bargained and not through the courts."³⁷

It is clear that the outcome in *American Needle* eliminated ambiguity that previously clouded the recent NFL labor dispute, although the resolution of the case failed to provide enough impetus to help the parties avoid a subsequent lockout and litigation on several legal fronts. Since the status quo was preserved, the NFLPA retained

its potential leverage to challenge on antitrust and labor law grounds any possible League-imposed labor conditions or lockout in the event a CBA was not reached by March 2011.³⁸ Sports attorney William David Cornwell, Sr. described the opinion as a rare instance where a Supreme Court decision is considered "landmark" when it does little more than maintain the status quo.³⁹ Still, it was only the first significant development of what turned out to be a long and difficult process for all involved. The expiration of the salary cap and free agency system, which has reduced the mobility of players between NFL teams, set in motion a process whereby teams did not spend lavishly for players, thereby creating uncertainty leading to gridlock.⁴⁰

Negotiations proceeded at a rather slow pace, with the parties meeting on an irregular schedule, often with weeks passing between bargaining sessions and statements often being made at each other through the media, rather than to each other. The CBA negotiations focused on four main issues, relating to the \$9 billion in revenues that the NFL generates on an annual basis: (1) a reduction in the players' receipt of 57 percent of football-related revenues, essentially an increase from approximately \$1 billion to \$2 billion deducted off the top of revenues to cover operating costs, in part due to NFL team investments in a number of new stadiums built in recent years; (2) a rookie wage cap, ending the blockbuster contracts that top draft choices would receive ahead of proven veteran players; (3) an increase in the schedule to 18 regular season games per team; and (4) enhanced testing for performance enhancing drugs. During the course of the negotiations, a fifth main issue was raised: removal of judicial oversight by United States District Judge David Doty of the District of Minnesota, as owners perceived a bias on the basis that a number of significant rulings had been made in favor of players ever since Judge Doty first had jurisdiction over any legal matters involving the NFL (dating back as far as 1988). Negotiations failed to produce tangible results in advance of the expiration of the CBA, which was set for March 4, 2011, and extended to March 11th during the course of mediation sessions that took place in February and March. As the deadline drew near without sufficient progress, the NFLPA then took action to decertify and permit the filing of the *Brady* class action.⁴¹

D. *White v. NFL* Television Revenue Litigation

Shortly after the decision in *American Needle*, the NFLPA sought to launch a counterattack aimed to reduce the likelihood of a lockout by the filing of a legal challenge on June 9, 2010 against the NFL's current broadcast agreement with the television networks that broadcast NFL games. These agreements provide the NFL with approximately \$4 billion in guaranteed television contract revenues for the 2011 season, even if it were cancelled due to a lockout, although the event of a cancelled 2011 season would have resulted in reduced rights fees for future seasons. The challenge by the NFLPA was designed

to attack what the NFLPA saw as the League's strategy of creating a lockout fund designed to ride out any NFL work stoppage.⁴² The underlying authority for this challenge came from the 1993 settlement in *White*, which included a clause engineered by Jeffrey Kessler (whereas the current lead attorney for the NFL players), that required the NFL owners to maximize revenue during the term of the agreement and prohibited "transactions that circumvent" this duty.⁴³ Mr. Kessler recently explained that this clause was written to "protect the players against what is happening now."⁴⁴ This most recent challenge considered whether the NFL had given away valuable content in breach of the CBA, and included an analysis of individual agreements with DirecTV, Fox, ESPN, NBC, and other broadcasters. Proceedings were initially considered by Special Master Stephen Burbank of the University of Pennsylvania, and were subject to appeal through the United States District Court for the District of Minnesota and the Eighth Circuit. The NFLPA challenge was a potential threat to NFL team owners who were subject to going from projecting profits to potentially losing income and facing stadium and interest payments in the event of a lockout that resulted in the cancellation of the 2011 NFL season. The NFLPA indicated that such television monies should be deposited into an escrow fund via court order, which would provide additional leverage for the NFL's players.⁴⁵ After Special Master Burbank initially ruled in favor of the NFL, the NFLPA appealed this decision to United States District Judge David Doty in the District Court for the District of Minnesota. Judge Doty reversed the decision, criticizing legal errors where the NFL had a duty to represent the best interests of both owners and players in making television contractual agreements. Judge Doty also cited an NFL "Decision Tree" that illustrated League intent: "Moving forward with a deal depended on the answer to the questions: 'Does Deal Completion Advance CBA Negotiating Dynamics?' If yes, the NFL should 'Do Deal Now'; if no, the NFL should 'Deal When Opportune.'" Judge Doty wrote that "[t]he record shows that the NFL undertook contract renegotiations to advance its own interests and harm the interests of the players."⁴⁶ The ruling prevented the NFL from accessing such monies during the remainder of the labor dispute and subjected the parties to a potential award of up to \$707 million in damages to NFL players (though an order was not issued to this effect prior to the amicable resolution of all outstanding issues). This litigation had a significant ancillary effect on the status of overall negotiations, although the main action was fought on the *Brady* antitrust front, as set forth below.⁴⁷

III. *Brady v. NFL* Litigation

A. NFLPA Decertification and District Court Litigation over Injunctive Relief

March 11, 2011 was the expiration date of the most recent CBA, and therefore the date by which the NFLPA needed to decertify in order for players to be able to file

antitrust litigation or be unable to exercise such right for six months pursuant to the CBA. In addition, on that date federal law would have prevented the filing of antitrust litigation in a dispute involving labor-related issues where a labor union served as the authorized collective bargaining entity on behalf of labor. Therefore the NFLPA took formal action on March 11th to decertify, relinquishing its right to collectively represent NFL players in the ongoing labor dispute with the NFL. On the same date and immediately following decertification, 10 NFL players led by Tom Brady, Drew Brees, and Peyton Manning filed a class action against the NFL and each of its 32 franchises.⁴⁸ The named plaintiffs chosen for this class represented a cross-section of different players, including superstars, role players, players under contract for future seasons, players who were set to become free agents upon the expiration of the CBA, and an incoming rookie expected to be selected in the 2011 NFL Draft.⁴⁹ As with other litigation involving the NFL and its players, the action was filed in the District of Minnesota, the jurisdiction established in the Stipulation of Settlement between the NFL and NFLPA stemming from the resolution of *White*. The Complaint also asserted that jurisdiction was brought under §4 and §16 of the Clayton Act and §1 of the Sherman Antitrust Act.⁵⁰ Class certification pursuant to Rule 23(b) of the Federal Rules of Civil Procedure was also sought for the "Under-Contract," "Free Agent," and "Rookie" sub-classes based upon each player's respective contract status.⁵¹

The Complaint contained further allegations, including: (1) the character of NFL business in terms of interstate commerce along with a recitation of the history of legal recognition of the relative monopoly power of the NFL;⁵² (2) factual allegations concerning the instant labor negotiating and decertification process;⁵³ (3) a description of player acquisition rules provided under the terms of the CBA that might otherwise be considered anti-competitive under antitrust law, such as the pending imposition of a lockout by NFL team owners, conducting the 2011 NFL Draft of rookie players without a CBA in place, the existence of a League-wide salary cap on all teams' payrolls, and free agency restrictions such as "franchise tags" that allow a team to prevent a single free agent player from hitting the open market;⁵⁴ and (4) the nature of irreparable harm to be suffered by NFL players if a lockout was not enjoined from operation, in part due to the nature of difficulty in estimating monetary damages, the need for players to constantly demonstrate their skills, and short nature of players' careers.⁵⁵ The players included seven causes of action based upon violations of §1 of the Sherman Antitrust Act. This was due to the imposition of a lockout by the NFL and conducting the 2011 NFL Draft, maintenance of free agency restrictions and a salary cap without a controlling CBA, breach of contract and tortious interference of contract or prospective contract rights of players, as well as declaratory judgment concerning the legality of the decertification of the NFLPA and filing of

the Complaint, based in part upon the NFL's previous filing of a complaint in February 2011 with the National Labor Relations Board anticipating the decertification and asserting that such was a "sham" designed solely to seek damages under antitrust law (an argument that the NFL had previously and unsuccessfully made following the NFLPA decertification in 1989 that ultimately led to the 1993 CBA).⁵⁶ In addition to seeking monetary damages in the Complaint, the *Brady* plaintiffs also sought in both their Complaint and a motion seeking injunctive relief in the form of enjoining the lockout and to declare various player acquisition practices illegal in the absence of a CBA. Although the players sought to have continued practices, such as the NFL Draft, declared illegal in their requested relief, the common belief was that the players really sought an injunction to end the lockout as well as better leverage in the labor negotiations.⁵⁷

Following the decertification and the *Brady* plaintiffs' filings, the NFL imposed a lockout on March 12th that froze all League activities concerning player acquisition and free agent signings of veteran players, including those who were either currently under contract or who were free agents by way of the expiration of their previous contracts. Such activities also prohibited players from engaging in contacts with all team staff, such as coaches, and denied players access to team facilities, such as weight rooms. Oral argument was held for the motion on April 6, 2011, and thereafter, on April 25, 2011 United States District Court Judge Susan Nelson issued an order providing for a preliminary injunction that lifted the lockout.⁵⁸

Judge Nelson issued this order in the form of an 89-page opinion that asserted jurisdiction over the *Brady* plaintiffs' request for a preliminary injunction, found that the players demonstrated the threat of irreparable harm, found a likelihood of success on the merits, and enjoined the lockout.⁵⁹ As a threshold matter, Judge Nelson dealt with the main contention of the NFL, which concerned the power of a district court to issue injunctive relief in a labor dispute. First, Judge Nelson rejected the NFL's argument that the matter was governed by labor law as a labor dispute, and not as an antitrust matter based upon the National Labor Relations Act of 1935, also known as the Wagner Act, as well as the Norris-LaGuardia Act of 1932.⁶⁰ In connection with the National Labor Relations Act, Judge Nelson found that the National Labor Relations Board did not hold exclusive jurisdiction pursuant to any statutory policy, and that policy considerations favored the instant district court hearing where issues of delay and irreparable harm were concerned.⁶¹ The court held that the Norris-LaGuardia Act, which was enacted to restrain federal courts from issuing injunctive relief in non-violent labor disputes, (which had the effect of protecting organized labor activities from the issuance of injunctive relief in favor of employers on the basis that actions by organized labor to provide economic pressure

would be in violation of the Sherman Antitrust Act as restraints on trade) was inapplicable to the instant matter, where the NFL players were no longer being represented by the NFLPA, which had decertified and no longer served as the collective bargaining unit for the players.⁶² Finally, Judge Nelson found that the *Brady* plaintiffs had demonstrated the possibility of irreparable harm by way of the relatively short length of playing careers and the need for players to maintain their abilities to perform in their profession, as well as the likelihood of success on the merits based upon the alleged Sherman Antitrust violations, and the public interest weighing against the lockout due to the significant economic impact that would result from the cancellation of 2011 season games. Accordingly, the district court found that the NFLPA disclaimer for collective bargaining purposes was legitimate, and the lockout was enjoined. A parallel application filed by the *Eller* plaintiffs was declared moot.⁶³

B. Eighth Circuit Appeal

The *Brady* plaintiffs and remaining NFL players briefly obtained the ability to access team facilities, resulting in workouts and obtaining new playbooks, which were especially significant for incoming rookies and teams whose coaching staffs and/or playing systems had changed during the 2010-2011 offseason.⁶⁴ After failing to obtain a stay from the district court, where the NFL resisted implementing the order insofar as acting on player acquisition, the League obtained a pair of orders from the United States Court of Appeals for the Eighth Circuit. The first of these orders came on April 29th, where by a 2-1 vote United States Circuit Judges Steven Colloton and Duane Benton issued a decision providing for a temporary stay of the district court's order pending review of a possible full stay during the NFL's appeal. Circuit Judge Kermit Bye provided the dissenting vote, arguing that temporary stays should be issued only in emergency circumstances the likes of which appeared not to be present in the *Brady* case.⁶⁵ A full stay pending the ultimate appeal was issued on May 16th, again by a 2-1 vote of the Eighth Circuit panel.⁶⁶ During the course of these applications and orders, the Eighth Circuit signaled that it was leaning toward the position presented by the NFL with respect to the Norris-LaGuardia Act, which would provide that such is applicable to labor disputes that included matters where collective bargaining units, such as the NFLPA, had decertified. Oral argument was held on June 3, 2011. During this time, the Eighth Circuit encouraged the parties to resolve their differences outside of the Court, and Judge Bye warned that the decision to be issued by the Court would be such that neither side would be happy with the result.⁶⁷

On July 8th, the Eighth Circuit issued its decision on appeal, affirming its prior orders by the same 2-1 vote beforehand, with Judge Colloton writing the majority opinion. In this opinion, the court ruled that the Norris-LaGuardia Act applied to all non-violent labor disputes,

including those where a collective bargaining unit had provided a disclaimer, such as the decertification filed by the NFLPA in this case. Indeed, the Eighth Circuit ruled that the Norris-LaGuardia Act applied even where no union was present as a formal party, and that antitrust litigation did not have the effect of trumping labor disputes, specifically opining that “[w]hatever the effect of the union’s disclaimer on the League’s immunity from antitrust liability, the labor dispute did not suddenly disappear just because the Players elected to pursue the dispute through antitrust litigation rather than collective bargaining.”⁶⁸ While this portion of the decision maintained the status quo on the lockout and favored the NFL and its team owners, other aspects of the ruling appeared to favor the NFL players. Significantly, the ruling did not consider the NFL argument that the labor-antitrust statutory exemption preventing antitrust litigation extended beyond the NFLPA decertification date, thereby reserving the antitrust litigation and potential for treble damages, a rather significant aspect of the underlying litigation. Further, the ruling also provided that free agent and rookie players not under contract might be able to maintain injunctive relief, although evidentiary hearings would be required.⁶⁹ Judge Bye provided a dissenting opinion maintaining that the Norris-LaGuardia Act’s prohibition against the issuance of injunctive relief by federal courts in non-violent labor disputes was intended by Congress only to apply to unions that strike, and not on employers that impose lockouts.⁷⁰

IV. NFL-NFLPA Agreement on New CBA

The NFL and NFLPA ultimately reached an agreement on a new CBA on July 26, 2011, following the previously outlined sequence of events. In addition to the antitrust litigation and pending television contract litigation, the parties conducted a series of mediation sessions with District of Minnesota Chief District Judge Arthur Boylan throughout June and July. An agreement was struck during the time in which training camps were set to open, even forcing the cancellation of the annual NFL Hall of Fame Game in Canton, Ohio, traditionally the start of the NFL Preseason. This game had been scheduled for August 7, 2011, to feature the St. Louis Rams and Chicago Bears. In addition to the overall urgency that the sides felt with respect to the loss of revenues that would be incurred due to the loss of both Preseason and Regular Season scheduled games (among other things), the NFLPA also reportedly disclosed to the NFL that it had taken out its own insurance policy, indicating that the players had greater capacity to financially withstand a prolonged lockout than had previously been believed.⁷¹

The parties reached an agreement on a reduced percentage of revenue to be provided toward players, but offset by an expanded definition of revenues and imposition of a salary cap and floor system, increasing league minimum player salaries, imposing minimum requirements that teams would have to spend on players, vary-

ing by year but located within the 95 to 99 percent range of the salary cap value. The new CBA was set for a 10 year term, expiring in March 2021. The players also triumphed in terms of enhanced player safety, reducing the amount of offseason workouts required, as well as delaying any expansion of the regular season schedule from 16 to 18 games for at least three seasons, and even then subject to negotiations. The NFL owners were able to obtain a lack of judicial oversight and instead have disputes submitted to arbitration, a significant departure from the judicial oversight through the District of Minnesota, present for approximately 20 years as of the present time. In the process, all litigation matters were amicably resolved and the NFLPA was reconstituted and recertified as the collective bargaining entity for NFL players, just as had occurred in the resolution of the labor negotiations that were resolved in 1993.⁷²

V. Conclusions—Implications for the NFL and Other Sports Leagues

Going forward for the NFL and NFLPA, it appears that the era of nearly automatic legal victories on behalf of the players in antitrust litigation may be ending, as the gains of the last several decades have taken players all the way from fully restricted and relatively low paid performers to extremely well-compensated athletes with significant freedom of movement among League teams. The Eighth Circuit’s ruling did not provide either side with a blanket victory, although the lockout was allowed to proceed. Furthermore, the possibility of permitting unsigned classes of players to seek injunctive relief, albeit with evidentiary hearings, as well as the players to continue with the antitrust case-in-chief, strongly suggests that future sports labor and antitrust litigation may be decided by an approach that attempts to account for actual damages and balance the interests of players and owners.⁷³

The NFL-NFLPA saga has had the effect of maintaining the status quo in terms of collective bargaining rights across professional sports leagues with respect to team sports, which is dictated within each sport at least in part as a function of the relative strength of each players’ union. The NHL and National Hockey League Players’ Association (NHLPA) previously extended their present CBA by one year from expiring at the end of the 2010-2011 season to the conclusion of the 2011-2012 season, and are in the process of seeking an additional extension, perhaps seeking to avoid the damage inflicted by the 2004-2005 lockout where the entire season was lost, and curiously where the NHLPA never attempted to decertify and file an antitrust lawsuit. Interestingly, the prior actions of the NHLPA and its new leadership, former MLBPA chief Donald Fehr, seem intent on taking a harder line in a bargaining period likely to begin in 2012 where further salary rollbacks, player revenue percentage rollbacks, length and variability of annual payments over the lifetime of player contracts, team revenue sharing, and continued

player participation in the Winter Olympics are likely to all become significant issues.⁷⁴

MLB and the Major League Baseball Players' Association have also been working toward reaching an agreement to extend labor peace beyond the expiration of the current agreement following the end of the 2011 season, without a trace of harsh rhetoric from prior labor disputes, such as the 1994 players' strike that resulted in the cancellation of the World Series. Indeed, the present MLB discussions have included topics such as potential disciplinary penalties for DUI offenses, league realignment, and expanding the number of teams that qualify for the Playoffs.⁷⁵

"In the uncertain landscape of collective bargaining in professional sports leagues in North America, the only certainty is that the course of litigation that includes the American Needle and Brady cases has had a rather significant role in shaping the legal landscape of professional team sports for a number of years to come."

However, the NBA and National Basketball Players' Association (NBPA) have engaged in rather acrimonious discussions that bear some resemblance on the surface to that of the NFL and NFLPA, where the NBA owners are seeking significant changes to the cost structure of the game. The financial circumstances are somewhat worse for the NBA than the NFL, creating a potential distinction in the context of any hypothetical NBPA decertification and players' pursuit of antitrust litigation. On October 10th, NBA Commissioner David Stern announced that the first two weeks of the season were cancelled due to the ongoing lockout and state of labor negotiations, characterizing the state of discussions as containing a significant gulf "on virtually all issues,"⁷⁶ primarily related to the proposed division of "Basketball Related Income" between owners and players. The owners are seeking a significant reduction in the percentage allocated toward players' salaries, as well as the structure of a stricter luxury tax system, which the NBPA views as the equivalent of a hard salary cap without the kinds of exemptions used in years past, both of which are unwelcome developments to players. NBPA Executive Director Billy Hunter stated that the owners' plan has consistently been to cause the players to miss game checks in an effort to pressure them into accepting an agreement, saying, "I'm convinced that this is all just part of the plan." Hunter added the following: "I think everybody's waiting for the players to cave. ... They figure that once a player missed a check or two, it's all over. I'm saying...that would be a horrible mistake if they think that's going to happen, because it's not going to happen. The players are all going to hang in."⁷⁷

The relative positions of the respective leaders and sides are reminiscent of 1998, when a lockout lasted for 204 days, resulting in a reduced 50-game schedule for each team. NBPA President Derek Fisher of the Los Angeles Lakers acknowledged that union decertification remained a possibility, although there was no specific momentum toward such a decision. Still, Hunter did not believe the entire 2011-2012 season was in jeopardy. By way of reference, the NBA has had three prior work stoppages, all lockouts: 1995 (74 days), 1996 (1 day), and 1998-1999 (204 days).

As of this time, the NBPA has considered, but has stopped short of decertifying and pursuing antitrust litigation, although such tactics remain viable due to the outcome of the NFL-NFLPA labor-related events of 2010 and 2011, including significant litigation in federal court.⁷⁸

In the uncertain landscape of collective bargaining in professional sports leagues in North America, the only certainty is that the course of litigation that includes the *American Needle* and *Brady* cases has had a rather significant role in shaping the legal landscape of professional team sports for a number of years to come.

Endnotes

1. See *Am. Needle, Inc. v. Nat'l Football League*, 538 F.3d 736 (7th Cir. 2008), cert. granted 129 S. Ct. 2859 (June 29, 2009), reversed 130 S. Ct. 2201 (May 24, 2010); see also Alex Marvez, *Owners Hold Upper Hand Over Players*, FOX SPORTS, March 25, 2010, <http://msn.foxsports.com/nfl/story/nfl-owners-hold-the-upper-hand>; see also Wm. David Cornwell, Sr., *There Will Not Be A Lockout In the NFL*, HUFFINGTON POST, February 16, 2010, http://www.huffingtonpost.com/wm-david-cornwell-sr/there-will-not-be-a-locko_b_463803.html; see also Mike Florio, *Bob Batterman Says League, Union Are "As Far Apart As I Could Imagine"*, NBC SPORTS, May 10, 2010, <http://profootballtalk.nbcsports.com/2010/05/10/bob-batterman-says-league-union-are-as-far-apart-as-i-could-imagine>; see also Lester Munson, *NFLPA Ups The Lockout Ante*, ESPN COMMENTARY, June 9, 2010, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100609>.
2. See *Brady v. Nat'l Football League*, No. 11-CV-00639 (D. Minn. 2011), reversed No. 11-1898 (8th Cir. 2011).
3. See Pub. L. No. 89-800, 6(b)(1), 80 Stat. 1515 (codified as amended at 15 U.S.C. § 1291); see also NFL Communications Department, Seymour Siwoff & Elias Sports Bureau, OFFICIAL 2009 NATIONAL FOOTBALL LEAGUE RECORD & FACT BOOK, 352-361 (Time Home Entertainment, 2009). Since its founding in 1920, the NFL has faced one of the highest number of competing rival major leagues of all the major professional team sports in the United States of America and Canada (baseball, basketball, football, and hockey): four separate entities known as the American Football League (1926, 1936-1937, 1940-1941, 1960-1969), All-America Football Conference (1946-1949), World Football League (1974-1975), United States Football League (1983-1986), and XFL (2001, acronym not standing for a more detailed name). See also ESPN SPORTS ALMANAC 2009 260 (Ballantine Books, 2008).
4. See Official 2009 NATIONAL FOOTBALL LEAGUE RECORD & FACT BOOK, *supra* note 3, at 14-15, 336-348, 356-370.
5. See Jeffrey F. Levine and Brian A. Maravent, *Fumbling Away the Season: Will the Expiration of the NFL-NFLPA CBA Result in the Loss of the 2011 Season?*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1419, 1445-1451 (2010).

6. *Id.* at 1430-1432.
7. See *McNeill v. Nat'l Football League*, 790 F. Supp. 871 (D. Minn. 1992) (rejecting NFL single-purpose entity defense); see also *White v. Nat'l Football League*, 836 F. Supp. 1508 (D. Minn. 1993), *aff'd* 41 F.3d 402 (8th Cir. 1994) (along with CBA, provided players' right to assert antitrust rights and give up union after CBA expires).
8. *Id.*; see also CORNWELL *supra* note 1. By way of historical reference, it should be noted that there have been three major work stoppages in NFL history, all of them strikes: 1974, 1982, and 1987. The first two roughly coincided with the creation of rival professional football leagues that had varying degrees of success in taking advantage of the situation. The 1974 strike, which wiped out significant portions of the pre-season, coincided with the start of play of the World Football League (WFL) (1974-1975). The WFL had minor success in luring away NFL players, but was badly undercapitalized and folded in the middle of its second season. See MICHAEL ORIARD, *BRAND NFL: MAKING AND SELLING AMERICA'S FAVORITE SPORT* 55-70 (University of North Carolina Press 2010). After the Birmingham and Memphis franchises, the strongest in the WFL, unsuccessfully applied for NFL membership, the Memphis franchise filed an antitrust challenge to the NFL's rejection. See *Mid-South Grizzlies v. Nat'l Football League*, 720 F.2d 772 (3d Cir. 1983) (rejecting WFL antitrust claim and attempt to compel NFL to accept a qualified applicant for league membership).

The 1982 strike, which wiped out seven games from each team's 16-game schedule, roughly coincided with the formation of the United States Football League (USFL) (1983-1986). The USFL began as a spring league and actually enjoyed significant success in its business and signing rookie players out of college, several of whom are now members of the Pro Football Hall of Fame (including Jim Kelly, Steve Young, and Reggie White), as well as a number of NFL veteran players, which helped to drive player salaries to new heights. While far better capitalized than the WFL, including Donald Trump's ownership of the New Jersey Generals franchise, significant differences in capitalization between owners and lack of coordinated action as a joint venture in its spring seasons and planned move to the fall in 1986, which brought forth an antitrust suit against the NFL whereby the USFL won a "Pyrrhic" victory with a jury award of \$1, resulted in the USFL's demise. Although this was a jury case, a number of procedural applications resulted in published opinions. See, e.g., *United States Football League v. Nat'l Football League*, 644 F. Supp. 1040 (S.D.N.Y. 1986) (denial of USFL post-verdict motions for judgment notwithstanding the verdict and new trial, and request for injunctive relief); see also JIM BYRNE, *THE \$1 LEAGUE: THE RISE AND FALL OF THE USFL* (Prentice Hall, 1987); see also Kent Somers, *Twenty Years Later, USFL Still Brings Fond Memories*, USA TODAY, August 7, 2006, http://www.usatoday.com/sports/football/2006-08-07-usfl-retrospective_x.htm.

The third strike occurred in 1987 just after the USFL's demise and resulted in the loss of a single game for each team's schedule as well as the now-infamous playing of three weeks of games with "replacement" players. See ORIARD at 129-136. A work stoppage in 2011 was the first since 1987, and as a lockout, was the first of its kind in NFL history.
9. Kevin M. Murphy and Robert H. Topel, *The Economics of NFL Team Ownership*, 8-9, 14-17 (2009), available at <http://pirate.shu.edu/~rotthoku/papers/The%20Economics%20of%20NFL%20Team%20Ownership.pdf>, see also Lester Munson, *Unions, Coaches Join Fight Against NFL*, ESPN, October 7, 2009, <http://sports.espn.go.com>.
10. *Id.*; see also MUNSON *supra* note 9; see also CORNWELL *supra* note 1; see also *White v. NFL*, No. 4-92- 906 (DSD), 2011 WL 706319, 11 (D. Minn. Mar. 1, 2011) (remanding for consideration of injunctive relief in action alleging NFL violation of the Stipulation of Settlement Agreement with respect to television broadcast contracts); See BRADY *supra* note 2.
11. See AM. NEEDLE, INC. *supra* note 1; see also MUNSON *supra* note 1; see also William David Cornwell, Sr., HUFFINGTON POST, May 24, 2010, *A Hail Mary Falls Incomplete: The American Needle Decision's Impact On Collective Bargaining In The NFL*, http://www.huffingtonpost.com/wm-david-cornwell-sr/a-hail-mary-falls-incompl_b_587770.html.
12. 15 U.S.C. § 1 (2006) (Section 1 of the Sherman Act providing the prohibition against unreasonable restraints against trade).
13. See *Fed. Baseball Club of Balt., Inc. v. Nat'l League of Prof'l Baseball Clubs, Inc.*, 259 U.S. 200, 202 (1922) (case arising out of the 1914-1915 Federal League, the last challenger to MLB's structure, where the Supreme Court's finding that baseball games were purely state affairs and not subject to interstate commerce was a product of the *Lochner* era line of interstate commerce cases, beginning in approximately 1905 under *Lochner v. New York*, 198 U.S. 45 (1905) and ending in approximately 1937 with the Supreme Court decisions in *West Coast Hotel Co. v. Parrish*, 300 U.S. 379 (1937) and *Nat'l Labor Relations Bd. v. Jones and Laughlin Steel Corp.*, 301 U.S. 1 (1937)). While this exemption has been affirmed, the Supreme Court later described this decision as an "anomaly" but reserved repeal to the decision of Congress. See *Flood v. Kuhn*, 407 U.S. 258, 282 (1972). In addition, the Curt Flood Act of 1998 eliminated this exemption to the extent that it impacted upon employment rights of players. See 15 U.S.C. § 12 *et seq.*
14. See *Radovich v. NFL*, 352 U.S. 445 (1957); see also *Haywood v. Nat'l Basketball Ass'n*, 401 U.S. 1204 (1971).
15. See *L.A. Mem'l Coliseum Comm'n v. Nat'l Football League*, 726 F.2d 1381 (9th Cir. 1984) ("Raiders I") (as to franchise relocation, particularly pertaining to legal issues raised by the Oakland Raiders' relocation to Los Angeles prior to the 1982 season); see also *Mackey v. Nat'l Football League*, 543 F.2d 606 (8th Cir. 1976) (invalidating the anti-competitive "Rozelle Rule" that compelled a team signing a player to a contract to financially compensate the team that previously employed the player). See 15 U.S.C. §§ 1291-1295 (the Sports Broadcasting Act of 1961 (SBA), providing the major professional sports leagues antitrust exemption for the purpose of a national television contract over sponsored broadcasting).
16. See *Arizona v. Maricopa County Med. Soc'y*, 457 U.S. 332, 351 (1982) (finding physician fee agreements to be price-fixing).
17. See *Major League Baseball Props. v. Salvino, Inc.*, 542 F.3d 290, 338 (2d Cir. 2008); see also *Five Smiths, Inc. v. Nat'l Football League Players Ass'n*, 788 F. Supp. 1042, 1045 (D. Minn. 1992), *quoting Nat'l Soc'y of Prof'l Eng'rs v. United States*, 435 U.S. 679, 692 (1978).
18. See AM. NEEDLE, INC. *supra* note 2; see also *N. Am. Soccer League v. Nat'l Football League*, 670 F.2d 1249 (2d Cir. 1982) (labeling the NFL as a joint venture); see also Michael A. McCann, *American Needle v. NFL: An Opportunity to Reshape Sports Law*, 119 YALE L.J. 726, 738 (2010).
19. See *McNeill v. Nat'l Football League*, 790 F. Supp. 871 (D. Minn. 1992) (rejecting NFL single-purpose entity defense); see also *White v. Nat'l Football League*, 836 F. Supp. 1508 (D. Minn. 1993), *aff'd*, 41 F.3d 402 (8th Cir. 1994) (approving settlement that created the 1993 CBA, which along with *White* provided the players' rights to assert antitrust rights and give up union after CBA expires). As an example of other requirements based upon antitrust law, the Sports Broadcasting Act of 1961 prohibited the NFL from scheduling games on Friday nights during the high school football season and on Saturdays during the NCAA college football regular season. See 15 U.S.C. § 1293.
20. See *Local Union No. 189, Amalgamated Meat Cutters v. Jewel Tea Co.*, 381 U.S. 676, 689 (1965); see also *United Mine Workers v. Pennington*, 381 U.S. 657, 664-665 (1965); see also Gary R. Roberts, *Reconciling Federal Labor and Antitrust Policy: The Special Case of Sports League Labor Market Restraints*, 75 GEO. L.J. 18, 58-63, 89-90 (1986); see also MCCANN *supra* note 18 at 740-742.
21. 467 U.S. 752, 770-773 (1984).
22. Although in the instance of *Copperweld*, the holding was limited to a parent and wholly owned subsidiary. *Id.* at 767, 771-774; see also MCCANN *supra* note 18 at 742-744; see also Gabriel Feldman, *The*

Puzzling Persistence of the Single Entity Argument for Sports Leagues: American Needle and the Supreme Court's Opportunity to Reject a Flawed Defense, 2009 WISCONSIN L. REV. 835 (2009).

23. See *Am. Needle & Novelty, Inc. v. Drew Pearson Mktg.*, 820 F. Supp. 1072, 1074 (N.D. Ill. 1993); see also *AM. NEEDLE, INC. supra* note 1; see also MARK YOST, *TAILGATING, SACKS, AND SALARY CAPS*, 126-129 (Kaplan Pub. 2006); see also *Am. Needle, Inc. v. New Orleans La. Saints*, 496 F. Supp.2d 941, 943 (N.D. Ill. 2007); see also 15 U.S.C. § 1 (2006) (Section 1 of the Sherman Act providing the prohibition against unreasonable restraints against trade); see also MCCANN *supra* note 18 at 734.
24. See *AM. NEEDLE, INC. supra* note 1. See, e.g., *L.A. Mem'l Coliseum Comm'n v. Nat'l Football League*, 726 F.2d 1381 (9th Cir. 1984) ("Raiders I"). See MCCANN *supra* note 18 at 747. A number of Circuit Courts have declined to recognize a professional sports league and independently owned franchises as a single entity.
25. See *AM. NEEDLE, INC. supra* note 1. See also MCCANN *supra* note 18 at 734-735, 764-767. See, e.g., *White v. Nat'l Football League*, 836 F. Supp. 1508 (D. Minn. 1993), *aff'd*, 41 F.3d 402 (8th Cir. 1994) (case and CBA provide source of players' right to assert antitrust rights and decertify union after CBA expires, whose continued validity would have been questionable under an *American Needle* outcome the opposite of what transpired). See also Lester Munson, *Antitrust Case Could be Armageddon*, ESPN COMMENTARY, July 17, 2009, http://sports.espn.go.com/espn/columns/story?columnist=munson_lester&id=4336261; see also Lester Munson, *The Supremes Question NFL Case*, ESPN COMMENTARY, January 13, 2010, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100113>; see also Lester Munson, *The NFL's Latest Legal Muscle Pose*, ESPN COMMENTARY, February 4, 2010, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100204>; see also CORNWELL *supra* note 1.
26. John Clayton, *Court: NFL Is 32 Teams, Not One Entity*, ESPN NEWS, MAY 24, 2010, <http://sports.espn.go.com/nfl/news/story?id=5214509>.
27. See *AM. NEEDLE, INC. supra* note 1.
28. See *AM. NEEDLE, INC. supra* note 1, Slip Op. at 13.
29. *Id.* at 12.
30. *Id.*
31. *Id.* at 18.
32. *Id.* at 14, 18-19, citing *COPPERWELD supra* note 22, quoting *Nat'l Collegiate Athletic Assn. v. Board of Regents of Univ. of Okla.*, 468 U.S. 85, 101, 117 (1984), citing *Texaco Inc. v. Dagher*, 547 U.S. 1, 6 (2006) (where venture between Texaco and Shell Oil to refine and sell gasoline in western United States that involved pricing decisions did not necessarily violate antitrust law since such decisions were not price fixing under antitrust law). Further reconciliation of the *Copperweld*, *Dagher*, and *American Needle* opinions will further occupy courts and antitrust attorneys long after the issuance of the most recent opinion, as the exact contours of concerted activities, single entity operation, and activities that may constitute price fixing remain elusive. See Cleary Gottlieb Steen & Hamilton LLP, *Threading the (American) Needle: U.S. Supreme Court provides further guidance on when a joint venture is subject to the antitrust laws*, May 28, 2010, <http://www.lexology.com/library/detail.aspx?g=cea8062e-8a88-4db4-8fd0-a141da94283f>.
33. See *AM. NEEDLE, INC. supra* note 1.
34. See CLAYTON *supra* note 26; See also Lester Munson, *Court Says 'No' To Antitrust Immunity*, ESPN COMMENTARY, May 24, 2010, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/100524>.
35. See CLAYTON *supra* note 26.
36. Adam Liptak and Ken Belson, *N.F.L. Fails in Its Request for Antitrust Immunity*, THE NEW YORK TIMES, May 24, 2010, <http://www.nytimes.com/2010/05/25/sports/football/25needle.html?hp>.
37. John Clayton, *NFL's Business Model Evolving*, ESPN COMMENTARY, May 27, 2010, http://sports.espn.go.com/nfl/columns/story?columnist=clayton_john&id=5219894.
38. See MUNSON *supra* note 34; see also Gregg Easterbrook, *Flirting With Trouble: NFL's Power Play*, ESPN COMMENTARY, May 25, 2010, <http://sports.espn.go.com/espn/commentary/news/story?page=easterbrook/100525>. Gregg Easterbrook's brother is Seventh Circuit Judge Frank Easterbrook.
39. See CORNWELL *supra* note 11.
40. Jane McManus, *Players Are Preparing For The Worst*, ESPN NEWS, May 24, 2010, <http://sports.espn.go.com/new-york/nfl/news/story?id=5214874>.
41. See Complaint at 46-62, *Brady v. Nat'l Football League*, No. 11-CV-00639 (D. Minn. 2011); see also Michael Silver, *Fans; Guide to NFL Labor Battle*, YAHOO, Sep. 8, 2010, <http://sports.yahoo.com/nfl/news?slug=ms-laborquestions090810>; see also Michael Silver, *Players Aren't Quick to Yield on 'Enhanced Season'*, YAHOO, Aug. 26, 2010, <http://sports.yahoo.com/nfl/news?slug=ms-enhancednfl-season082610>; see also Judy Battista, *Movement at Combine, but Not at the Table*, NEW YORK TIMES, Feb. 26, 2011, http://www.nytimes.com/2011/02/27/sports/football/27nfl.html?_r=1; see also Chris Mortensen and Adam Shefter, *Sources: NFLPA to Decertify by March 3*, Feb. 27, 2011, <http://sports.espn.go.com/nfl/news/story?id=6161468>.
42. See MUNSON *supra* note 9.
43. *Id.*; see also WHITE *supra* note 7.
44. See MUNSON *supra* note 9.
45. *Id.*
46. See WHITE *supra* note 7 (remanding for consideration of injunctive relief in action alleging NFL violation of Stipulation of Settlement Agreement with respect to television broadcast contracts); see also Associated Press, *Federal Judge Rules NFL Violated Deal*, ESPN NEWS, March 2, 2011, <http://sports.espn.go.com/nfl/news/story?id=6172379>.
47. See Lester Munson, *The NFLPA's Power Play: Cease to Exist*, ESPN COMMENTARY, March 2, 2011, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/110302>; see also Lester Munson, *The Next Big NFL Labor Thing*, ESPN COMMENTARY, March 10, 2011, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/110310>; see also Lester Munson, *Dispatches from the NFL Lockout Fronts*, ESPN COMMENTARY, May 20, 2011, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/110520>.
48. See BRADY *supra* note 2. The 10 players included Tom Brady, Drew Brees, Peyton Manning, Vincent Jackson, Ben Leber, Logan Mankins, Von Miller, Brian Robinson, Osi Umenyiora, and Mike Vrabel. See *Id.* See also Lester Munson, *The NFLPA's Power Play: Cease to Exist*, ESPN COMMENTARY, March 11, 2011, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/110302>.
49. *Id.*
50. See Complaint at 6, 8-10, 44-45, *Brady v. Nat'l Football League*, No. 11-CV-00639 (D. Minn. March 11, 2011). See also WHITE *supra* note 7. See also 15 U.S.C. §§ 4, 15, 16, 26 (Clayton Act); see also 15 U.S.C. § 1.
51. See BRADY COMPLAINT *supra* note 50 at 24-31; see also Fed. R. Civ. P. 23(b)(1); see also Fed. R. Civ. P. 23(b)(2).
52. See BRADY COMPLAINT *supra* note 50 at 32-45; see also United States Football League v. Nat'l Football League, 644 F. Supp. 1040, 1042 (S.D.N.Y. 1986), *aff'd on other grounds*, 842 F.2d 1335 (2d Cir. 1988) (relating to NFL monopoly power concerning professional football as a whole); see also McNeil v. Nat'l Football League, 790 F. Supp. 871, 893, 896 (D. Minn. 1992), citing *Smith v. Pro Football Inc.*, 420 F. Supp. 738 (D.D.C. 1976) and *Mackey v. Nat'l Football League*, 407 F. Supp. 1000 (D. Minn. 1975), *aff'd*, 543 F.2d 606 (8th Cir. 1976); see also *Clarett v. Nat'l Football League*, 306 F. Supp.2d 379,

- 407 (S.D.N.Y. 2004), *rev'd on other grounds*, 369 F.2d 124 (2d Cir. 2004) (*United States Football League, McNeil, Smith, Mackey, and Clarett* all relating to NFL power of restraint of trade as to market for services of professional football players).
53. See BRADY COMPLAINT *supra* note 50 at 46-62.
 54. *Id.* at 63-77.
 55. See *id.* at 78-115.
 56. See BRADY COMPLAINT *supra* note 50; see also Plaintiff's Motion for Injunctive Relief, *Brady v. Nat'l Football League*, No. 11-CV-00639 (D. Minn. March 11, 2011). See also MUNSON *supra* note 48. See also Andrew Brandt, *Brady v. NFL: A Primer*, March 18, 2011, <http://www.nationalfootballpost.com/Brady-v-NFL-a-primer.html>.
 57. See BRANDT *supra* note 56.
 58. See Preliminary Injunction, *Brady v. Nat'l Football League*, No. 11-CV-00639 (D. Minn. April 25, 2011).
 59. See *id.*
 60. See BRADY PRELIMINARY INJUNCTION *supra* note 58 at 17-67; see also National Labor Relations Act of 1935, 49 Stat. 449, 29 U.S.C. §§ 151-169 ("Wagner Act"); see also Norris-LaGuardia Act of 1932, 47 Stat. 90, 29 U.S.C. §§ 101-113.
 61. See BRADY PRELIMINARY INJUNCTION *supra* note 58.
 62. See *id.* at 49-67; see also *Burlington Northern R.R. v. Brotherhood of Maintenance of Way Employees*, 481 U.S. 429, 437 (1987) (removing federal court jurisdiction from issuing injunctions in non-violent labor disputes); see also *Burlington Northern Santa Fe R. Co. v. Int'l Brotherhood of Teamsters Local 174*, 203 F.3d 703, 707 (9th Cir. 2003) (*en banc*) (ability of employers to obtain injunctive relief against organized labor prior to enactment of Norris-LaGuardia Act).
 63. See BRADY PRELIMINARY INJUNCTION *supra* note 58 at 69-89.
 64. See Lester Munson, *Judge's NFL Lockout Ruling: Impressive*, ESPN COMMENTARY, April 29, 2011, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/110428>. On April 26, 2011, the author of this article attended a symposium at the New York Law School where NFLPA Assistant Executive Director for External Affairs George Attallah and NFL player Tony Richardson outlined the significance of Judge Nelson's ruling and provided perspective on the developments of the labor dispute up to such time.
 65. See Temporary Stay Order, *Brady v. Nat'l Football League*, No. 11-1898 (8th Cir. April 29, 2011).
 66. See Stay Order, *Brady v. Nat'l Football League*, No. 11-1898 (8th Cir. May 16, 2011).
 67. See BRADY TEMPORARY STAY ORDER *supra* note 65; see also BRADY STAY ORDER *supra* note 66; see also ORAL ARGUMENT, *Brady v. Nat'l Football League*, No. 11-1898 (8th Cir. June, 2011) (Temporary Stay Order Apr. 29, 2011, Stay Order May 16, 2011, Oral Argument June 3, 2011); see also Lester Munson, *Dispatches from the NFL Lockout Fronts*, ESPN COMMENTARY, May 20, 2011, <http://sports.espn.go.com/commentary/news/story?page=munson/110520>.
 68. See BRADY PRELIMINARY INJUNCTION *supra* note 58 at 32-35.
 69. See *id.* at 33-35; see also Lester Munson, *Dispatches from the NFL Lockout Fronts*, ESPN COMMENTARY, May 22, 2011, <http://sports.espn.go.com/espn/commentary/news/story?page=munson/110520>.
 70. See BRADY *supra* note 2 (J. Bye, dissenting, Slip Op. at 35-54).
 71. See Stipulation of Settlement and Dismissal Documents filed in District Court, *Brady v. Nat'l Football League*, No. 11-CV-00639 (D. Minn. 2011), *reversed* No. 11-1898 (8th Cir. July 8, 2011). Pro Football Talk reported the players' alleged disclosure concerning their acquisition of insurance for \$50 million, providing each player with \$200,000 in the event the 2011 season was cancelled by a lockout, and which could provide leverage if disclosed to ownership at an opportune moment. See Mike Florio, *NFLPA Paid \$50 million for Lockout Insurance*, Aug. 7, 2011, <http://profootballtalk.nbcsports.com/2011/08/07/nflpa-paid-50-million-for-lockout-insurance>.
 72. See BRADY STIPULATION *supra* note 71; see also John Clayton, *What New CBA Means in Football Terms*, ESPN NEWS, July 25, 2011, http://espn.go.com/nfl/story/_/id/6790759/what-new-nfl-cba-means-football-terms.
 73. See BRADY *supra* note 2.
 74. See Pierre LeBrun, *Labor War Looming in the NHL?*, ESPN NEWS, Oct. 3, 2011, http://espn.go.com/nhl/preview_2011/story/_/id/7054359/2011-12-nhl-season-preview-parties-reach-deal-collective-bargaining-agreement. The NHLPA has historically been characterized as the weakest of the four major professional team sports leagues' players' unions. Its actions during the 2004-2005 lockout stand in stark contrast to those taken by the NFLPA in its most recent dealings with the NFL.
 75. See ESPN News Services, *MLB Wants Discipline for DUI Offenses*, May 6, 2011, <http://sports.espn.go.com/mlb/news/story?id=6492645>. The MLBPA has historically been characterized as the strongest of the four major professional team sports leagues' players' unions, and the entity that the actions of the NFLPA during the two most recent set of interactions have been compared (the litigation following the 1987 players' strike and the 2010-2011 litigation). MLB is the only major sports league where there is no salary cap in place. See also Associated Press, "Bud Selig Has No Labor Timeline," Oct. 11, 2011, http://espn.go.com/mlb/story/_/id/7086176/bud-selig-no-timetable-mlb-labor-agreement.
 76. Stein, Mark, "NBA Cancels First 2 Weeks of Season," October 11, 2011, http://espn.go.com/nba/story/_/id/7085089/nba-labor-david-stern-cancels-first-two-weeks-nba-season. See also Mannix, Christ, "Monday's Cancellations Unlikely to be the Last," Oct. 11, 2011.
 77. *Id.*
 78. The present NBA labor negotiations bear at least a superficial resemblance to that of the NFL with the notable absence of decertifications by the NBPA and filing of antitrust litigation, although prior litigation failures by the NBPA against the NBA in the context of labor disputes have been unsuccessful. In addition, the NFL involved a situation where no monetary losses were being claimed by the ownership, whereas NBA team owners have claimed annual losses of approximately \$300 million, an amount disputed by NBA players. Therefore, the factual circumstances surrounding relative damages to the parties are different than that involving the NFL and NFLPA. The NBPA has filed an unfair practice complaint against the NBA with the NLRB, with an active investigation at the present time. See Sam Amick, *Lead Counsel for NBA Players' Union Sheds Light on Decertification*, SPORTS ILLUSTRATED, Aug. 31, 2011, <http://sportsillustrated.cnn.com/2011/writers/sam.amick/08/30/nba.labor.kessler/index.html>; see also ESPN News Services, *No NBA Labor Deal Headed before Deadline Day*, ESPN NEWS, Oct. 10, 2011, http://espn.go.com/nba/story/_/id/7083100/no-nba-labor-deal-headed-deadline-day. By way of reference, the NBA season usually begins at the end of October or beginning of November, and consists of 82 games per team. The 1998-1999 lockout resulted in a 50 game season that began in February 1999 and consisted of a more compressed schedule than in other years. For more information about the NBA labor negotiations and settlement agreement visit nybar.com/blogs/EASL.

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Are There Rules on YouTube?: A Guide to Creating an Original Web Series

By Alix Claps

Introduction

More than half of all U.S. adults, including almost 70 percent of adult Internet users have downloaded or watched a video online.¹ In December 2006, 33 percent of those viewers watched video on video-sharing sites, such as YouTube or Google Video, but by June 2010, that had gone up to 61 percent.² A comScore report reveals that in July 2011 there were over 180 million total unique viewers who averaged 1,107 minutes per viewer and over six billion viewing sessions.³ Google Sites, for which YouTube is the primary video site, accounted for over 158 million of those users, and over three billion viewing sessions.⁴ In contrast, the next most popular property is VEVO, which had nearly 62 million viewers and approximately 502 million viewing sessions.⁵ At this point, YouTube is the largest. "YouTube provides a forum for people to connect, inform, and inspire others across the globe and acts as a distribution platform for original content creators and advertisers large and small."⁶ It therefore follows that YouTube should be the 21st Century equivalent of "we've got a barn, let's put on a show!"

Making and uploading online video takes only the equipment available to most households these days. While many videos uploaded are in the style of "baby's first steps" or "my dog can talk," there are artists creating original scripted content for Internet distribution, also known as New Media, and depending on the talent they use to write and perform, there may be legal considerations of which they are unaware. This article explains what an aspiring producer of a web series needs to consider so that rules are not inadvertently violated, and about the protections provided to original content on the Internet.

I. Responsibilities

A. Actors

Whether a producer has any responsibilities to his or her actors depends on who the actors are. While that may seem to be the tail wagging the dog, there are many ways in which this flexibility is positive. A cursory glance at a non-exhaustive list of web series⁷ and the Streamy Awards Nominees⁸ reveal many series that seem to be base amateur original work, but also a surprising number that are linked to existing television series,⁹ or which are produced by major television studios.¹⁰ There are also many independently produced web series that use professional actors, such as *PG Porn*¹¹ or perhaps the most famous web series to date, *Dr. Horrible's Sing-Along Blog*.¹² These are the web series most likely to seek outside legal

advice, and consequently the ones most likely to have obligations of which the producers are unaware. In the last few years, several series have emerged around the theme of struggling actors. Created partly out of an excess of creative energy and partly out of the hope that the web series would provide exposure and career advancement, *The Battery's Down*,¹³ *Submissions Only*,¹⁴ and *An Actor Prepares*¹⁵ (to name only a few) each utilize several elements that may have union requirements, depending on the status of the various talents used in the show.¹⁶

The three series use professional actors, under the technical definitions of the term. When an actor joins Actors' Equity Association (AEA), the Screen Actors Guild (SAG), the American Federation of Television and Radio Artists (AFTRA), or any one of several other unions that are members of the Associated Actors and Artistes of America (4As), he or she agrees not to accept work on a non-union project. SAG calls this "Global Rule One," which states: "No member shall work as a performer or make an agreement to work as a performer for any producer who has not executed a basic minimum agreement with the guild which is in full force and effect."¹⁷

As of January 1, 2009, SAG applied Rule 1 to New Media,¹⁸ although that expansion of Rule 1 specifically allows that "SAG Members may work in New Media under an AFTRA Agreement."¹⁹ AFTRA's New Media Agreements, extrapolated from the Exhibit A (and the CW supplement)²⁰ and the Network Television codes, went into effect in 2008.²¹ Therefore, if a producer wishes to use an AEA, SAG, or AFTRA actor in a web series, he or she must negotiate with either SAG or AFTRA for a New Media contract. Yet which union? They overlap control for certain types of productions in traditional media, most notably dramatic, or scripted, television.²² The unions extrapolated their New Media agreements from their existing television agreements, so the agreements do not offer any specific guidance as to what type of web series should seek which union's contract.²³ If SAG and AFTRA are ever able to reach a One Union agreement, which has been under discussion for over a decade, the then television and web series uncertainty should be clarified.²⁴ In the meantime, the simplest solution may be to consider which actors who are wanted for the project are already members of SAG or AFTRA, and seeing which union has more members involved. Again, while this may seem to be the tail wagging the dog, these projects are in large part begun with the involvement of a group of friends who want to work together, rather than the issuing of a casting notice.

Both unions have made it remarkably simple to become a producer of a New Media project. They seem to agree with what the statistics above suggest—that the Internet is the next big market for original programming—so they want to make sure that their members are protected. As the market gets bigger and its profile grows exponentially, the regulations may become as complicated as the current television agreements. For now, however, they remain friendly to the less experienced producer.

The Screen Actors Guild provides all of the instructions and forms required for a producer on its website.²⁵ The five required documents can be submitted via email, with a deadline of only two weeks before the first day of shooting.²⁶ Assuming the production qualifies for a New Media agreement, a contract will be issued, and some additional paperwork will be required as the production moves forward.²⁷ There is no fee to become a SAG New Media producer, nor is there a minimum rate for pay scale, other than federal and state minimum wage requirements.²⁸ Without reprinting the entire agreement here, certain sections are worth a specific mention.

*Pension and Health Plans:*²⁹ SAG members employed as Performers under the New Media Agreement are entitled to a 15.3 percent Pension and Health Contribution from the producer.³⁰ SAG Background Actors have a 15 percent Contribution rate. An individual contract may have a contribution limit.³¹

Reuse (Residuals): In most cases, where the original work is posted on a no-pay site, like YouTube, no payment of residuals is required. Should the original work be posted on a for-pay site, after the initial 26 consecutive week period covered by the initial compensation, residuals in the amount of 3.6 percent of the Distributor's Gross will be due, if the Original Program was budgeted at or above \$25,000 per minute.³² If the New Media program is eventually exhibited in traditional media (i.e. the release of *Dr. Horrible's Singalong Blog* on Netflix), other residuals will apply as per the side letter on Programs Made for New Media in the Basic Agreement and Television Agreement.³³

Non-union performers also in the original work: For any principal cast member who is not already a member of SAG, a Principal Performer Taft-Hartley Report must be submitted, explaining why this non-SAG actor was chosen.³⁴ Likewise, if any of the first 10 background actors hired per day is not SAG, a Background Performer Taft-Hartley Report must be filed.³⁵

AFTRA, on the other hand, actually has two separate New Media agreements, one based on Exhibit A of the AFTRA Network Code and the CW Supplement, which covers original scripted dramatic shows,³⁶ and one based on the AFTRA Network Television Code, concerning non-dramatic original programs.³⁷ Like the SAG agreement,

AFTRA covers the principal performers, and the first 10 background actors on a given day.³⁸

AFTRA also includes a category under the Exhibit A agreement, called "Experimental New Media Productions," which basically applies to low-budget original New Media productions "(1) for which the actual cost of production is either: (a) \$15,000 or less per minute of program material as exhibited, or (b) \$300,000 or less per single production as exhibited, or (c) \$500,000 or less per series of programs produced for a single order; and (2) does not utilize a "covered performer."³⁹ The definition of "covered performer" was expanded as of July 2011 to include "any individual who has previously been employed as a principal performer under a SAG or AFTRA contract and who is engaged as a principal performer in the Made for New Media program."⁴⁰ That definition joins others from the 2008 New Media agreement, which includes (but is not limited to) actors with:

...at least two (2) television...or theatrical credits; ...at least two (2) credits in a professional stage play (e.g. Broadway, Off Broadway (as that term is understood in the live theatre industry), under the LORT, COST, or CORST contracts or as part of an Equity national tour)...or...has been employed as a principal performer, announcer, singer or dancer in a national television or radio commercial, interactive game, or non-broadcast/industrial production.⁴¹

The parameters for residuals under the AFTRA Exhibit A New Media agreement are the same as those for the SAG New Media Agreement.⁴² There are also additional residual requirements for New Media programs as listed in the Exhibit A formulas.⁴³ Notably, the terms of the AFTRA Network New Media agreement for the provisions listed are the same as those for the AFTRA Exhibit A New Media agreement.⁴⁴

In reality, the union actor is the one who is responsible for not taking non-union work. A producer has the option to elect to produce an entirely non-union show. However, when he or she decides to use union talent, he or she must enter into and adhere to a union agreement. The ramifications of ignoring the union agreements when using non-union talent are unlikely to be legal in nature. What may happen, however, is that the actor will be permanently kicked out of the union and the producer may be unable to enter into a union contract at a later date.

B. Writers

While union actors may be the most likely union members a producer of New Media will hire, they are not the only ones. For example, if the producer wishes to employ a professional writer, a member of the Writers Guild of America (WGA), the producer must be familiar with

WGA's requirements for New Media. Coverage for writing in New Media was one of the outcomes of the 2007-2008 Writers Guild strike.⁴⁵ The production company must first become a signatory to the WGA Theatrical and Television Basic Agreement (MBA), because WGA members are under restrictions similar to those of SAG and AFTRA actors: they cannot work for any non-signatory.⁴⁶ In this case, the WGA supplies a list of situations in which a writer would qualify as a "professional" writer for the purpose of a New Media project.⁴⁷ Even if none of the writers of a project are considered "professional" writers by the WGA, if the budget for the project exceeds certain thresholds, an MBA is still required.⁴⁸

Compensation: Again, as with the SAG and AFTRA agreements, there is no minimum compensation for original New Media projects, although pension and health contributions are based on whatever the actual compensation is, and billed at 14.5 percent.⁴⁹

Credits: The WGA has approval over the writing credits, so a Notice of Tentative Writing Credits must be submitted to the WGA.⁵⁰ For scripted dramatic programming, the screen credit must read "Written By," and for other programming, "Writer" or "Writers" is the credit form.⁵¹ There may also be a "Created By" or "Source Material By" credit.⁵²

Residuals: For original New Media released on free access platforms, such as YouTube or Hulu, there are no mandatory residuals.⁵³ If the work is released on a paid platform, no residuals are required for the first 26 weeks, but after that, if the budget of the show exceeds \$25,000 per minute, residuals in the amount of 1.2 percent of the distributor's gross are due.⁵⁴ Should the project ever be reused on traditional television, other residual requirements apply as well.⁵⁵

Separated Rights: There are certain rights to the materials that are not given to the producer under an MBA, when the copyright is otherwise turned over to the producer, which are known as Separated Rights.⁵⁶ For New Media, the separated rights include:

First, if an original New Media program becomes the basis for a television show or feature film, and the writer of the New Media program also writes the television show or feature film, the writer may be entitled to separated rights in the television show or feature film. The sole fact that the story was first developed for New Media will not prevent separated rights from existing in a traditional media project.

Second, if the writer of an original New Media program would have been entitled to separated rights had the program been written for free television, the writer re-

tains television and theatrical separated rights. The writer may exploit these rights or sell them to a party other than the Company; however, the Company has a right of first refusal if the writer intends to sell the television or theatrical rights to a different party.⁵⁷

These rights may be purchased from the writer separate from the New Media agreement at any time, through a written agreement and additional compensation.⁵⁸ If an original series is distributed entirely through New Media, a writer may be entitled to sequel payment if certain conditions apply.⁵⁹

Writer Owned Companies: If the producer is also the writer, and intends for the New Media project to count towards the WGA membership requirement, the WGA will have to confirm that the production company is bona fide.⁶⁰ Additionally, more complicated requirements surround the pension and health contributions for self-employed writers.⁶¹

WGA, like the acting unions, is aware of the power of Internet television. While at this time there is more exposure and business in reruns on Hulu, Netflix streaming, and network television websites than in original content, the WGA is protecting the role of professional writers in New Media. If a producer is looking to hire a WGA writer, he or she should be prepared to enter into an MBA for the project.

C. Composers

Several of the New Media projects created and produced in recent years utilize original music, written by a variety of contributors. Somewhat surprisingly, the American Society of Composers, Authors and Publishers (ASCAP), which handles licensing for non-dramatic performances of songs from dramatic productions, does not handle licensing for a dramatic performance of the same.⁶² ASCAP, Broadcast Music, Inc. (BMI), and SESAC license previously recorded music for the Internet, radio streaming or website background music.⁶³ The producer for an original web series seeking music to be used in the dramatic context must interact with the composer or the music publisher directly to reach an agreement.⁶⁴

Hal Leonard is the world's largest music publisher, which publishes the music of many musical theatre composers/lyricists.⁶⁵ Hal Leonard is able to provide broadcast licenses for works that it publishes,⁶⁶ but only a non-dramatic performance,⁶⁷ and, of course, only for works already published. Many composers and lyricists are members of the Dramatists Guild of America (DGA). However, the DGA is not a collective bargaining organization; it merely maintains sample contracts for members to use as a basis for their own negotiations.⁶⁸ The Songwriters Guild of America (SGA) helps facilitate contracts and collect royalties for songwriters who join, for a per-

centage of the royalties brought in per year.⁶⁹ However, because no organization exists to handle collective bargaining on behalf of composers, there are no specific rules that producers need to follow in striking an agreement to acquire new music for an original web series.

Although there are no guild requirements of concern, a producer should still formalize an agreement with his or her composing team. The WGA contract may function as a useful reference for what issues should be built into those agreements.

D. YouTube Terms of Service

Some original web series may choose to self-distribute, by posting the video directly to an independent website. However, there are some advantages to using a video site such as YouTube to upload the video, even if it is additionally embedded on an independent website. There are certain responsibilities that go along with those advantages, listed in YouTube's Terms of Service:

3. YouTube Accounts

A. In order to access some features of the Service, you will have to create a YouTube or Google account. You may never use another's account without permission. When creating your account, you must provide accurate and complete information. You are solely responsible for the activity that occurs on your account, and you must keep your account password secure. You must notify YouTube immediately of any breach of security or unauthorized use of your account.

B. Although YouTube will not be liable for your losses caused by any unauthorized use of your account, you may be liable for the losses of YouTube or others due to such unauthorized use.⁷⁰

These provisions do several things. By requiring the creation of an account that contains identifying information that must be "accurate and complete,"⁷¹ YouTube ensures that there is someone to hold responsible for the content uploaded through that account, in case of copyright violations or obscenity. By creating the requirement that users report any unauthorized use of their accounts, YouTube is placing the responsibility on the users, preventing a later claim of "someone must have hacked my account" if any problems arise.

There are also Terms of Service specific to accounts that choose to upload content:

6. Your Content and Conduct

A. As a YouTube account holder you may submit Content to the Service, including videos and user comments. You under-

stand that YouTube does not guarantee any confidentiality with respect to any Content you submit.

B. You shall be solely responsible for your own Content and the consequences of submitting and publishing your Content on the Service. You affirm, represent, and warrant that you own or have the necessary licenses, rights, consents, and permissions to publish Content you submit; and you license to YouTube all patent, trademark, trade secret, copyright or other proprietary rights in and to such Content for publication on the Service pursuant to these Terms of Service.

C. For clarity, you retain all of your ownership rights in your Content. However, by submitting Content to YouTube, you hereby grant YouTube a worldwide, non-exclusive, royalty-free, sublicenseable and transferable license to use, reproduce, distribute, prepare derivative works of, display, and perform the Content in connection with the Service and YouTube's (and its successors' and affiliates') business, including without limitation for promoting and redistributing part or all of the Service (and derivative works thereof) in any media formats and through any media channels. You also hereby grant each user of the Service a non-exclusive license to access your Content through the Service, and to use, reproduce, distribute, display and perform such Content as permitted through the functionality of the Service and under these Terms of Service. The above licenses granted by you in video Content you submit to the Service terminate within a commercially reasonable time after you remove or delete your videos from the Service. You understand and agree, however, that YouTube may retain, but not display, distribute, or perform, server copies of your videos that have been removed or deleted. The above licenses granted by you in user comments you submit are perpetual and irrevocable.

D. You further agree that Content you submit to the Service will not contain third party copyrighted material, or material that is subject to other third party proprietary rights, unless you have permission from the rightful owner of the material or you are otherwise legally entitled to post the material and to grant

YouTube all of the license rights granted herein.

E. You further agree that you will not submit to the Service any Content or other material that is contrary to the YouTube Community Guidelines, currently found at http://www.youtube.com/t/community_guidelines, which may be updated from time to time, or contrary to applicable local, national, and international laws and regulations.⁷²

While it may seem as though the user who uploads original content to YouTube is subject to a litany of restrictions outweighing the benefits, as subsection C points out, the ownership rights are retained by the user,⁷³ which leads to a set of protections discussed below.

II. Rights

A. Brand Protection

Content protection through copyright will be covered in the next section, but overall brand protection is also important. If the web series develops a high profile, such as *Dr. Horrible's Singalong Blog*, trademark protection is important so that others, whether purposefully or inadvertently, are not redirecting viewers through their uses of the show's title. The easiest protection to acquire is the purchase of the domain names of or related to the title of the show. Even if the show is broadcast via YouTube, the owning of the domain name prevents cybersquatting after the show becomes successful.

Dr. Horrible,⁷⁴ *The Battery's Down*,⁷⁵ and *Submissions Only*⁷⁶ each have an active, designed website for its shows. At last visit, however, anactorprepares.com was an owned but undeveloped site.⁷⁷ If the producers of *An Actor Prepares* decide that they want to purchase the already owned domain name, they will need to first find the owner, which may be difficult in this situation since the WHOIS listing provides a proxy contact,⁷⁸ and then see if the owner is willing to sell, and at what price.

Additionally, the show's name and logo may be registered with the United States Patent and Trademark Office (PTO).⁷⁹ The benefits of registration include the "legal presumption of your ownership of the mark and your exclusive right to use the mark nationwide on or in connection with the goods/services listed in the registration" and "[t]he ability to bring an action concerning the mark in federal court."⁸⁰ *Dr. Horrible's* trademark protection covers the title of the show not only when it is used in conjunction with the show episodes (for a DVD, perhaps), but also when it is used on a wide variety of merchandise.⁸¹

B. U.S. Copyright Considerations

1. Registering a Work

A work does not need to be formally registered with the United States Copyright Office in order to be protected.⁸² "Copyright exists from the moment the work is created."⁸³ By definition,

[a] work is "created" when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work.⁸⁴

Although copyright protection is automatic, formal registration with the Copyright Office is advisable, as it puts the existence of the copyright in the public record and provides the copyright holder with a "certificate of registration."⁸⁵ "The effective date of a copyright registration is the day on which an application, deposit, and fee, which are later determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration, have all been received in the Copyright Office."⁸⁶ Submitting the application as soon as the work is created may smooth the way should trouble arise later.

2. Making a Claim

Perhaps the most important reason to register the copyright with the U.S. Copyright Office is that "no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title."⁸⁷ Further, some remedies, such as statutory damages and attorney's fees, are only available after registration.⁸⁸

If a producer has not registered with the U.S. Copyright Office before an infringement happens, registration can happen after the fact. "Indeed, because registration is not mandatory under the Act, copyright holders frequently register specifically for the purpose of being able to bring suit."⁸⁹ In that case, "receipt by the Copyright Office of a complete application satisfies the registration requirement,"⁹⁰ even before the Register of Copyrights certifies it.⁹¹ "[T]he Copyright Act requires that, to obtain statutory damages, the work must have been registered before the infringement (or within three months of its first publication)."⁹²

If small sections of the web series are found in another work without the producer's permission, the producer may not prevail in a copyright case if the defense of *de minimis* is raised. "In determining whether the allegedly infringing work falls below the quantitative threshold of substantial similarity to the copyrighted work, courts of-

ten look to the amount of the copyrighted work that was copied, as well as the observability of the copyrighted work in the allegedly infringing work.”⁹³

Alternatively, if another web series or a television show (or work in a different medium) emerges that the producer feels is based on his or her intellectual property, he or she may have a claim for copyright infringement under a theory of substantial similarity. “The federal constitution requires...that to be actionable, the copying must be of elements of the copyrighted work that are ‘original.’ To be original, an element must both be an independent creation of its author and involve at least minimal creativity.”⁹⁴ The court must determine which elements of a protected work are also original, and then, without considering the unprotectable elements, see “whether a lay observer would consider the works as a whole substantially similar to one another.”⁹⁵ Additionally, “a plaintiff must either introduce direct evidence of the defendant’s copying or prove it indirectly by showing that the defendant had access to the plaintiff’s work and that there is a substantial similarity between it and the defendant’s work, thus giving rise to an inference of copying.”⁹⁶

A defendant may also attempt to raise a fair use defense. However, if the work is being used for commercial gain, or if the court determines that too much of the work has been reused, the defense may fail.⁹⁷ The court will also “consider not only the harm to the market caused by the allegedly infringing use, but also the potential for harm caused by others following in the alleged infringer’s footsteps, as well as any harm to the market for derivative works.”⁹⁸ In any instance, “willful copyright infringement requires evidence that a defendant has knowingly or recklessly infringed on the copyright.”⁹⁹

The purpose of many of these original, independently produced web series is to provide a forum for talented writers and actors to raise their profiles in an inexpensive manner. As the distribution platform is free in most cases, these artists are not trying to protect lost profits, but rather their creativity and reputations, which have an intangible but extremely high value. It is in the best interest of these producers to overtly protect their works through trademark and copyright protections before any problems develop, so that they are better equipped to handle any problems that might arise.

3. Defending a Claim

On the flip side of the copyright issue, if the producer/creators of the web series are erroneously accused of willful copyright infringement, the best way to defend the suit is to demonstrate the elements of the show that are clearly original.

Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it

possesses at least some minimal degree of creativity. To be sure, 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.¹⁰⁰

If a copyright infringement claim is made through YouTube, a process for appeal exists within its Terms of Service, which is discussed below.

C. ISP Liability

1. Strict Liability

When a copyrighted work is reposted without permission on a website, especially a video hosting site such as YouTube or Vimeo, the copyright owner (often a producer) may be tempted to file a suit for infringement against the host. However, the Digital Millennium Copyright Act (DMCA) allows Internet Service Providers (ISPs) such as YouTube the opportunity to earn Safe Harbor status to avoid any liability in this regard.¹⁰¹ “A service provider shall not be liable for monetary relief, or...for injunctive or other equitable relief, for infringement of copyright”¹⁰² through the process of merely transmitting unaltered data for third parties.¹⁰³ In a case such as that, the ISP “is simply the owner and manager of a system used by others who are violating...copyrights and is not an actual duplicator itself, [and] it is not *directly* liable for copyright infringement.”¹⁰⁴ “Although copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant’s system is merely used to create a copy by a third party.”¹⁰⁵

In order to qualify as a Safe Harbor, an ISP must have a Designated Agent to “receive notifications of claimed infringement described in paragraph (3), by making available through its service, including on its website in a location accessible to the public, and by providing to the Copyright Office” the agent’s contact information.¹⁰⁶ The Northern District of California, when considering if a video hosting site qualifies for Safe Harbor protection, determined that it does when it “has a strong DMCA policy, takes active steps to limit incidents of infringement on its website and works diligently to keep unauthorized works off its website.”¹⁰⁷

A copyright holder may make a claim of copyright infringement with an ISP by providing the Designated Agent with information identifying the infringing work and its location, as well as a claim in writing that “the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”¹⁰⁸ YouTube provides an abbreviated version of the DMCA for its users, explaining how to make a claim directly to YouTube’s

Designated Agent, and recommending that users provide a URL to the allegedly infringing material.¹⁰⁹ “The DMCA requires that a copyright owner put the service provider on notice in a detailed manner but allows notice by means that comport with the prescribed format only ‘substantially,’ rather than perfectly.”¹¹⁰ This applies particularly to holders of multiple copyrights, or to copyright holders who are reporting multiple infringements in a single report. “[T]he requirements are written so as to reduce the burden of holders of multiple copyrights who face extensive infringement of their works. Thus, when a letter provides notice equivalent to a list of representative works that can be easily identified by the service provider, the notice substantially complies with the notification requirements.”¹¹¹

YouTube also specifically warns its users not to make false infringement claims,¹¹² because if material is removed by an ISP due to a knowingly false claim, the person who made the claim “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....”¹¹³ Recently, a lawsuit was filed by Hotfile, a file hosting site, against Warner Brothers accusing the latter of using automated techniques that submit thousands of false copyright infringement claims. Hotfile claims that Warner Brothers’ technology uses keywords to identify file names that resemble the names of Warner Brothers’ properties, but without doing anything to confirm the content of those files.¹¹⁴ When evaluating the potential effectiveness of this technology, it is worth noting that “YouTube and Google maintain that ‘no source code in existence today can distinguish between infringing and non-infringing video clips—certainly not without the active participation of rights holders.’”¹¹⁵

If an ISP receives a claim against a user for copyright infringement and removes or disables the material upon which the claim is based, the ISP must “notify the subscriber that it has removed or disabled access to the material.”¹¹⁶ At that point, the user may file a counter notification stating that “the subscriber has a good faith belief that the material was removed or disabled as a result of mistake or misidentification of the material to be removed or disabled.”¹¹⁷

In short, if the producer of a web series finds the show re-posted on YouTube or another ISP’s site without permission, he or she should file a notice and take down request through the Designated Agent. If there is no Designated Agent, then the ISP cannot qualify for the safe harbor provisions and therefore the notice and take down requirements do not apply. A claim should not be filed unless the content has been manually verified.

2. Vicarious or Contributory Liability

Several lawsuits have been filed against suppliers of the technologies that are used to commit copyright infringement under the theories of vicarious or contributory liability, but with little success.

If vicarious liability is to be imposed on petitioners in this case, it must rest on the fact that they have sold equipment with constructive knowledge of the fact that their customers may use that equipment to make unauthorized copies of copyrighted material. There is no precedent in the law of copyright for the imposition of vicarious liability on such a theory.¹¹⁸

Web hosting is analogous to other entertainment technology, and “does not constitute contributory infringement [since the technology] is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.”¹¹⁹

Likewise, the knowledge that copyright infringement generally happens on the Internet does not create a duty for ISPs to independently track down infringements. “The phrases ‘actual knowledge that the material or an activity’ is infringing, and ‘facts or circumstances’ indicating infringing activity describe knowledge of specific and identifiable infringements of particular individual items. Mere knowledge of prevalence of such activity in general is not enough.”¹²⁰ “Contributory liability requires that the secondary infringers ‘know or have reason to know’ of direct infringement.”¹²¹ “To let knowledge of a generalized practice of infringement in the industry, or of a proclivity of users to post infringing materials, impose responsibility on service providers to discover which of their users’ postings infringe a copyright would contravene the structure and operation of the DMCA.”¹²²

[I]f a service provider knows (from notice from the owner, or a “red flag”) of specific instances of infringement, the provider must promptly remove the infringing material. If not, the burden is on the owner to identify the infringement. General knowledge that infringement is “ubiquitous” does not impose a duty on the service provider to monitor or search its service for infringements.¹²³

“To state a claim for vicarious copyright infringement, a plaintiff must allege that the defendant has (1) the right and ability to supervise the infringing conduct and (2) a direct financial interest in the infringing activity.”¹²⁴ If a company “with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, [it] may be held liable as a ‘contributory’ infringer.”¹²⁵ However, to sustain the claim,

the defendant must “be in a position to police the direct infringers.”¹²⁶ Under the DMCA, though, no policing burden is placed on the ISP. If the ISP establishes these three elements, it is protected from a charge of vicarious infringement:

A. It does not have actual knowledge that 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;

B. It 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; and

C. Upon notification of claimed infringement...[it] responds expeditiously to remove, or disable access to, the material....¹²⁷

The possibility does exist, however, for an online company to be found vicariously liable. “[O]ne who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”¹²⁸ “[W]here evidence goes beyond a product’s characteristics or the knowledge that it may be put to infringing uses, and shows statements or actions directed to promoting infringement, [potential legal use] will not preclude liability.”¹²⁹ “The inducement rule...premises liability on purposeful, culpable expression and conduct, and thus does nothing to compromise legitimate commerce or discourage innovation having a lawful promise.”¹³⁰ A company like YouTube would have to ignore information about infringement brought to its attention in order to be found vicariously liable for copyright infringement directly committed by a subscriber.

Unless a future court decision wildly diverges from the current case law on this matter, a suit against YouTube or an ISP for contributory liability is unlikely to be successful. Further, a producer should never rely on YouTube to ferret out cases of infringement on his or her behalf. To protect his or her assets, the producer of an original web series needs to be actively checking for infringements and registering the appropriate complaints. YouTube will protect copyrighted material, but it must be notified of violations in order to act.

Conclusion

In many ways, original programming for New Media is still in its infancy. The agreements for New Media have only been in effect for a few years, and the producers of New Media may largely be unaware of them. It would be naïve, however, to think that New Media is merely a fad. The statistics demonstrate a rise in the amount of video watched online,¹³¹ and the general nature of economics instructs that as the demand rises, so shall the supply. From the philosophy of forewarned is forearmed, ensuring that the producers of New Media are aware of both their obligations and their rights is to their benefit as well as the benefit of their employees.

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Authorship in the Age of Remix and Fan Creativity

By Megan Bright

I. Introduction

Today the Internet urges each of us to “unleash [our imagination]¹ and “broadcast [ourselves],”² our sound, our video, our art—our perspective—to millions of people across the world.³ Many of us have heeded this call and some have even become quite famous.⁴ Nick Bertke, better known on the web and in the music scene as “Pogo,” is one such success story.⁵ Born in Cape Town, South Africa, in 1988 and currently based in Perth, Australia, Bertke is best known for his “vividly imagined” musical video remixes,⁶ which he makes by splicing pieces of sound, dialog, music, and video from a single “wide-eyed” classic childhood movie (like *Mary Poppins*, *A Little Princess*, or *Willy Wonka and the Chocolate Factory*) together in aurally appealing and visually stimulating ways.⁷ The result is a new work that both stands on its own and “captures” what Bertke loves about the film.⁸

“The creative enterprises of our fellow human beings each have the potential to inspire us and enrich our lives.”

Although Bertke has been creating music since age seven, his work did not go viral until he posted “Alice,” his remix of Disney’s *Alice in Wonderland*, on YouTube in 2007.⁹ Since then, the 2:44-minute piece has been viewed nearly six million times¹⁰ and has elevated Bertke’s “[I]nternet identity as a music producer far beyond [his] expectation.”¹¹ Bertke has received tangible benefits from his work in the physical world as well.¹² He was recently commissioned by Walt Disney Studios to create remixes for *The Little Mermaid*, *Pirates of the Caribbean*, and *Toy Story*,¹³ and was even flown to Disney Pixar Animation Studios in San Francisco where he met with the masterminds behind *Up* and created a remix of the movie, entitled “Upular,” which has been viewed over four million times on YouTube.¹⁴ Bertke’s remixes have opened up other doors as well—he has produced work for Honda, Showtime, and Harpo Studios, is regularly approached by talent agencies, and performed at the Guggenheim museum in New York.¹⁵

Not everyone, however, has appreciated Bertke’s success. In September 2009, Sony Pictures Entertainment (Sony) accused Bertke of infringing its copyright in the movie *Hook*.¹⁶ The offending remix, which Bertke had called “Bangarang,” was a mere 3:26 minutes long and—like the rest of Bertke’s remixes—was created from dialog, sound, and footage found in the film.¹⁷ Sony sent

a Digital Millennium Copyright Act takedown notice with YouTube and “Bangarang” was promptly removed.¹⁸ In protest, many YouTube users openly criticized Sony’s action on Bertke’s YouTube page and uploaded several copies of the remix onto the site.¹⁹ Bertke himself quickly responded with a counter notice with YouTube, arguing that Sony’s action was improper because “Bangarang” did not infringe upon its copyright in *Hook*.²⁰ Not long thereafter, YouTube reactivated “Bangarang” and Bertke’s remix was officially resurrected.²¹

In many ways, Nick Bertke’s story reflects an especially bright view of remix culture and fan creativity—his work was recognized and rewarded by one of the largest content providers in the world and his right to distribute that work was successfully defended. Nevertheless, it is not entirely clear how Bertke would fare under our copyright regime.²² It is not even clear that the law would formally recognize him as the author of his own work and the rights flowing therefrom. Yet it is quite evident that Bertke is talented, his work loved, and that his remixes are extremely different from the movies from which he borrows.

This article argues that the authorship of remixes and fan works is a valuable activity and should—in most cases—be considered a legitimate creative enterprise. In order to appropriately accommodate remixers and fan authors under U.S. copyright, the Copyright Act’s notions of authorship will need to be expanded to include remixes and fan works, and reduce uncertainty in the Fair Use Doctrine.

II. Responding Creatively to Another’s Creation

It is no wonder so many people choose to “unleash [their] imagination” on websites like YouTube, Vimeo, Sound Cloud, and FanFiction.Net.²³ The creative works of others are all around us.²⁴ We hear them when we walk down the street, in restaurants and advertised on buses, in subways, or plastered across billboards and buildings along our daily commute. They are nearly impossible to avoid. Some have argued that exposure to these works, to this “mass media,” is a choice—a nonessential activity—and one that might even “thin out and weaken” an individual’s identity.²⁵ This author suggests, however, that we withhold judgment on the value of the expression surrounding us. The creative enterprises of our fellow human beings have the potential to inspire us and enrich our lives. It would thus be unwise to discount a work because we personally believe it lacks some essential attribute.

For some individuals, their love (or sometimes hate) for creations compels them to do more than simply consume the works—they need to live in it and “make it their own.”²⁶ They do this, increasingly, by creating remixes and fan works.²⁷ Remixers and fan authors use others’ influential works as building blocks in their own “amateur” works, much like how a photographer uses a landscape or a painter uses the color cerulean blue.²⁸ In this way, the creative—and often copyrighted—works of others become raw material for new and often unauthorized creative expression.²⁹

A. Fan Works and Remixes Defined

“Fan works” may be defined as “any kind of...creativity that is based on an identifiable segment of popular culture” that “is not produced as [a] ‘professional’ writing.”³⁰ As implied in part above, they are often considered the work of amateurs and are usually noncommercial in nature.³¹ Fan fiction is perhaps the most common type of fan work.³² A story entitled “Magnetic Attraction” by “ellamalfoy8,” which chronicles the unlikely adventures of characters Hermione Granger and Draco Malfoy, is one example of a popular fan fiction or “fanfic” based on J.K. Rowling’s *Harry Potter* series.³³

Other popular types of fan works include “fan videos,” or “fanvids” for short, which typically incorporate video and sound from different sources, including the author’s own voice.³⁴ Anime music videos, or “AMVs,” are a particularly popular type of fan video.³⁵ Another is called “machinima” (“machine” plus “cinema”), which uses video captured from video games to create new animations.³⁶ The Internet series “Red vs. Blue,” which uses footage from the massively multiplayer online game “Halo,” is a tremendously successful machinima, so much so that it even premiered its second season at Lincoln Center for the Performing Arts.³⁷

Fan works are related to and occasionally fall within the broader category of “remix.”³⁸ Remixes, like fan works, are often the noncommercial product of amateurs.³⁹ Nevertheless, some of the most popular remixes were produced by professionals⁴⁰ and could be characterized as commercial in nature.⁴¹ Although the term “remix” is used to describe many dissimilar forms,⁴² these works are generally “created by taking...snippets from various sources and combining them to create a new work.”⁴³ It is, however, possible to create a remix from only one source.⁴⁴

“Mash-ups” are probably the most well known type of remix. These works are new sound recordings created entirely from the immediately recognizable pieces of other prior sound recordings.⁴⁵ Greg Gillis and Brian Burton are two well known and controversial mash-up artists. Gillis, who goes by the name Girl Talk, produced the album *Night Ripper*, which was named one of the best albums of the year by *Rolling Stone*.⁴⁶ *Night Ripper* remixes

between 200 and 250 samples from 167 artists, and could thus be characterized as an “extreme” mash-up.⁴⁷ Burton, who is professionally known as DJ Danger Mouse, has a different style.⁴⁸ His critically acclaimed *The Grey Album*, which earned him a cease and desist from EMI, mixes just two works—the Beatles’ *The White Album* and rapper Jay-Z’s *The Black Album*.⁴⁹

“Appropriation art,” which is something of a precursor to remix culture, also fits quite comfortably within the remix rubric.⁵⁰ Artists working in this movement “incorporate objects and images taken from popular media and consumer advertising.”⁵¹ One of the most well known examples of appropriation art is Jeff Koons’ “Niagara,” which was commissioned by Deutsche Bank and Guggenheim as part of his Easyfun-Ethereal series.⁵² The painting features four pairs of women’s legs dangling over images of junk food.⁵³ At least one set of legs was taken from a layout in *Allure* magazine without the permission of the photographer, the copyright owner in the work.⁵⁴

Although this section has described fan works, remixes, and their various subcategories separately they should not be viewed as clearly distinct—the boundary between remixes and fan works is fluid, not static. Sometimes a fan work will be a remix and a remix will be a fan work.⁵⁵ What category the “amateur” work belongs to matters little. It is more important to understand why the remix or fan work exists in the first place and how its creation affects our notions of authorship.

B. Why Remixers and Fan Authors Use Copyrighted Works in Their “Amateur” Works

As should be clear from above, a remix is not a remix and a fan work is not a fan work if it does not borrow from someone else’s work.⁵⁶ It is especially important to keep this in mind because these “source” or “underlying” works are usually protected by copyright.⁵⁷ Remixers and fan authors are therefore subject to the rules—and some might say whims—of our copyright law.⁵⁸ In *Campbell v. Acuff-Rose Music, Inc.*, one of the most important copyright cases of the past two decades, the Supreme Court advised against using a copyrighted work merely “to avoid the drudgery in working up something fresh,” something “new” and “original.”⁵⁹ Some critics of remix culture have thus argued that society and the law should encourage the creation of “original” works⁶⁰ and, by implication, discourage the creation of remixes and fan works.⁶¹ To these critics, fan authors and remixers do little more than pirate others’ copyrighted works.⁶²

Such criticism misses the point and relies on an extremely narrow view of authorship.⁶³ Although there surely are instances where a remix or fan work unduly rides upon the coattails of another’s creative efforts and adds little to the underlying work,⁶⁴ the core purpose of remix and fan authorship is not to create a transcript of the source work, but to add value by “expand[ing] the

meanings present in the original.”⁶⁵ Since the “expression [of the source work] is inextricably intertwined with [its] idea,”⁶⁶ a remixer or fan author can only expand upon its meaning by using the work itself.⁶⁷ As appropriation artist Koons stated in defense of his work: “By using an existing image, I ensure a certain authenticity or veracity that enhances my commentary—it is the difference between quoting and paraphrasing—and ensure that the viewer will understand what I am referring to.”⁶⁸ The goals of many remixes and fan works can therefore not be achieved through the creation of distinct “new” and “original” characters, plots, or sounds.⁶⁹

“In addition to providing valuable insights into a work, remixes and fan works can also be instrumental in externalizing and focusing the ‘dialogue’ that exists between the audience and the author of an underlying work, and thus help transform seemingly passive consumers into active cultural participants.”

The ability to use or “quote” a recognizable copyrighted work is significant.⁷⁰ Remixes and fan works can change or supplement popular understandings of underlying works, enhance the voice of the minority,⁷¹ and even “debunk[] the mythical cult of the original.”⁷² They do this not only by expanding upon the various meanings intrinsic in an underlying work, but also by powerfully and effectively commenting on, critiquing, and challenging accepted interpretations of a source work.⁷³ In addition to providing valuable insights into a work, remixes and fan works can also be instrumental in externalizing and focusing the “dialogue” that exists between the audience and the author of an underlying work, and thus help transform seemingly passive consumers into active cultural participants.⁷⁴

III. Challenging the Idea of the Romantic Author

Prevailing legal notions about authorship—an undefined and surprisingly ambiguous concept—present substantial challenges to the formal acceptance of remixing and fan authorship. In the early 18th Century, William Wordsworth, the great romantic poet, declared that the only proof of “genius”—of bona fide authorship—is “the act of doing well what is worthy to be done, and *what was never done before*.”⁷⁵ Half a century earlier, Edward Young, commenting on this very concept—the idea of utter originality and authorship thereof—wrote that an original work is “of a vegetable nature; it rises spontaneously from the vital root of genius; it grows, it is not made.”⁷⁶ According to Young and Wordsworth then, originality and authorship are tied tightly together, such that the ex-

istence of one is completely dependent upon the existence of the other.⁷⁷ Thus a work is not original unless it is the product of true authorship and a person is not “worthy” of being called an author unless he or she has produced a highly original work.⁷⁸ This circular logic gave rise to the concept of the romantic author and has been used time and again to justify the author’s sole ownership of his or her work.⁷⁹

Although many literary theorists argue that the author is dead,⁸⁰ that is as a practical matter simply not the case.⁸¹ Our copyright law quite fundamentally relies on our notions of authorship and on the idea of the romantic author in particular.⁸² The law’s reliance is the result of the Copyright Act itself⁸³ and, as some have argued, the judiciary’s tendency to use “author-reasoning” to suppress the complexity of our increasingly convoluted world.⁸⁴ This reliance is especially troubling in the context of remixing and fan authorship because a conception of authorship based upon the idea of the romantic author and its high bar for originality often mischaracterizes the true nature of creation⁸⁵ and even contradicts copyright’s mandate “to increase and not impede the harvest of knowledge” for the public good.⁸⁶ This requires an expansion of our concept of authorship to include alternative forms of creation.

A. Recognizing Limitations on the Idea of Romantic Authorship in Light of Remixes and Fan Works

Peter Jaszi has argued that the notion of a “clearly individualized romantic author” can prevent copyright law “from recognizing, rewarding, and protecting alternate modes of creative cultural production.”⁸⁷ This is because, at its core, romantic authorship tends to ignore a basic fact accepted by the Supreme Court, namely that:

In truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before.⁸⁸

Focus on the singular creative genius can therefore “disable our ability to recognize the contribution of ‘sources’” and make us “discount the interpretative and other interests of audiences and other downstream uses.”⁸⁹

The construction of the romantic author, as envisioned by Young and Wordsworth, is thus in direct tension with the reality of creation.⁹⁰ Authors do not exist in a vacuum.⁹¹ Their works reflect the work of others and, if they are lucky, are reflected in others’ works.⁹² Many of the most brilliant and celebrated authors reference, borrow from, and use the works of others in their own works.⁹³ Yet many would think their works still possess

some degree of originality.⁹⁴ Acknowledging this truth would help validate works created outside the narrow confines of romantic authorship and would enlarge the scope of authorship to include valuable nontraditional forms of creativity, like remixes and fan works.⁹⁵

B. Realizing the Full Value in Remixes and Fan Works and the Authorship Thereof

It is nearly universally recognized, in the academic community at least, that the remixes and fan works and the authorship thereof are generally of “clear and distinct value in serving the core goals of copyright law” and should be encouraged by society in some way.⁹⁶ The reasons for this are many. Our copyright law is intended to “promote the Progress of Science and the useful Arts” for the benefit of the public.⁹⁷ Remixes and fan works do this in many ways. At their most basic level, remixes and fan works foster a love for creating⁹⁸ and are often instrumental in building vibrant fan and consumer communities around their underlying works.⁹⁹ These communities and the works on which they are based give young authors “a place to start, heightens their enthusiasm for writing and provides them with an eager and helpful audience.”¹⁰⁰

From an economic perspective, remixes and fan works also contribute to society’s store of “expressive diversity,” a value encouraged by our copyright law.¹⁰¹ As remixes and fan works are usually created for the sake of creation itself and not for profit, they are generally not subject to the market forces bearing down on works produced in the commercial sphere.¹⁰² This is a surprisingly important point. Authors working for profit are often motivated—at least in part—by economic realities and thus tend to cater to large and hopefully lucrative mass markets.¹⁰³ As a result, these authors are generally not as well positioned as remixers and fan authors to cater to the individual tastes of niche interests.¹⁰⁴

Ultimately, though, remixes and fan works are most valuable when they comment on or critique an underlying work or society itself.¹⁰⁵ Our copyright law looks upon comment and criticism rather favorably.¹⁰⁶ Anupam Chander and Madhavi Sunder have persuasively argued that remixes and fan works may be exceptionally effective forms of comment and criticism because they can “highlight the absence of society’s marginal voices” and underscore “the stereotyped actions or inactions of certain characters” in an original work.¹⁰⁷ The expression of the remix or fan work and the way it uses a source work can thus destabilize preconceived notions about the underlying work and even counteract negative stereotypes found in the mass media.¹⁰⁸

Alice Randall’s *The Wind Done Gone* is an excellent example of a remix that comments on, criticizes and combats negative stereotypes in a source work—specifically, Margaret Mitchell’s Southern epic *Gone With the Wind*.¹⁰⁹ Randall’s novel tells the story of her own original

character, a young mulatto woman named Cynara who lives in a world very similar to the one described in *Gone With the Wind*.¹¹⁰ She interacts with characters that greatly resemble Scarlett O’Hara and Rhett Butler and witnesses events found in Mitchell’s original plot.¹¹¹ *The Wind Done Gone* nevertheless tells a very different story, one that deliberately “flips” *Gone With the Wind* and its treatment of race roles.¹¹² In Randall’s remix, *Gone With the Wind*’s “powerful whites” become “stupid or feckless,” while its slaves and free blacks—whom Mitchell describes as “creatures of small intelligence”—become cunning, beautiful and courageous characters.¹¹³

When Randall attempted to commercially publish *The Wind Done Gone*, the Mitchell Trust sued her and her publisher for copyright infringement and attempted to prevent the novel’s publication.¹¹⁴ The future of the book was in limbo until the Eleventh Circuit concluded that Randall’s use of *Gone With the Wind* was fair.¹¹⁵ In its final judgment the court wrote:

It is clear within the first fifty pages of Cynara’s fictional diary that Randall’s work...sets out to demystify [*Gone With the Wind*] and strip the romanticism from Mitchell’s specific account of this period of our history.... It is hard to imagine how Randall could have specifically criticized [Mitchell’s work] without depending heavily upon [the] copyrighted elements of [her] book.¹¹⁶

The outcome of this case may seem obvious, but the result was hardly guaranteed.¹¹⁷ The Mitchell Trust—not Randall—prevailed at the district court level.¹¹⁸ Had Randall not appealed, her remix—her critique—of *Gone With the Wind* may never have been published, her status as an author would have implicitly been denied, and the authorship of works like *The Wind Done Gone* would have been in danger.¹¹⁹

IV. Reconciling Remix and Fan Culture with the Rights of the Author and Copyright Owner of the Underlying Work

Reconciling remixers’ unauthorized uses of copyrighted works with the rights of authors and copyright owners is undoubtedly the biggest challenge to legitimizing the authorship of remixes and fan works.¹²⁰ Whether or not we believe notions of romantic authorship to be valid, “the author” remains central to our copyright law.¹²¹ In order to “stimulate activity and progress in the arts” our copyright law “permit[s] authors to reap the rewards of their creative efforts.”¹²² These rewards are designed to “encourage the creation of original works”¹²³ by ensuring authors a “fair return for their labors.”¹²⁴ They include an author’s exclusive right to make copies of his or her work and to create new works based upon

his or her work and occasionally the characters therein (i.e., derivative works).¹²⁵ Some authors and copyright holders have used these rights to silence remixes and fan works,¹²⁶ but as Randall's case suggests, not all of their efforts have been—or will be—met with success.¹²⁷ This is due to the doctrine of fair use.

"For the vast majority of remixers and fan authors, the [fair use] doctrine provides the only currently available means to legally validate their works—and their authorships thereof—and the only form of protection against legal liability for their use of others' copyrighted works."

A. How the Fair Use Doctrine Can Validate Remixes and Fan Works and the Authorship Thereof

As the Honorable Pierre N. Leval noted, copyright is not an "absolute or moral right" forever and always enforceable by the copyright owner.¹²⁸ It has exceptions, most notably the doctrine of fair use.¹²⁹ The ability to fairly use another's copyrighted work for criticism or comment has long been considered "necessary to fulfill copyright's very purpose, '[t]o promote the Progress of Science and useful Arts.'"¹³⁰ This is because:

[There is an] inevitable tension between the property rights [copyright law] it establishes in creative works, which must be protected up to a point, and the ability of authors, artists, and the rest of us to express them- or ourselves by reference to the works of others, which [also] must be protected up to a point.¹³¹

The fair use doctrine relieves this tension by balancing the rights of copyright owners with everyone else's right to freedom of expression.¹³² Without this mediation, copyright protection would be "excessively broad" and "would stifle, rather than advance, [the law's] objective."¹³³

Fair use is properly understood as a defense to a claim of copyright infringement.¹³⁴ For the vast majority of remixers and fan authors, the doctrine provides the only currently available means to legally validate their works—and their authorships thereof—and the only form of protection against legal liability for their use of others' copyrighted works.¹³⁵ Steven A. Hetcher believes that many remixers and fan authors would be entitled to the fair use defense because under current jurisprudence, a significant amount of remix and fan work constitutes fair use.¹³⁶ Many, however, is not all, which begs the question: how does a remixer or fan author know that his or her work fairly uses a copyrighted work?¹³⁷ How does a

remixer or fan author know that under the law he or she is an author and not an infringer?

Unfortunately, the answer to this question could be much clearer.¹³⁸ Determinations of fair use are made on a case-by-case basis¹³⁹ and are based upon the following four statutory factors:

- (1) the purpose and character of the secondary use, including whether such use is of a commercial nature or is for non-profit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for the copyrighted work.¹⁴⁰

These factors, as Judge Leval warns, "do not represent a score card that promises victory to the winner of the majority."¹⁴¹ Rather, each one should "be explored, and the results [of all] weighed together, in light of the purposes of copyright."¹⁴² The application of fair use is thus difficult to generalize.¹⁴³ Nevertheless, below is a brief description of each of the four fair use factors to illustrate the legal landscape in which remixers and fan authors find themselves and highlight the issues they would most likely encounter if sued.

i. The Purpose and Character of the Secondary Use

For most remixers and fan authors, a finding for fair use will turn on the first factor of the fair use test, and in particular on the issue of transformative use.¹⁴⁴ The test for whether a remixer or fan author's use of a copyrighted work is transformative is whether the use "merely 'supersedes the objects' of the [copyrighted work], or instead adds something new, with a further purpose or different character, altering the [copyrighted work] with new expression, meaning, or message."¹⁴⁵ This inquiry is highly fact-specific and thus cannot be outlined in much further detail here.¹⁴⁶ It should be noted, however, that current jurisprudence requires the use to "in some way comment on, relate to the historical context of, or critically refer back to the original work,"¹⁴⁷ or at least to the genre of which the original work is typical or representative.¹⁴⁸ Some remixes that use a copyrighted work in a purely satirical way or only to comment on society at large may have difficulty meeting that requirement.¹⁴⁹

A court will also look at the commercial or noncommercial nature of the remix or fan work.¹⁵⁰ Although commerciality tends to weigh against fair use, the weight of this sub-factor should be reduced if the remix or fan work is highly transformative.¹⁵¹ Overall, Steven A. Hetcher argues that the first fair use factor will generally weigh

in favor of remixers and fan authors because “a significant amount” of those works are transformative and noncommercial.¹⁵²

ii. The Nature of the Copyrighted Work

The second factor of the fair use test recognizes that some works are “closer to the core of intended copyright protection than others” and are thus less likely to be fairly used.¹⁵³ Expressive or creative works therefore generally receive more protection than factual or informational works.¹⁵⁴ As the vast majority of remixes and fan works use expressive or creative works, one might think the second factor would in most cases weigh against fair use.¹⁵⁵ However, this is not necessarily the case. Courts have limited the weight of the second factor where the secondary use is transformative.¹⁵⁶ If it is true therefore that most remixes and fan works are transformative, as Hetcher and others have argued, the second factor should usually weigh only slightly against a finding of fair use.¹⁵⁷

iii. The Amount and Substantiality of the Use

Under the third fair use factor courts will consider the “quantity and value” of the source copyrighted work used.¹⁵⁸ Generally, the larger the portion used or the greater its importance to the underlying copyrighted work, the more likely it will be an “affront to the interests of the copyright owner,” and the less likely it will constitute a fair use.¹⁵⁹ The quantity or quality of the amount used should be analyzed in light of the remixer or fan author’s justification for the use.¹⁶⁰ Accordingly, a court should decide whether the remixer or fan author’s use is excessive or “reasonable in relation to the purpose and character of the use.”¹⁶¹ The third fair use factor will thus vary according to the circumstances of the individual case.¹⁶²

iv. The Effect on the Market

The fourth and final fair use factor has widely been considered to be one of the most important,¹⁶³ despite the Supreme Court’s assertion that “[a]ll [four factors] are to be explored.”¹⁶⁴ The focus on this factor goes to the design of copyright law itself and its promise that authors at least have “the opportunity to realize rewards” for their creative efforts.¹⁶⁵ To that end, the fourth factor requires courts “to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market for the original [work]” or the “market for derivative works.”¹⁶⁶ This factor will weigh against fair use when the secondary use usurps or supplants the market for the original work or its derivatives.¹⁶⁷

In most cases, a copyright owner cannot reasonably claim that a remix or fan work supplants the market for the original work.¹⁶⁸ The very nature of remix and fan

work makes this improbable.¹⁶⁹ The derivative market issue, however, is much more complex.¹⁷⁰ Two important factors should assist remixes and fan works in this context.¹⁷¹ First, according to the Supreme Court “there is no protectable derivative market for criticism.”¹⁷² The fourth factor is therefore less likely to weigh against remixes and fan works that critique or comment upon the original work.¹⁷³ Second, the derivative market is limited to works the copyright owner would usually develop or license others to develop.¹⁷⁴ Accordingly, an unlicensed mash-up of the Beatles’ *The White Album* and Jay-Z’s *The Black Album* should, in theory, only usurp the market for mash-ups of those two albums.¹⁷⁵ Nevertheless, a number of claims have still been brought—and emerged victorious—over commercial remixes and fan works adversely impacting the derivative market.¹⁷⁶

B. How Copyright Law Could Treat Remixes and Fan Works: Problems with a Categorical Exception

Lawrence Lessig has passionately argued that uncertainty in the law and the actions of intolerant copyright owners will “chill” the creation of remixes and fan works.¹⁷⁷ As he believes that the fair use doctrine does not sufficiently remedy this problem, Lessig has proposed that we formally legalize remixes and fan works by exempting noncommercial “amateur creativity”—i.e., the vast majority of remixes and fan works—from copyright regulation.¹⁷⁸ At first blush, Lessig’s revision of copyright law seems like a fair and reasonable solution that is in line with the intent of U.S. copyright law.¹⁷⁹ Copyright owners could still enforce their rights against professional or commercial remixes and fan works—and thus continue to receive what amounts to a “fair return for their labors”¹⁸⁰—and the authors of amateur noncommercial remixes and fan works would no longer be considered infringers.¹⁸¹

However, the situation in which professional photographer Patrick Cariou recently found himself suggests that Lessig’s solution could unjustly curtail the rights of authors in their works.¹⁸² Cariou published a book of photographs entitled *Yes Rasta*, which contained portraits of Rastafarian individuals.¹⁸³ All of the photographs were taken in Jamaica and were the result of some six years’ worth of work.¹⁸⁴ After *Yes Rasta*’s publication, Cariou made arrangements with a Manhattan gallery to exhibit his work from the book.¹⁸⁵ The gallery originally planned to show 30 to 40 photographs from *Yes Rasta* and to sell multiple prints of the works at prices ranging from \$3,000 to \$20,000 each.¹⁸⁶ However, these plans were abruptly cancelled and Cariou’s show completely scrapped when his gallery learned that appropriation artist Richard Prince had used at least 41 *Yes Rasta* photographs—some in their entirety and barely altered—in a series of works that would appear in Prince’s Canal Zone exhibit at another gallery.¹⁸⁷

In the litigation against Prince that followed, the gallery owner who had initially agreed to exhibit Cariou's photographs testified that she cancelled his show because she did not want others to think that she was trying to "capitaliz[e] on Prince's success and notoriety" and because she did not want to "do" work that had been "done already."¹⁸⁸ This mentality raises important concerns when considered alongside Lessig's suggested revision of copyright law.

"The copyright law—and its potential to impede remixing and fan authorship—is not absolute."

Lessig's proposal is based on his belief that "there is no good reason for copyright law to regulate" non-commercial amateur creativity.¹⁸⁹ Yet given the gallery owner's rationale for cancelling Cariou's show, one must wonder if Lessig's assertion really rings true. What if, for example, a well-known amateur remixer had taken photographs from Cariou's *Yes Rasta* and—like Prince—had tinted them blue and placed pictures of electric guitars in the Rastafarians' hands? What if this amateur remixer had then posted these *Yes Rasta*-remixes for free on a popular Internet meme site¹⁹⁰ where they were viewed by millions of people and became famous? Would Cariou's *Yes Rasta* show still have gone forward? Would the gallery owner think the situation was different because the remixer was an amateur and the work was noncommercial?

Cariou's story is important in two respects. First, it reminds us that real people—with lives, families, and bills to pay—create the works that remixers and fan authors use to create theirs.¹⁹¹ The fact that many of these people rely on their copyrighted works to make a living and to create more works should not be forgotten.¹⁹² Cariou's story also illustrates the danger in romanticizing remixing and fan authorship. As Prince's use of Cariou's work demonstrates, remixes and fan works do not always comment on, critique, or transform the underlying copyrighted work or society in any meaningful way.¹⁹³

V. Conclusion

The goal of copyright law is to encourage the creation of works for the "intellectual enrichment of the public."¹⁹⁴ It does this by endowing authors with rights that enable them to make a living off their art and allow them to devote themselves to the creation of more works.¹⁹⁵ In so doing, copyright takes away the ability of others to use copyrighted works as tools for speech and creative expression free from the risk of legal liability.¹⁹⁶ The law thus appears to discount the creation of non-traditional works—particularly remixes and fan works—and fails to recognize the creator of such works as an author in his or her own right.¹⁹⁷ Such a narrow view of author-

ship is especially troubling in the context of remixes and fan works, because these works can be tremendously valuable to the creator and to society at large and should therefore be encouraged.¹⁹⁸ Yet their status as secondary works lacking romantic notions of originality preempts an assumption that they are the valid products of true authorship and opens up their creators to the risk of legal liability.

Although remixes and fan works and the authorship thereof can be immensely valuable, our notions of fair-play strongly suggest that the rights of authors and copyright owners should not be subverted when a remix or fan work has a substantially adverse impact on the author or copyright owner of an underlying work.¹⁹⁹ The copyright law—and its potential to impede remixing and fan authorship—is not absolute.²⁰⁰ It is important to remember that the rights of copyright owners are limited by the doctrine of fair use.²⁰¹ Fair use can be and has been used to "balance the legitimate claims of content creators and remixers."²⁰²

Some will surely believe that the fair use doctrine is an imperfect and perhaps even unacceptable way to legitimize remixes and fan works because it does not completely eliminate the risk of legal liability, can unduly burden remixers and fan authors, and only implicitly acknowledges the authorship of the remixer or fan author.²⁰³ It is true that fair use is a murky area of law poorly understood (if at all) by the average remixer and fan author.²⁰⁴ It is also true that remixers, fan authors, and copyright owners would all benefit from additional clarity in the doctrine's application to remixes and fan works, particularly in its application to noncommercial and amateur works.²⁰⁵ Despite these shortcomings, and short of an author explicitly permitting remixers and fan authors to use his or her work,²⁰⁶ the fair use doctrine currently provides the fairest measure between the rights of copyright holders and the creative efforts of remixers and fan authors.

Endnotes

1. The tagline for FanFiction.Net. FANFICTION.NET, <http://www.fanfiction.net>.
2. The tagline for YouTube. YOUTUBE, <http://www.youtube.com/>.
3. Numerous websites enable this sharing. In addition to YouTube and FanFiction.Net, some of the best include VIMEO, <http://www.vimeo.com/>, and SOUND CLOUD, <http://www.soundcloud.com/>. According to Google, approximately 827.5 million unique visitors accessed these sites last fall. See YouTube, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_profile?hl=en#siteDetails?identifier=youtube.com&lp=true; Vimeo, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_profile?hl=en#siteDetails?identifier=vimeo.com&lp=true; SoundCloud, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_profile?hl=en#siteDetails?identifier=soundcloud.com&lp=true; FanFiction.Net, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_

- profile?hl=en#siteDetails?identifier=fanfiction.net&geo=001&trait_type=1&lp=true. YouTube was the chosen outlet for the vast majority of these visitors. See YouTube, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_profile?hl=en#siteDetails?identifier=youtube.com&lp=true.
4. See, e.g., Justin Bieber and Rebecca Black, who were both “discovered” on YouTube. Justin Bieber, *Cry me a River—Justin Timberlake cover—Justin singing (Justin Bieber)* YOUTUBE, <http://www.youtube.com/watch?v=KJWZSEkCrAM&feature=related> (showing over 15 million views of a video that helped launch his professional career); Rebecca Black, *Rebecca Black—Friday (Official Video)*, YOUTUBE, <http://www.youtube.com/watch?v=CD2LRROpph0> (showing over 111 million views of what has been called one of the worst—but also one of the most popular—songs ever).
 5. See About Me, POGO, <http://www.pogomix.net/about-me/>; Fagottron’s Channel, YOUTUBE, <http://www.youtube.com/user/Fagottron>.
 6. Pogo Interview, COMFORTCOMES, <http://www.comfortcomes.com/2009/04/13/pogo/>. See also Pogo (electronic musician), WIKIPEDIA, http://en.wikipedia.org/wiki/Pogo_%28electronic_musician%29.
 7. See Video Archive, POGO, <http://www.pogomix.net/category/videos/>. See also Fagottron’s Channel, *supra* note 5 (showing all of Bertke’s work).
 8. See Pogo Interview, BRAINS?, <http://www.brainsquestionmark.com/blog/2009/05/10/pogo-interview/>.
 9. Pogo Interview, COMFORTCOMES, *supra* note 6.
 10. Alice (Disney Remix), YOUTUBE, <http://www.youtube.com/watch?v=pAwR6w2TgXY>. As of April, Bertke’s works had been viewed over 11 million times. See Fagottron’s Channel, *supra* note 5.
 11. About Me, POGO, *supra* note 5.
 12. *Id.*
 13. *Id.* These remixes are available on YouTube. See Fagottron’s Channel, *supra* note 5.
 14. About Me, POGO, *supra* note 5; Upular (Pixar Remix), YOUTUBE, <http://www.youtube.com/watch?v=JVxe5NIABsI>.
 15. About Me, POGO, *supra* note 5.
 16. See Pogo Video Archive, POGO, <http://www.pogomix.net/category/videos/>.
 17. See Bangarang (Hook Remix), YOUTUBE, <http://www.youtube.com/watch?v=65PiKsNhCsc>.
 18. See Pogo Video Archive, POGO, *supra* note 16.
 19. *Id.* See, e.g., Bangarang Returned, YOUTUBE, <http://www.youtube.com/user/Bangarang>.
 20. See Pogo Video Archive, POGO, *supra* note 16.
 21. *Id.*
 22. At least in my view and—I would wager—in Lawrence Lessig’s view too. See Lawrence Lessig, REMIX 255 (2008).
 23. In March 2011, YouTube was viewed by approximately 700 million unique visitors, YouTube, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_profile?hl=en#siteDetails?identifier=youtube.com&lp=true, and Vimeo, another popular video website, was viewed by approximately 18 million unique users, Vimeo, DOUBLECLICK AD PLANNER BY GOOGLE, https://www.google.com/adplanner/planning/site_profile?hl=en#siteDetails?identifier=vimeo.com&lp=true.
 24. See Rebecca Tushnet, *Payment In Credit: Copyright Law and Subcultural Creativity*, 70 LAW & CONTEMP. PROBS. 135, 144 (2007) [hereinafter Tushnet, *Payment in Credit*].
 25. Robert P. Merges, *Locke Remixed* ;-), 40 U.C. DAVIS L. REV. 101, 110 (2007).
 26. *Id.* at 109.
 27. See Anupam Chander & Madhavi Sunder, *Everyone’s a Superhero: A Cultural Theory of “Mary Sue” Fan Fiction as Fair Use*, 95 CALIF. L. REV. 597, 598 (2007). These works are defined more fully in Part II(A) below.
 28. See Rebecca Tushnet, *User-Generated Discontent: Transformation in Practice*, 31 COLUM. J.L. & ARTS 497, 506 (2008) [hereinafter Tushnet, *User-Generated Discontent*].
 29. *Id.*
 30. See Rebecca Tushnet, *Legal Fictions: Copyright, Fan Fiction, and a New Common Law*, 17 LOY. L.A. ENT. L. REV. 651, 655 (1997) [hereinafter Tushnet, *Legal Fictions*].
 31. Lessig, *supra* note 22, at 28-33. See also Merges, *supra* note 25, 101 (noting that for many remixers and fan authors, the activity is a hobby).
 32. Steven A. Hetcher, *Using Social Norms to Regulate Fan Fiction and Remix Culture*, 157 U. PA. L. REV. 1869, 1870-71 (2009). See also Fan Fiction, WIKIPEDIA, http://en.wikipedia.org/wiki/Fan_fiction. Collectively, there are nearly one million fanfics in the top three fandoms on FanFiction.Net. See FanFiction.Net, WIKIPEDIA, <http://en.wikipedia.org/wiki/Fanfiction.net>; FANFICTION.NET, *supra* note 1.
 33. *Magnetic Attraction* by ellamalfoy8, FANFICTION.NET, http://www.fanfiction.net/s/2839520/1/Magnetic_Attraction (receiving over 2,000 reviews).
 34. Hetcher, *supra* note 32, at 1870.
 35. Lessig, *supra* note 22, at 77. See also ANIME MUSIC VIDEOS, <http://www.animemusicvideos.org>.
 36. See Christopher Reid, *Fair Game: The Application of Fair Use Doctrine to Machinima*, 19 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 831, 833 (2009).
 37. *Id.* at 832. See also RED VS. BLUE, <http://www.redvsblue.com>.
 38. See Hetcher, *supra* note 32, at 1870-71.
 39. Lessig, *supra* note 22, at 28-33.
 40. See Aaron Power, *The Mouse That Roared: Addressing the Post-Modern Quandary of Mash-ups Through Traditional Fair Use Analysis*, 8 VAND. J. ENT. & TECH. L. 531 (2006) (highlighting the work of DJ Danger Mouse, who is a remixer and a professional producer in the music industry).
 41. Greg Gillis, for example, charges admission to his concerts. See Girl Talk Tickets, TICKETMASTER, <http://www.ticketmaster.com/Girl-Talk-tickets/artist/1139714>.
 42. See Lessig, *supra* note 22, at 5-17. Although Lessig’s book is entitled REMIX, he never explicitly defines the term. Hetcher, *supra* note 32, at 1871. Lessig instead gives the reader almost countless examples of what does (or could) constitute a remix.
 43. *Id.*
 44. See Merges, *supra* note 25, at 101 (defining remix more broadly as a new work “created from *one* or more preexisting works—such as music, photos, videos, computer games, etc.”) (emphasis added).
 45. Power, *supra* note 40, at 532. These pieces are also known as “samples” in the music industry. *Id.*
 46. Lessig, *supra* note 22, at 11. Gillis’ success has been so great that he left his career as a bio-engineer in order to devote more time to his music. See RIP: A Remix Manifesto (2009).
 47. Lessig, *supra* note 22, at 11.
 48. See Philip A. Gunderson, *Danger Mouse’s Grey Album, Mash-ups, and the Age of Composition*, 15 POSTMODERN CULTURE 1, ¶ 1 (Sept. 2004).

49. *Id.* Shortly after Burton released *The Grey Album*, EMI, which owns the copyright in the Beatles' *The White Album*, issued a cease and desist letter alleging that the mash-up album was infringing. *Id.* at ¶ 9. Although Burton moved to comply, EMI's actions provoked a grass roots Internet campaign culminating in "Grey Tuesday," wherein nearly 200 websites made the *The Grey Album* available to download for free. *Id.*
50. See Hetcher, *supra* note 32, at 1872.
51. *Blanch v. Koons*, 467 F.3d 244, 246 (2d Cir. 2006).
52. *Id.* at 247.
53. *Id.* at 247-48.
54. *Id.*
55. For example, a machinima set to rap music could be characterized as either a remix or a fan work. The same could be said of a "cross-over" fan fiction incorporating characters and storylines from HARRY POTTER and TWILIGHT.
56. See Merges, *supra* note 25, at 101.
57. *Id.* at 111-12. These terms are not meant to offend or undermine the validity or value in a copyrighted work used in a remix or fan work. They are simply more neutral terms than the alternative. Referring to the work used as the "original" work implicitly assumes originality in that work and discounts originality in the remix or fan work. It thus suggests that, under the law's current notions of authorship, a remixer or fan author cannot be an author. See III below.
58. See, e.g., Lessig, *supra* note 22, at 255.
59. 510 U.S. 569, 580 (1994).
60. That is, works *not* based on the works of others. See Chander, *supra* note 27, at 618.
61. *Id.* at 618. Anne Rice, for example, has asked her readers to "write your own original stories with your own characters." *Id.*
62. *Id.*
63. The Campbell Court itself recognized that creative works are rarely, if ever, "strictly new and original throughout." Campbell, 510 U.S. at 575 (quoting *Emerson v. Davies*, 9 F. Cas. 615, 619 (C.C.D.Mass. 1845)).
64. Such was the conclusion of the Court of Appeals for the Second Circuit in *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992), and the District Court for the Southern District of New York in *Cariou v. Prince*, 2011 WL 1044915 *1 (S.D.N.Y. 2011).
65. Tushnet, *Payment in Credit*, *supra* note 24, at 137, 144.
66. Power, *supra* note 40, at 535. Superman, for example, has a different social meaning than Batman. Thus, even though both are superheroes, neither is a decent substitute for the other.
67. Lessig, *supra* note 22, at 74.
68. *Blanch*, 467 F.3d at 255 (emphasis added). Note that quoting also "signals that the [remixer or fan author] is working within a tradition" and "not without it." Merges, *supra* note 25, at 103 (quoting Madhavi Sunder). This gives the remixer or fan author credibility.
69. *Id.*
70. See Lessig, *supra* note 22, at 51.
71. Chander, *supra* note 27, at 599.
72. Merges, *supra* note 25, at 103. As discussed in greater detail below, Alice Randall's *THE WIND DONE GONE*, which reimagined Margaret Mitchell's *GONE WITH THE WIND* from the perspective of one of Scarlett O'Hara's slaves, is an excellent example of this. See generally *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257 (11th Cir. 2001).
73. Chander, *supra* note 27, at 618.
74. See Tushnet, *Payment in Credit*, *supra* note 24, at 164.
75. William Wordsworth, as quoted by Martha Woodmansee, *The Genius and the Copyright: Economic and Legal Conditions of the Emergence of the 'Author'*, 17 *Eighteenth Century Studies* 4, 429 (Summer 1984) (emphasis added).
76. Edward Young, CONJECTURES ON ORIGINAL COMPOSITION 274 (1759), as cited in Woodmansee, *supra* note 75, at 446.
77. See Woodmansee, *supra* note 75, at 430-31.
78. *Id.* at 429-31. Jane C. Ginsburg writes that this belief "seems [to be] the most universal and least contested" principle of authorship in copyright law. Jane C. Ginsburg, *The Concept of Authorship in Comparative Copyright Law*, 52 *DEPAUL L. REV.* 1063, 1078 (2003). However, it appears more tenuous when considered alongside various legal regimes that have each "developed different concepts of what kind of contribution makes a work 'original.'" *Id.*
79. See Woodmansee, *supra* note 75, at 431. See also Peter Jaszi & Martha Woodmansee, *Beyond Authorship: Refiguring Rights in Traditional Culture and Bioknowledge*, in *SCIENTIFIC AUTHORSHIP: CREDIT AND RESPONSIBILITY IN SCIENCE* 195 (Mario Biagioli & Peter Galison eds., 2003) [hereinafter Jaszi, *Beyond Authorship*].
80. See e.g., Roland Barthes, *The Death of the Author* (1968) (proclaiming the death of the author and the liberation of the text); Michael Foucault, *What is an Author?* (1969/79) (arguing that the author is a socially constructed ideological figure).
81. See Keith Aoki, *Adrift in the Intertext: Authorship and Audience "Recording" Rights—Comment on Robert H. Rotstein, "Beyond Metaphor: Copyright Infringement and the Fiction of the Work,"* 68 *CHI-KENT L. REV.* 805, 811 (1993).
82. *Id.* See also Ginsburg, *supra* note 78, at 1064 ("Authors are the heart of copyright.").
83. 17 U.S.C. § 102(a) (providing protection for "original works of authorship").
84. Aoki, *supra* note 81, at 816.
85. See *Campbell*, 510 U.S. at 575.
86. *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 545-46 (1985). See also Tushnet, *Payment in Credit*, *supra* note 24, at 144 (arguing that romantic authorship norms have negatively impacted the distribution of creative works, especially those created by fans).
87. Peter Jaszi, *On the Author Effect: Contemporary Copyright and Collective Creativity*, 10 *CARDOZO ARTS & ENT. L.J.* 293, 304 (1992) [hereinafter Jaszi, *On the Author Effect*]. See also Aoki, *supra* note 81, at 811-12.
88. *Campbell*, 510 U.S. at 575 (quoting *Emerson v. Davies*, 8 F.Cas. 615, 619).
89. *Id.* at 823 (quotations omitted). Remixes and fan works are two examples of such audience interests and "downstream" uses.
90. See Tushnet, *User-Generated Discontent*, *supra* note 28, at 505.
91. Even Wordsworth's vision of the romantic author reflects Young's earlier insights. See Woodmansee, *supra* note 75, at 429.
92. See *Campbell*, 510 U.S. at 575.
93. A terrific example of this is Jane Austen's use of Ann Radcliffe's popular MYSTERIES OF UDOLPHO, which she used (rather irreverently) as a plot point in *NORTHANGER ABBEY*. Austen relied on Radcliffe's tale and the obsession surrounding it to illustrate how silly it was for her main character, Catherine Morland, to imagine herself as a gothic heroine in the real world.
94. No critic has seriously challenged the originality in *NORTHANGER ABBEY*.
95. See Aoki, *supra* note 81, at 823.
96. Hetcher, *supra* note 32, at 1891; see also Chander, *supra* note 27, at 600-01; Lessig, *supra* note 22, at 253-87; Merges, *supra* note 25, at 104; Tushnet, *Payment in Credit*, *supra* note 24, at 174.

97. U.S. CONSTITUTION, Art. I, sec. 8; *see also* *Campbell*, 510 U.S. at 575.
98. *See* Tushnet, *User-Generated Discontent*, *supra* note 28, at 505.
99. Hetcher, *supra* note 32, at 1890.
100. Tushnet, *User-Generated Discontent*, *supra* note 28, at 505-06.
101. *Id.* at 513.
102. *Id.*
103. *See id.*
104. *Id.* at 507, 513.
105. *See* Chander, *supra* note 27, at 613. The value of being able to use works imbued with cultural meaning was touched upon in Part II(B) above.
106. *See* 17 U.S.C. § 107; *Suntrust Bank*, 268 F.3d at 1260, 1265.
107. Chander, *supra* note 27, at 613.
108. *Id.* at 626.
109. *See* generally Alice Randall, *THE WIND DONE GONE* (2001).
110. *Suntrust Bank*, 268 F.3d at 1267.
111. *Id.*
112. *Id.* at 1270-71.
113. *Id.*
114. *Id.* at 1276.
115. *Id.* at 1276. *See also* 17 U.S.C. § 107.
116. *Suntrust Bank*, 268 F.3d at 1270-71.
117. Randall's case turned on fair use, discussed at length in Part IV(A) below, which is considered "the most troublesome [doctrine] in the whole law of copyright" due to its inherent ambiguity. *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939). *See also* *Maxtone-Graham v. Burtchaell*, 803 F.2d 1253, 1255 (2d Cir. 1986); *Sony Corp. of Am. v. Universal City Studios, Inc.* 464 U.S. 417, 475 (1984) (Blackmun, J., dissenting). *But see* Hon. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990) (arguing that "[f]air use should be perceived not as a disorderly basket of exceptions to the rules of copyright, nor a departure from the principles governing that body of law, but rather as a rational, integral part of copyright").
118. *Suntrust Bank v. Houghton Mifflin Co.*, 136 F. Supp. 2d 1357, 1386 (N.D. Ga. 2001).
119. *Suntrust Bank*, 268 F.3d at 1276.
120. *See* Lessig, *supra* note 22, at 253-59.
121. Ginsburg, *supra* note 78, at 1064.
122. Leval, *supra* note 117, at 1107.
123. *Suntrust Bank*, 268 F.3d at 1262.
124. *Harper & Row*, 471 U.S. at 545-46.
125. 17 U.S.C. §§ 106, 101. Examples of derivative works include adaptations, abridgements and condensations. § 101. *See also* *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1166 (C.D. Cal. 1989); Chander, *supra* note 27, at 612.
126. *See, e.g., Salinger v. Colting*, 641 F. Supp. 2d 250, 254 (S.D.N.Y. 2009), *vacated on other grounds by* 607 F.3d 68 (2d Cir. 2010) (holding that Colting's work, *60 YEARS LATER*, which included an elderly character resembling Salinger's Holden Caulfield and another resembling Salinger himself, infringed Salinger's copyright in *CATCHER IN THE RYE*).
127. *See, e.g., Suntrust Bank*, 268 F.3d at 1267, 1275; *Blanch*, 467 F.3d at 246.
128. Leval, *supra* note 117, at 1108. Note, however, that there are some limited moral rights in visual works. *See* 17 U.S.C. § 106A.
129. *See* 17 U.S.C. § 107. Other exceptions to authors' exclusive rights are set forth in 17 U.S.C. §§ 108-112.
130. *Campbell*, 510 U.S. at 575. *See also* *Folsom v. Marsh*, 9 F. Cas. 342, 344-45 (1841). *See also* 17 U.S.C. § 107 (providing in the preamble that "the fair use of a copyrighted work...for purposes such as criticism [and] comment...is not an infringement of copyright").
131. *Blanch*, 467 F.3d at 250.
132. *Id.*
133. Leval, *supra* note 117, at 1109.
134. *See* *Campbell*, 510 U.S. at 590.
135. *See* Chander, *supra* note 27, at 12. This of course assumes that most remixes and fan works are unauthorized. *Id.* Steven A. Hetcher has argued that social norms also have a heavy hand in determining whether a copyright owner will sue a remixer or fan author for the unauthorized use of his or her copyrighted work, but even these social norms rely in part on the owner's likelihood of success, which in turn may be reliant on the alleged infringer's fair use defense. *See generally* Hetcher, *supra* note 32.
136. *Id.* at 1923.
137. *Id.* Hetcher aptly notes, "while much remix is fair use, not all remix is." *Id.*
138. As already noted, many courts have stated that fair use doctrine is the murkiest area of copyright law. *See e.g., Dellar*, 104 F.2d at 662. Lessig goes even further—he believes that determining whether a particular use is a fair use is "a totally inappropriate burden for most amateur creators"—i.e., remixers and fan authors. Lessig, *supra* note 22, at 255.
139. *Campbell*, 510 U.S. at 577.
140. 17 U.S.C. § 107.
141. Leval, *supra* note 117, at 1110-11.
142. *Campbell*, 510 U.S. at 578.
143. *Id.*
144. *See* Hetcher, *supra* note 32, at 1911. *See also* Leval, *supra* note 117, at 1116 (arguing that the first fair use factor is "the soul of fair use"). That is not to say, however, that a transformative use is automatically a fair use. *Id.* at 1111; *see also*, *Warner Bros. Entm't Inc. v. RDR Books*, 575 F. Supp. 2d 513, 551 (S.D.N.Y. 2008) (finding that *THE HARRY POTTER LEXICON* was transformative of J.K. Rowling's *HARRY POTTER* series, but only slightly transformative of her companion books to the series, and ultimately not a fair use).
145. *Campbell*, 510 U.S. at 579 (quoting *Folsom*, 9 F. Cas. at 348).
146. *See* Reid, *supra* note 36, at 842.
147. *Cariou*, 2011 WL 1044915 at 18. *See also* *Campbell*, 510 U.S. at 580.
148. *Blanch*, 467 F.3d at 255.
149. *See e.g., Rogers*, 960 F.2d at 310; *Cariou*, 2011 WL 1044915 at 16.
150. *See e.g., Campbell*, 510 U.S. at 584. Some courts might also consider whether the remixer or fan author acted in good faith. *See, e.g., Cariou*, 2011 WL 1044915 at 24. Aside from the fact that permission is not a prerequisite for fair use, *Blanch*, 467 F.3d at 256, this additional good faith sub-factor is not named in the statute and is therefore less pertinent to the court's analysis, Leval, *supra* note 117, at 1125-26.
151. *See* *Campbell*, 510 U.S. at 580.
152. Hetcher, *supra* note 32, at 1911.
153. *Campbell*, 510 U.S. at 586.
154. *See* *Blanch*, 467 F.3d at 256.
155. *See* *Sony Corp.*, 464 U.S. at 496-97.
156. *Campbell*, 510 U.S. at 586; *Blanch*, 467 F.3d at 257 (citing *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 612-13 (2d Cir. 2006)); *Suntrust Bank*, 268 F.3d at 1271.
157. *See* Hetcher, *supra* note 32, at 1911. *See also* Chander, *supra* note 27, at 613; Tushnet, *User-Generated Discontent*, *supra* note 28, at 506.

158. *Campbell*, 510 U.S. at 586 (quoting *Folsom*, 9 F. Cas. at 348).
159. Leval, *supra* note 117, at 1122. The “heart of the work,” for example, will be heavily protected. See *Harper & Row Publishers, Inc. v. Nation. Enter.*, 471 U.S. 539, 565 (1985).
160. See *Campbell*, 510 U.S. at 586-87; *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, 150 F.3d 132, 144 (2d Cir. 1998).
161. *Campbell*, 510 U.S. at 586; *Blanch*, 467 F.3d at 257.
162. See *Campbell*, 510 U.S. at 586-87. Hetcher notes that a highly transformative use may help weigh the third factor in favor of the remixer or fan author, even if the entire copyrighted work is used. Hetcher, *supra* note 32, at 1907. However, “[i]t cannot be taken for granted that the consideration of transformative use will *always* trump factor three considerations.” *Id.* at 1909.
163. See Leval, *supra* note 117, at 1124; Power, *supra* note 40, at 539; Reid, *supra* note 36, at 844.
164. *Campbell*, 510 U.S. at 578.
165. Leval, *supra* note 117, at 1124.
166. *Campbell*, 510 U.S. at 590 (internal quotations omitted).
167. *Blanch*, 467 F.3d at 258 (quoting *NXIVM Corp. v. Ross Institute*, 364 F.3d 471, 481-82 (2d Cir. 2004)).
168. For example, it would be unreasonable to suggest that Nick Bertke’s *Mary Poppins* “Expialidocious (Disney Remix)” music video replaces “Supercalifragilisticexpialidocious.” This does not, however, mean that a remix or fan work can never act as a substitute for an underlying work. See *Cariou*, 2011 WL 1044915 at 30.
169. See Hetcher, *supra* note 32, at 1911 (concluding that “a significant amount of fan-fiction and remix works...will not harm the market for the owner’s original work” because many of these works are transformative and noncommercial).
170. Hetcher, *supra* note 32, at 1911.
171. *Id.* at 1911-12.
172. *Campbell*, 510 U.S. at 592.
173. See *Blanch*, 467 F.3d at 258; *Suntrust Bank*, 268 F.3d at 1274-75.
174. *Campbell*, 510 U.S. at 592.
175. See Power, *supra* note 40, at 539.
176. See, e.g., *Rogers*, 960 F.2d at 312; *Salinger*, 641 F. Supp. 2d at 267-68; *Warner Bros.*, 575 F. Supp. 2d at 549-51.
177. See, e.g., Lessig, *supra* note 22, at 18, 274-76; Chander, *supra* note 27, at 600; Tushnet, *User-Generated Discontent*, *supra* note 28, at 502. According to the Electronic Frontier Foundation, “‘chilling effects’ refers to the deterrent effect of legal threats or posturing...on lawful conduct.” Chilling Effects FAQ, CHILLING EFFECTS, <http://chillingeffects.org/faq.cgi>.
178. Lessig, *supra* note 22, at 254. Ideally, Lessig would like to exempt “‘noncommercial’ uses from the scope of the rights granted by copyright.” *Id.*
179. *Id.* at “Praise for Lawrence Lessig’s REMIX.”
180. *Harper & Row*, 471 U.S. 545-46.
181. Lessig, *supra* note 22, at 254-59.
182. See generally *Cariou*, 2011 WL 1044915. See also Hetcher, *supra* note 32, at 1895.
183. *Cariou*, 2011 WL 1044915 at 2. See also Joel L. Hecker, *Appropriation Artist Guilty of Copyright Infringement*, EASL JOURNAL Vol. 22 No. 2, 15 (Summer 2011), Monica Pa, *Appropriation Art Again Under Attack*, EASL JOURNAL Vol. 22 No. 2, 19 (Summer 2011), and Judith Bass, *Cariou v. Prince: Fair Use or Unfair?*, EASL JOURNAL Vol. 22 No. 2, 23 (Summer 2011), for more information about this case.
184. *Id.*
185. *Id.* at 6.
186. *Id.*
187. *Id.* at 5, 7.
188. *Id.* at 7.
189. Lessig, *supra* note 22, at 255.
190. According to Wikipedia, “The term Internet meme (pronounced /mi m/; *meem*) is used to describe a concept that spreads via the Internet,” http://en.wikipedia.org/wiki/Internet_meme.
191. Scholarship on remix and fan authorship often focuses on “big media,” as opposed to individual authors, and thus tends to “hide the human impact.” Merges, *supra* note 25, at 112.
192. *Id.*
193. Compare *Cariou*’s photograph with Prince’s remix. *Patrick Cariou wins copyright case against Richard Prince and Gagosian*, THE ART NEWSPAPER, <http://www.theartnewspaper.com/articles/Patrick-Cariou-wins-copyright-case-against-Richard-Prince-and-Gagosian/23387>.
194. Leval, *supra* note 117, at 1107.
195. Merges, *supra* note 25, at 110, 113.
196. *Id.* at 103.
197. See Tushnet, *Payment in Credit*, *supra* note 24, at 174.
198. Recall the stories of Nick Bertke and Alice Randall.
199. See Merges, *supra* note 25, at 106. See also *Cariou* 2011 WL 1044915 at 5, 7.
200. Leval, *supra* note 117, at 1108.
201. *Id.* See also Chander, *supra* note 27, at 612. Some have argued that high enforcement costs also limit—at least in practice—the rights of copyright owners. See e.g., Merges, *supra* note 25, at 104; Hetcher, *supra* note 32, at 1891.
202. Merges, *supra* note 25, at 106.
203. See Lessig, *supra* note 22, at 255.
204. If courts find it difficult, those uneducated in the law will not likely fare any better. See, e.g., *Dellar*, 104 F.2d at 662.
205. Such clarity would reduce the level of uncertainty in the law and would thus provide better guidance and reduce the amount of copyright litigation.
206. Another solution championed by Lessig. See Larry Lessig: *How creativity is being strangled by the law*, YOUTUBE, <http://www.youtube.com/watch?v=7Q25-S7jzgs>. Authors could do this on an individual basis—as Disney and Pixar did with Bertke—or use a creative commons license. See Licenses, CREATIVE COMMONS, <http://creativecommons.org/licenses/>.

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Architecture and Interior Design Under the Law: Trade Dress, Copyright, and Sui Generis

By Johanna Barger

As consumers in today's increasingly globalized world we are inundated with design on multiple levels—graphic design, interactive design, industrial design and much more. The digital era has afforded society opportunities to participate in activities that increase the awareness and importance¹ of design in our daily lives. Media attention to issues stemming from the design community has introduced the general population to several aspects of legal protection for design.² While copyright and trademark law might be familiar topics for the protection of visual art and graphic design, where do the design disciplines of architecture and interior design fit? Under United States federal law, are architectural and interior design creations adequately protected in the built environment?³

U.S. law offers protection to architectural and interior design works in the built environment; however, this protection is limited and stems from several areas of the law. Unlike the *sui generis*⁴ design regimes of European countries, protection for design under U.S. law is composed of a complex of legal regimes—trademark law, copyright law, and design patent law.⁵ The lack of a single, free-standing design law in the United States requires the careful ability to balance distinct legal paradigms through a familiarity with intellectual property law.

As addressed in an article in the *Cardozo Arts & Entertainment Law Journal*, Orit Fischman Afori offers a simple and insightful perspective on how design is related to the three regimes of the law:

Design is connected to copyright law because designs are connected with form and external appearance or shape. It is clear, therefore, that a design is a creation of a similar nature to that of an artistic work in general, which are protected by copyright. And design nowadays is already acknowledged as art, since its boundary lines are notoriously hard to define. Patent law affects design because in certain cases, aesthetic and utilitarian qualities merge, which results in a novel, technological idea for the function of the device or article. Finally, design is related to trademark law, because in certain cases, the form of the product is a means for identifying the source of goods and distinguishes the original producer from competitors. It belongs to the branch of trademark law that deals with “get

up” or “trade dress,” where a product’s physical configuration functions as a trademark.⁶

While Afori refers to design within the discipline of industrial design, he taps into the main aspects of protection for overall design within each paradigm of the law. In order to determine whether or not architectural and interior design creations are afforded adequate protection under these three caveats, it is imperative to examine the basics of these areas of the law. Trademark and copyright law both offer protection (albeit in a limited sense) for architectural and interior design creations. On the contrary, design patent law is less applicable to these disciplines unless the work in question has a useful purpose, such as a machine or process, and will not be discussed in this article.

Trademark Law and Trade Dress

Trademark law is governed by the Lanham Act of 1946 as well as the Trademark Law Revision Act of 1988 (TLRA). A trademark is “any word, name, symbol, or device, or any combination thereof used...to identify and distinguish...goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁷ Where this becomes important for architectural and interior design works is within a subset of the law encompassing the idea of “trade dress.”

Trade dress is defined as “[...] the total image of the business,” “the total image and overall appearance [of a product],” and “[...] may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.”⁸ The concept of trade dress is important to the protection of elements of interior design of a commercial space as illustrated by the court in *Two Pesos, Inc. v. Taco Cabana, Inc.*

The plaintiff, Taco Cabana, sued Two Pesos for trade dress infringement under §43(a) of the Lanham Act,⁹ claiming that the defendant had copied the theme and elements of its restaurants. The case was appealed and then granted certiorari by the Supreme Court on the grounds as to whether or not inherently distinctive trade dress without proof of secondary meaning was protectable under §43(a) of the Lanham Act. Justice White delivered the Court’s opinion, holding “the trade dress of a business may be protected under 43(a), based on a finding of inherent distinctiveness, without proof that the trade dress has secondary meaning[.]” Thus, the factors for establishing protection of the trade dress of a business, or interior of a

business as discussed in *Two Pesos*, require the identifying mark to be (1) inherently distinctive or (2) acquiring distinctiveness through secondary meaning. It is also clear that eligibility for protection under §43(a) depends on a non-functionality aspect of the trade dress. Additionally, enforcement for liability under §43(a) requires proof of the likelihood of consumer confusion of the mark.¹⁰

Of particular note to interior design and protection under trademark law is the District Court's instruction to the jury regarding the facts outlining trade dress in *Two Pesos*. The court instructed the jury that "Taco Cabana's trade dress may include the shape and general appearance of the exterior of the restaurant, the identifying sign, the interior kitchen floor plan, the décor, the menu, the equipment used to serve food, the servers' uniforms and other features reflecting on the total image of the restaurant."¹¹ This definition helps to establish general guidelines for a definition for trade dress as composed of a combination of elements in the interior environment. While the court does not explicitly define trade dress in terms of interior design or interior architecture, this case-specific example would be helpful in order to create a definition when establishing a singular, design regime protection under the law.

The law provides different types of remedies for a cause of action for trademark infringement under the Lanham Act §34 and §35. For an infringement upon a registered mark, the court "shall have the power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable." In addition, limited injunctions are permitted as deemed necessary by the court. In *Two Pesos*, the court awarded damages based on the intentional and deliberate infringement upon Taco Cabana's trade dress by Two Pesos.¹² Section 35 of the Lanham Act also permits the award of attorney's fees to the prevailing party.¹³

Copyright Law

Another intellectual property law that offers protection to architecture and interior design works is copyright law. Before 1990, architectural works were considered to be "useful articles"¹⁴ and were not protected under the Copyright Act of 1976.¹⁵ An additional caveat for buildings was added under the Architectural Works Copyright Act of 1990 (AWCA).¹⁶ Under the AWCA, structural architectural works, not plans or drawings (which are protected under U.S.C. §102 as pictorial, sculptural or graphic works), are protected to a certain extent, depending on circumstances:

Purely nonfunctional or monumental structures would be subject to full copyright protection under the bill, and the same would be true of artistic sculpture or decorative ornamentation or embellishment added to a structure. On the

other hand, where the only elements of shape in an architectural design are conceptually inseparable from the utilitarian aspects of the structure, copyright protection for the design would not be available.¹⁷

Thus while architectural works are protected under copyright,¹⁸ they are not afforded the protection of combined elements of a mark, like in trade dress under trademark law.

However, the overall form as well as the arrangement and composition of spaces and elements in the design can be protected under copyright law.¹⁹ The law recognizes the arrangement of architectural elements: "(1) creativity in architecture frequently takes the form of a selection, coordination, or arrangement of unprotectable elements into an original, protectable whole; (2) an architect may incorporate new, protectable design elements into otherwise standard, unprotectable building features; and (3) interior architecture may be protected H.R. Rep. No. 101-735 reprinted in 1990 U.S.C.C.A.N. at 6949."²⁰ An important fact to note is that this caveat of the law does not prevent the protection of "staple building elements" such as windows and doors.²¹

Sui Generis and the Future

The most significant obstacle in establishing a unified law for design protection is the difficulty of rendering non-verbal designs in a verbal format, thus, why a *sui generis* approach has not been adopted in the United States.²² The Supreme Court has wavered in jurisprudence over designs²³ and how they should be protected. In fact, Congress has considered freestanding design protection legislation over 70 times; however, it has never enacted legislation of this kind to date.²⁴ While no consensus has been established on the precise form of design protection, it is evident from judicial precedent that design and the design process require legal protection.

The predominance of visual imagery in modern culture suggests that design is everywhere and in multiple forms.²⁵ Author Alice Rawsthorn ponders the idea that design has become an "ambiguous term" over time and really holds only one meaning: "the process of conceiving and creating things in the hope of making life easier and more enjoyable."²⁶ If this general definition of design holds true for the disciplines of architecture and interior design, then why seek any protection under the law? Yet in a competitive global market, architects and designers must establish ways in which to distinguish their business, works, and style, therefore negating Rawsthorn's idealistic definition. In order to remain competitive, a unified form of legal recourse is needed for the design of buildings, interiors, fixtures, and other architectural and design elements. The current system of three regimes under which designers can bring a cause of action is

severely lacking and needs reform through the collaboration of both the legal and design communities.

Similar to industrial design, architecture and interior design are hybrid in nature much like the three areas of U.S. law—trademark, copyright, and design patents—used to protect it.²⁷ This hybridization of design is applicable across the various design disciplines. As proposed by Orit Fischman Afori, the protection of industrial design is also in need of an overhaul within the law.²⁸ His model for industrial design protection examines claims on “an *ex-post*”²⁹ basis according to the alleged infringing act. Specifically, the nature of infringing copies will determine whether the protection will be invoked either by copyright or by design right.³⁰ While Afori is addressing the protection of industrial design, he introduces valid points that could be harnessed to help structure similar and potential protection under U.S. law for architecture and interior design works.

What then does the future of law hold for design? The idea of a *sui generis* form of protection, specifically for architecture and interior design, is paradoxical in nature and raises unique questions about traditional processes for these fields. As designers create, brainstorm, work, live, and breathe, they are constantly exposed to and inspired by design within their environments.³¹ In order to craft a successful form of design protection under the law for architecture and interior design, it is imperative to understand the commercial nature needed in this potential body of law. A successful implementation of a *sui generis* design protection regime would require sub-categories for each discipline. When crafting a protection for architectural (exterior) design, copyright, and specifically AWP, is most relevant. However, when protecting interior design, it can be argued that it is most applicable to look at trademark law and, in particular, the subset of trade dress.

Endnotes

1. According to author and design enthusiast Daniel Pink, design is “utility enhanced by significance” and he believes it “has become an essential aptitude for personal fulfillment and professional success” by becoming more accessible than ever, a crucial element for most modern businesses and holding an ultimate purpose of changing the world. See DANIEL PINK, *A WHOLE NEW MIND: MOVING FROM THE INFORMATION AGE TO THE CONCEPTUAL AGE* 70 (Penguin Group 2005).
2. See Randy Kennedy, *Shepard Fairey and The A.P. Settle Legal Dispute*, N.Y. TIMES, Jan. 13, 2011, at C2, for a recent example of similar issues in the news media.
3. The built environment is defined as “the aggregate of the physical surroundings and conditions constructed by human beings, in contrast to those surroundings and conditions resulting from the natural environment.” (Dictionary of Architecture and Construction, 2000), 135.
4. *Sui generis* is defined as “of its own kind or class; unique or peculiar.” It is often used “in intellectual property law to describe a regime designed to protect rights that fall outside the traditional patent, trademark, copyright, and trade secret doctrines.” (BLACK’S LAW DICTIONARY (8th ed. 2004) at 1235).
5. GRAEME B. DINWOODIE & MARK D. JANIS, *TRADE DRESS AND DESIGN LAW* 3, 17 (Aspen Publishers 2010).
6. Orit Fischman Afori, *Reconceptualizing Property in Designs*, CARDOZO ARTS & ENT. L.J., 1105, 1116-7 (2008).
7. See 15 U.S.C. §1127 (Lanham Act §45).
8. *Two Pesos, Inc. v. Taco Cabana, Inc.* 505 U.S. 763, 765 (1992); *Blue Bell Bio-Medical v. CinBad, Inc.*, 864 F.2d 1253, 1256 (5th Cir. 1989); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983).
9. *Note*: the plaintiff asserted claims under 15 U.S.C. §1125(a) (1982).
10. Dinwoodie, *supra* note 5 at 67-69; *Two Pesos, Inc.*, *supra* note 8.
11. *Two Pesos, Inc.*, *supra* note 8, at 765.
12. *Id.* at 766.
13. Dinwoodie, *supra* note 5 at 292-293.
14. As defined by Dinwoodie, *supra* note 5 at 19-20, a useful article is an article “having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”
15. Dinwoodie, *supra* note 5 at 19-20; Copyright Act of 1976 (17 U.S.C. §§101 *et seq.*)
16. 17 U.S.C. §102(a)(8) (2011).
17. See H.R. REP. NO 94-1476 (1976), *reprinted in* 17 U.S.C. §102 (2011).
18. The two forms of copyright protection for architectural works fall under 17 U.S.C. §102(a)(8) and 17 U.S.C. §102(a)(5) for pictorial, sculptural, and graphic architectural works.
19. 17 U.S.C. §101.
20. Dinwoodie, *supra* note 5 at 483-492.
21. *Id.*
22. *Id.* at 14.
23. Design in this context encompasses multiple forms, including: graphic, industrial, interactive, architectural, and interior.
24. Dinwoodie, *supra* note 5, at 3.
25. *Id.*
26. Alice Rawsthorn, *What Defies Defining, but Exists Everywhere? A hint: It's Two Parts Creation and One Part 'Dastardly Plan,'* INT'L HERALD TRIBUNE, Aug. 18, 2008, at 8.
27. Afori, *supra* note 6 at 1108.
28. *Id.* at 1109.
29. *Ex-post* is defined as “based on knowledge and fact; viewed after the fact, in hindsight; objective; retrospective” BLACK’S LAW DICTIONARY (8th ed. 2004) at 518).
30. Afori, *supra* note 6 at 1109.
31. As having once been a graduate student concentrating in interior design, I can personally attest to the traditional practices of sourcing inspiration from the environment (whether built or not) as part of the creative process taught in design programs.

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The Art of Fame: The Rise and Rise of Celebrity Culture and the Law

By Kibum Kim

In 2003, the Sixth Circuit stated in *ETW Corp. v. Jireh Pub., Inc.*: “Celebrities are important elements of the shared communicative resources of our public domain.”¹ It opined that there are times when curbing the right of publicity protects First Amendment interests. It is hard to argue with that sentiment. Celebrities are indeed becoming an ever-greater presence in our lives and forming the transcultural common vocabulary for citizens of the digital age. The Internet and the real-time informational overload culture that it generated incessantly bombard us with news bits, from the trivial to essential, and it is dramatically reshaping what it means to be a celebrity. Fame is no longer the means to success; it is success. Whereas one once needed to achieve successes in “proper” careers (often in arts and entertainment) to garner fame, for many celebrities now, projects in music and film are corollary activities to their main careers: their extended 15 minutes of fame.²

Artists have not let this cultural shift go unnoticed. Increasingly, we see personality, identity, and celebrity become the canvas for artistic expression.³ The seeds of modern pop artistic phenomena that Andy Warhol has sown—fame, mass culture, commercialism, amanuensis—have sprouted a monster of Jack and the Beanstalk proportions, and art and culture are headed on a collision course with the law as law’s conception and treatment of celebrity are becoming quickly outdated.

This article outlines the legal conflict that is brewing in right of publicity law: the balancing test of the celebrity’s property interests in his or her fame and the public’s First Amendment interests in communicating on celebrity will grow ever more contentious as both sides’ interests grow. Part I will review right of publicity law. Part II will show how contemporary culture is changing, making fame a *per se* dignitary and creative expression interest. Part III will lay out the clash in right of publicity law that may result from the cultural shift. The article will explore the point of dissonance between the current cultural climate and the existing legal framework, but will not make prescriptive proposals for right of publicity law, as the question is outside its scope.

I. Right of Publicity

Fame takes work, whether it is earned through acclaim received for one’s achievements (e.g. Albert Einstein) or through relentless, shameless self-promotion (e.g.



Kim Kardashian), it rarely just falls on someone’s lap. Law recognized the labor involved and bestowed property rights over one’s fame in the right of publicity.

The etiology of the right of publicity can be traced back to an influential 1890 law review article by Samuel Warren and Louis Brandeis.⁴ Focusing on one’s dignitary interests, Warren and Brandeis argued for legal protection of “the right to one’s personality.”⁵ It was framed as a right to privacy, not publicity.⁶ The first case brought under this right of privacy was *Pavesich v. New England Life Insurance Co.*, where a man brought suit for the use of his name and likeness in an insurance advertisement.⁷ In finding for the plaintiff, the Georgian court emphasized

the dignitary harm Pavesich suffered “as it deprived him control over his identity” and compared the appropriation of his identity to enslavement.⁸

Modern “right of publicity” developed out of the tradition of the right of privacy when the Second Circuit in 1910 coined the term and gave celebrities economic property rights over their fame in *Haelan Laboratories, Inc. v. Topps Chewing Gum*.⁹ Ruled by state law, more than half of the United States now recognizes the right of publicity through either common law or statutory law.¹⁰

Rationales for the right of publicity include: “providing incentives for creativity, allowing those who achieve notoriety to enjoy the fruits of their own labor, guarding against consumer deception, and preventing unjust enrichment.”¹¹ Hence, some of the underlying reasoning resembles that of copyright law. As the Supreme Court of California said in a famous case involving a portrait artist Gary Saderup, who sold lithographs and printed t-shirts of his charcoal depictions of celebrities:

The right of publicity, like copyright, protects a form of intellectual property that society deems to have some social utility. “Often considerable money, time and energy are needed to develop one’s prominence in a particular field. Years of labor may be required before one’s skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. For some, the investment may eventually create considerable commercial value in one’s identity.”¹²

Saderup thus recognized fame as something celebrities earn and off which they deserve to reap monetary benefits.

While right of publicity rewards the labor and effort that has gone into the development of the intellectual property, right of publicity, like copyright, does not give the rightsholder unchecked proprietary interests, the most significant limit being the First Amendment rights of the public. In *Saderup*, which involved faithful portraits of the Three Stooges, the Supreme Court of California, noting that celebrities do not have a “right of censorship,” expounded on the First Amendment issues at play in right of publicity cases: “Because celebrities take on public meaning, the appropriation of their likenesses may have important uses in uninhibited debate on public issues, particularly debates about culture and values. And because celebrities take on personal meanings to many individuals in the society, the creative appropriation of celebrity images can be an important avenue of individual expression.”¹³

Saderup then imported the transformative test for fair use from copyright law to weigh the economic publicity interests of the celebrity, a “balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.”¹⁴ The court found that *Saderup*’s reverential depictions of the Three Stooges were not transformative and infringed the right of publicity.¹⁵ Thus, the main battle line drawn in right of publicity law pits the celebrity’s economic interests in his or her fame and the public’s interest in referencing the celebrity for public discourse.

As mentioned earlier, it is important to note that although the right of publicity’s purpose is supposed to be limited to the protection of economic interests, there are strains of privacy and dignitary interests in its jurisprudence that hark back to Warren and Brandeis.¹⁶ As Jonathan Kahn notes, right of privacy and right of publicity are “conjoined twins of our modern media-saturated society.”¹⁷

II. Celebrity Culture

The media-saturated society is transforming celebrity culture in ways that make fame increasingly lucrative and important. The cultural shift will only make celebrities’ interests in exercising proprietary ownership over fame grow.

One can look at the proliferation of the “famous for being famous” genus of celebrity. Some, like Kim Kardashian, have no discernable talent. Some, like Bethenny Frankel, have turned being on reality shows into a career. Some, like Lindsay Lohan, have made their personal degeneration into infotainment phenomena that have spawned entirely new media industries (i.e. TMZ). Some, like Spencer Pratt, have turned infamy into careers. The

cliché “there is no such thing as bad publicity” rings ever truer. Fame justifies further fame. Celebrities increasingly spend more time proactively crafting, amplifying, and prolonging their fame with staged photo-ops for the paparazzi and incessant social media communications through media like Twitter and Facebook.

Shrewd management of fame has become enormously lucrative. Jessica Simpson was a second-tier pop star languishing in the shadows of Britney Spears and Christina Aguilera before she became a professional celebrity. She played the fame game and eventually ended up with a billion-dollar fashion brand.¹⁸

Yes, celebrity, fame, and notoriety are ends in themselves.

It is easy to dismiss all this cultivation and management of fame as a phenomenon that privileges style over substance and legitimates crass attention hogging.¹⁹ Therefore it may appear easy at first to dismiss the growing interest celebrities have over their fame and believe that law should not protect and encourage this social trend. Yet these themes—fame, self-promotion, redrawing of the boundaries of privacy—pervade the zeitgeist of the times, and many are using fame not merely to cash in but as a medium of creative expression, for art.

Fame as Art

Fame and celebrity are at the center of artistic discourse today.

CELEBRITY AS SUBJECT MATTER: Robert Pruitt’s “Signature Series” consisted of collecting various celebrities’ signatures on printed canvases and hanging them up in a gallery.²⁰

CELEBRITY AS ARTISTIC MEDIUM: Keith Edmier’s “celebreasily-made” collaboration with Farrah Fawcett that consisted of the two in a series of photographs and respective sculptures each made of the other.²¹

FAME AS ART: James Franco’s befuddling Hollywood-celebrity-as-performance-art persona project.²²

As fame becomes a medium of artistic expression, the control over one’s fame and reputation becomes essential. Take James Franco’s hyped turn on “General Hospital.” The star self-anointed himself a performance artist in explaining the endeavor: “I disrupted the audience’s suspension of disbelief, because no matter how far I got into the character, I was going to be perceived as something that doesn’t belong to the incredibly stylized world of soap operas. Everyone watching would see an actor they recognized, a real person in a made-up world.”²³ Thus to Franco, his fame (as an avant-garde celebrity), the level of his notoriety (too well-known to be believable as a character), and the quality of his fame (a Hollywood movie star who should be above doing soap operas) were all integral pieces of the conceptual art and message.

In the notorious *Wall Street Journal* op-ed, where he claimed his “General Hospital” stint was performance

art, Franco mentioned Marcel Duchamp's "Fountain" that consisted of placing a urinal in a gallery as an example of the tradition of performance art in which he was engaging.²⁴ The parallel Franco draws with his soap-opera stint and Duchamp's readymade sculpture is apt: modern art is very much about recontextualization.

A key difference between what Franco is doing and what Duchamp did in figuratively pissing all over the art establishment is the role fame plays in the recontextualization. With Duchamp, putting a urinal in a gallery setting itself constituted the recontextualization; the artist, his identity, or fame was not so important. With Franco, who he is and how he is perceived is crucial to the recontextualization.

Consider another example in the blue-chip artist Richard Prince and the historical arc of his art. Prince is an appropriator, which is all about recontextualization. His famous 1983 rephotography work *Spiritual America* of a nude 10-year-old Brooke Shields incorporated Shields's celebrity as subject matter for recontextualization.²⁵ Now the recontextualization draws on his own fame.

Prince recently lost an appropriation case where the court rejected his fair use defense.²⁶ The series called "Canal Zones" borrowed heavily from photographer Patrick Cariou's photography book *Yes Rasta* featuring Jamaican Rastafarians and made mostly minor aesthetic changes with the color scheme and pasting on cutouts of images, such as electric guitars.²⁷ In the trial, Prince testified that "he didn't really have a message," which the judge found weighed heavily against finding transformativeness under the first factor of fair use.²⁸ Judge Batts wrote that to clear the transformative test, the art must "in some way comment on, relate to the historical context of, or critically refer back to the original works."²⁹

What was not acknowledged at the trial or in the opinion was the fact that it was Richard Prince with his fame and notoriety as one of the art world's most respected appropriationists who created "Canal Zone," that gave the art context and meaning. The works are informed by who he is. The art's meaning derived significantly from the attribution to Richard Prince. His fame, his oeuvre, and his persona were all important contextual elements. In some ways, Prince's intellectual property in his fame was a specter in the background of this case.

Indeed, Prince does have artistic vision, but it comes through context that has been constructed largely by his reputation. Prince's well-known artistic approach involves a thoughtful, deliberate mix of high and low. "Despite being one of the most erudite artists around, a fan of Joyce and Apollinaire, Norman Mailer and Bob Dylan, the Paris show combines texts by these writers with the most crude pornographic books."³⁰ Patrick Cariou, the photographer of *Yes Rasta*, said of Prince: "I think he's a good art director, and a great thief."³¹ Cariou may have meant it in a derogatory way, but his comment gets to what makes Prince

a great artist.³² Prince is an artist as collector, curator, remixer, and his reputation is a key ingredient in his art.

It is the engagement and acceptance by the art community, the association with the Gagosian Gallery, and institutional and personal interpretation, that gives meaning to Prince's art. Art is contextual. It is discursive, and the audience participates to imbue it with meaning. It does not stand alone. The swagger of Richard Prince, the impudence of John Currin, their celebrities, their notoriety, and their refusals to appease and explain, it is all part of the art.

Therefore it is more important than ever for artists to control their precarious and fragile fame and reputation.

Right of publicity is thus poised to become an ever more important legal tool for celebrities. Right of publicity analysis involves a balancing test of celebrities' intellectual property rights and First Amendment rights of the public. The rise of celebrity culture makes both sides' interests ever greater. It is bound to come to a head.

III. The Looming Battle in Right of Publicity: Celeb v. Public

Law's conception of fame and celebrity is not keeping up with the Kardashians.

The importance of the interest in celebrities is growing on both sides of the right of publicity balancing test. Celebrities are using their fame for creative expression; the public is also communicating on celebrities as common reference points.

Right of publicity essentially gives a property right over one's reputation and fame. Although technically it is only supposed to cover the commercial value of fame, courts have recognized the dignitary interests involved, and, as fame becomes important to artistic expression, courts may become more open to accepting arguments based on dignitary interests.

Art is about reputation now, more than ever. There is an irony in Saderup's loss in that Saderup's own reputation or lack thereof was used against him by the court.³³ With greater credibility and fame as an artist, perhaps the court would have been inclined to see more conceptual transformativeness in his work.

As public figures' dignitary interests in their celebrities grow, the current logic of favoring parody and gross distortions in the transformative test adopted in *Saderup* and *ETW Corp* may become an area of conflict.³⁴ If we allow room for celebrities' dignitary interests in the law, the more exaggerated and distorted the depiction, the more detrimental the effect can be for the celebrities.

Of course, the public has interests in being able to comment on celebrities as well and the public may develop needs to use fame as artistic expressions.³⁵ One may even be able to argue that celebrities do not have monopolistic proprietary claims over fame on labor and

effort grounds since fame requires an audience willing to bestow the attention. Fame is also inherently difficult to manage, and perhaps it would not make sense to try to give one legal protection over what kind of fame one has.

Conclusion

Nevertheless, it is undeniable that culturally fame is a canvas on which creative expression is happening. As the examples mentioned above show, art and fame are engaged in a dance. Fame is giving context and meaning to art; at times it is the critical element that makes something art. It may be that the right of publicity will expand and evolve to recognize the expressive faculties of fame. As we have seen with Constantin Brancusi's sculpture, as long as art retains its vitality and artists push the boundaries of traditional notions, law will have to grapple with what constitutes art.

Endnotes

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5. *Id.* at 205.
6. *Id.*
7. 122 Ga. 190, 50 S.E. 68 (1905).
8. Jonathan Kahn, *Bringing Dignity Back to Light: Publicity Rights and the Eclipse of the Tort of Appropriation of Identity*, 17 CARDOZO ARTS & ENT. L.J. 213, 216 (1999).
9. 202 F.2d 866 (2d Cir. 1953).
10. Michael Sloan, Note, *Too Famous for the Right of Publicity: ETW Corp. and the Trend Towards Diminished Protection for Top Celebrities*, 22 CARDOZO ARTS & ENT. L.J. 903, 912 (2005).
11. Roberta Rosenthal Kwall, *The Right of Publicity v. the First Amendment: A Property and Liability Rule Analysis*, 70 IND. L.J. 47, 54-55 (1994).
12. Comedy III Productions, Inc. v. Gary Saderup, Inc., 25 Cal.4th 387, 399 (2001) [hereinafter "Saderup"].
13. *Id.* at 397.
14. *Id.* at 391.
15. *Id.* at 409.
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18. Lisa Lockwood, *Jessica Simpson: Fashion's Billion Dollar Baby*, WOMEN'S WEAR DAILY, Dec. 6, 2010, <http://www.wwd.com/markets-news/jessica-simpson-fashions-billion-dollar-baby-3396236?browssets=1291677449174#/article/markets-news/jessica-simpson-fashions-billion-dollar-baby-3396236?full=true>.
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20. See Davis *supra* note 3.
21. *Id.*
22. Sam Anderson, *The James Franco Project*, NEW YORK MAGAZINE, Jul. 25, 2010, <http://nymag.com/movies/profiles/67284/>.
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26. Patrick Cariou v. Richard Prince, 08 CV 11327 (S.D.N.Y. March 18, 2011).
27. *Id.* See Joel L. Hecker, *Appropriation Artist Guilty of Copyright Infringement*, EASL JOURNAL Vol. 22 No. 2 15 (Summer 2011), Monica Pa, *Appropriation Art Again Under Attack*, EASL JOURNAL Vol. 22 No. 2 19 (Summer 2011), and Judith Bass, *Cariou v. Prince: Fair Use or Unfair?*, EASL JOURNAL Vol. 22 No. 2 23 (Summer 2011), for more information about this case.
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32. *Id.*
33. See Saderup *supra* note 12.
34. *Id.* at 405. (In the current right of publicity model protecting only commercial interests, parody is considered not to usurp the celebrity's commercial opportunities and therefore less harmful. "[W]hen a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interest protected by the right of publicity. As has been observed, works of parody or other distortions of the celebrity figure are not, from the celebrity fan's viewpoint, good substitutes for conventional depictions of the celebrity and therefore do not generally threaten markets for celebrity memorabilia that the right of publicity is designed to protect.").
35. *Id.* at 408 ("The silkscreens of Andy Warhol, for example, have as their subjects the images of such celebrities as Marilyn Monroe, Elizabeth Taylor, and Elvis Presley. Through distortion [*409] and the careful manipulation of context, Warhol was able to convey a message that went beyond the commercial exploitation of celebrity images and became a form of ironic social comment on the dehumanization of celebrity itself.").

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Music Publishing: What the Songwriter and Practitioner Need to Know

By James A. Johnson

Once a song has been written, the songwriter should protect his or her legal interest in it by formally registering the song with the U.S. Copyright Office. The legal interests in the song or composition consist of five exclusive rights under the Copyright Act: reproduction, adaptation, distribution, public performance and public display.¹

1. Reproduction is the right to reproduce the copyrighted work in copies or phonorecords.
2. Adaptation is the right to prepare derivative works based on the copyrighted work.
3. Distribution is the right to distribute copies or phonorecords of the copyrighted work to the public by sale, rental or lease.
4. Public performance is the right to publicly perform the copyrighted work including by means of a digital audio transmission.
5. Public display is the right to publicly show a copy of sheet music or lyrics by means of a film, television, motion picture or the Internet.

Moreover, registration with the Copyright Office is a condition precedent to filing a lawsuit in federal court to protect and enforce the copyrighted song against infringers.² Further, since the United States is a member of the Berne Convention, registration in this country will be recognized by all other member countries.³ (However, songwriters should require their publishers to secure valid copyright protection for their songs throughout the world.) For sound recordings, Form SR may also be used where the copyright claimant is seeking simultaneous registration of the underlying musical, dramatic or literary work embodied in the phonorecord.⁴

The next step is to get the song published to generate income. A professional songwriter must understand basic concepts and the economics of song exploitation. Music publishing rights initially belong to the copyright holder of the musical composition. The writer of the composition owns the copyright in the song and is its sole publisher. Therefore the songwriter/copyright owner usually enters into an agreement with a publisher and assigns in whole or in part certain copyrights to the publisher. A writer/copyright owner will want to take this step in order to have a more experienced party handle the administration, collection, accounting and distribution of publishing income.

The purpose of this article is to provide guidance about music publishing for general practitioners, song-

writers, and entertainment attorneys. Music publishing income is derived from four separate sources as well as royalties earned from foreign countries through subpublishing. These income sources are generated from the exploitation of the composition in print, public performances, mechanical recordings and synchronizations. Print, mechanical and synchronization rights are related to the copyright owner's right under the Copyright Act to reproduce the copyrighted work in copies or phonorecords⁵ and to distribute such copies or phonorecords to the public.⁶ Mechanical rights permit reproduction and distribution in phonorecords and digital downloads. Synchronization rights permit a song to be combined with a visual image, reproduced and distributed as part of a motion picture, television production, video or DVD. Print rights are the right to reproduce and distribute the words and music of a musical composition in sheet music and song folios. Public performance rights in musical compositions are specifically granted in the Copyright Act.⁷ The copyright owner has an exclusive right to broadcast a musical composition by radio, television or on the Internet.⁸ This right also applies to live public performance of the composition.⁹

Types of Income

Performance Income is collected by performing rights organizations (PROs). The United States has four performing rights organizations: American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music Incorporated (BMI), SESAC, and SoundExchange. These PROs administer the performance licenses, collect the license fees and pay the royalties for a particular song to the copyright holder (the publisher and the songwriter, usually on a 50/50 basis). Public performance royalties are paid directly to the songwriter by the appropriate PRO. These royalty payments stem from every time a song is played on the radio, live concert, in a business establishment, on television or at a website. The party playing the song must pay for the performance.

SoundExchange is a relatively new organization created for handling public performance rights in certain non-interactive digital and satellite transmissions of sound recordings of music over the Internet. SoundExchange collects and distributes public performance royalties for the sound recording copyright owners and for the featured and non-featured artists. It is also the principal administrator of the statutory licenses under §§ 112 and 114 of the Copyright Act.¹⁰

A songwriter should join a PRO upon his or her first recording, commercial, television program, video or placement in a film. It is the publisher's responsibility to register the compositions with the appropriate PRO.

Mechanical Income is earned from the manufacture and sale of sound recordings. Mechanical income is paid to the publisher of a composition by the record company that manufactures recordings of the composition pursuant to a mechanical license agreement, which is based on § 115 of the Copyright Act. The Harry Fox Agency, Inc. (HFA) issues mechanical licenses to record companies and conducts audits of such companies to ensure that proper payments are made. Permission to sample a composition is also granted by the music publisher through a Mechanical License. Limits on the term, territory, number of units sold and other conditions may be required by music publishers. Below is a sample Mechanical License that grants a one-time flat fee buyout and perpetual worldwide right. Please also note that such extensive rights are not always granted.

MECHANICAL LICENSE

In consideration of the sum of \$_____ which covers _____% of the copyright and full payment for the rights and license herein granted thereto, _____ ("Licensee") has the nonexclusive right, license, privilege and authority to use, in whole or in part, the copyrighted musical composition known as _____ written by _____ and _____ (hereinafter referred to as the "Composition"):

1. In the recording, making and distribution of phonorecords (as that term is defined in Section 101 of the Copyright Act) to be made and distributed throughout the world in accordance with the provisions of Section 115 of the Copyright Act of the United States of America of October 19, 1976, as amended (the "Act"), except it is agreed that: (1) Licensee need not serve or file the notices required under the Act; (2) consideration for such license shall be in the form of a one-time flat fee buyout; (3) Licensee shall have the unlimited right to utilize the composition or any portion thereof as embodied in the phonorecord, in any and all media now known or hereafter devised for the purpose of promoting the sale of the phonorecord which is the subject of this agreement and (4) this license shall be worldwide.
2. This License permits the use of the Composition or any portion thereof, in the particular recordings made in connection with the sound recording _____ ("Album") by _____ ("Artist") and permits the use of such recording in any phonorecord in which the recording may be embodied in whatever form now known or hereafter devised. This license includes the privilege of making a mu-

sical arrangement of the Composition to the extent necessary to conform to the style or manner of interpretation of the performance involved.

3. Licensors warrants and represents that it has the right to enter into this agreement and to grant to Licensee all of the rights granted herein and that the exercise by Licensee of any and all of the rights granted to Licensee in this agreement will not violate or infringe upon any common law or statutory rights of any person, firm or corporation including, without limitation, contractual rights, copyrights and rights of privacy.
4. This license is binding upon and shall inure to the benefit of the respective successors, assigns and sublicensees of the parties hereto.
5. This agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and may not be modified or amended except by written agreement executed by the parties.
6. This license may not be terminated for any reason, is entered into in the State of New York and its validity, construction, interpretation and legal effect shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein.

IN WITNESS WHEREOF, the parties have entered into this license agreement as of this ____ day of _____, 2011.

AGREED TO AND ACCEPTED:

_____ Licensors (Company Name)	_____ Licensee (Company Name)
_____ Signature	_____ Signature
_____ Name and Title (Authorized Signatory)	_____ Name and Title (Authorized Signatory)

Print Income or sheet music is the smallest revenue-producing source. However, print music can contribute substantial earnings to a songwriter if the publisher manufactures its own edition or licenses such right to another company. In addition, electronic sheet music is now available and should be promoted by the publisher or music attorney to increase print income.

Synchronization Income is the money paid by television production companies, motion picture companies and advertising agencies for the right to use compositions in motion pictures or dramatic presentations on television. Here is a sample of an abbreviated version of a Television Synchronization License:

TELEVISION SYNCHRONIZATION LICENSE

Agreement between _____, Music Publisher of _____, and _____, Producer of _____.

1. The musical Composition for which this license is issued is: _____ written by _____.
2. The individual television Program for which this license is issued is: _____ Episode No. _____ (Airdate) _____.
3. The term for which this license is issued is for the duration of the worldwide original term of copyright in and to the Composition and any and all renewals or extensions thereof that Music Publisher may now own or control or hereafter own or control.
4. The Territory for which this license is issued is worldwide.
5. The type and number of uses of the Composition to be recorded in the soundtrack of the program are only as follows: One (1) continuous background vocal use not to exceed one (1) minute and fifty-five seconds (1:55) in duration.

There are no fixed fees for a “synch license,” and television commercials can be a lucrative source of income for a songwriter, often drawing fees of \$300,000 and more.

Music Publishing Contracts

There are two basic types of songwriter contracts: the songwriter agreement and the copublishing agreement. Under the songwriter contract, income is generally split 50/50 between the songwriter and the publisher. Generally this includes performance, synchronization, print and foreign income. Notwithstanding that the songwriter is paid an advance upon signing and transferring the copyright to the publisher, a practitioner should negotiate the return or reversion of the copyright in the song to the writer within a period of seven years, especially if the writer is also the recording artist. The practitioner should always include a contractual provision reverting the composition when such composition has not been commercially exploited within a specified period of time. Further, songwriters can protect the integrity of their music by requiring prior consent to use in commercials, political advertising, X-rated films and for other merchandizing purposes.

Under the copublishing agreement, the songwriter not only receives the writer's share of the publishing income, generally 50 percent of the gross revenues of the composition, but also shares in that portion of what traditionally was the publisher's share of the music publishing income. This agreement allocates approximately 75 percent of the net publishing receipts to the writers.

Another important area of negotiation for the songwriter who is also the recording artist is the “controlled composition” clause. This clause authorizes the record company to pay a reduced mechanical royalty, usually 75 percent of the prevailing statutory mechanical rate, as the royalty fee for the right to reproduce the song on phonorecords that are sold to the public. A controlled composition is any song that is written or owned by the artist who is recording the song. Record companies expand this definition to include compositions written or owned by the recording artist's producer and third parties. The mechanical royalty paid to the artist for controlled compositions is less than the royalty that might be paid if the artist recorded a song written by someone else.

The usual controlled composition rate is 75 percent of the minimum statutory amount. Artist's counsel should negotiate to limit the controlled composition definition solely to compositions written by the artist and eliminate from the definition of controlled composition “any composition written, composed, (owned or controlled directly or indirectly by the artist or any individual producers of master recordings or any person, firm, corporation or other entity affiliated with one or more of the foregoing).”

The practitioner should also negotiate the best possible date for the per-song rate of controlled compositions to take effect, so that it is not when the record company signs the artist to a contract but rather the date of the album's initial release. This later date, possibly one or two years later, may provide for an increase in the statutory mechanical rate because the rate is reviewed every other year and may be adjusted upward to account for inflation.

Controlled composition clauses often provide that if a song is used more than once on an album, the record company will only pay mechanical royalties for one use. For example, if an album contained a song and a remix version of the same song, the record company would treat the two versions of the song as one use. This should be avoided because the record company is obtaining one use of the song for free.

These provisions include budget records and records sold through record clubs, mail order and television advertising. The record company will want to pay 50 percent of the statutory rate rather than 75 percent. Savvy counsel should also try to remove a provision out of the controlled composition clause that concerns a reduction in the mechanical royalty rate for records sold through other than usual retail outlets.

Music Copyright Infringement¹¹

One of the benefits of membership of joining a PRO and/or HFA is that they have the resources and ability to monitor use of music throughout the U.S. Each can help the copyright owner to detect copyright infringement, and audit licensees' books to ensure that the licensees are

properly distributing to the organization on behalf of its members on most of the royalties that their works have earned.¹²

Music copyright infringement claims usually begin with a cease and desist demand. If a prompt settlement cannot be reached, then a lawsuit must be filed by the copyright owner. To establish a claim of copyright infringement, the plaintiff must first demonstrate three elements: (1) that he or she owns a valid copyright in the complaining work, (2) that the defendant copied the plaintiff's work (usually by proof of access together with proof of similarities probative of copying or by "striking similarity"), and (3) that the two works are "substantially similar."¹³ The law permits a copyright plaintiff to prove copying through "circumstantial evidence," by showing that the composer of the defendant's song had "access" to the plaintiff's song and that the two songs are substantially similar.¹⁴

Access means that there is a "reasonable possibility" that the composer of the defendant's song heard the plaintiff's song or saw a print version of it before writing the defendant's song.¹⁵ One way access can be established is by showing that the plaintiff's song was successful before the defendant's song was written,¹⁶ and the defendant, as a member of the general public, had a reasonable opportunity to hear it.¹⁷ The plaintiff must establish a basis or opportunity from which a jury can reasonably infer that the defendant had access to the music.¹⁸ The Seventh Circuit case of *Selle v. Gibb* demonstrates that similarities alone cannot support an infringement claim.¹⁹ Access, or that similarities were so striking that they could only result from copying, must be shown.²⁰ The inference of access may not be based on mere conjecture, speculation or a bare possibility of access.²¹

Substantial similarity has no precise definition, and a plaintiff must show not only access, but also that there are elements in the two songs in issue that are substantially similar.²² "Striking similarity" is defined by the caselaw as similarities so striking as to preclude the possibility of independent creation that can only be explained by copying.²³ The federal courts have not reached a consensus as to whether "striking similarity" alone suffices to prove copying, and eliminates the need for other proof of access.²⁴ Moreover, the Second and Ninth Circuits are illustrative of contrasting analyses of substantial similarity. As mentioned above, to prove copying, the plaintiff must also show "access."²⁵ To infer access, only an expert can testify that similarities are so striking that they could only result from copying.²⁶ Without expert testimony on this point, the plaintiff cannot meet his or her burden of proof.²⁷

In the Second Circuit's infringement analysis, it is only after actual copying has been established that the plaintiff then proceeds to demonstrate that copying was improper or unlawful by showing that the second work

bears "substantial similarity" to the protected expression in the earlier work.²⁸ The "substantial similarity" test determines whether that copying rises to the level of improper appropriation, which is copyright infringement. Substantial similarity requires that copying be quantitatively and qualitatively sufficient to support the legal conclusion that infringement (actual copying) has occurred.²⁹ The qualitative component concerns the copying of expression, rather than ideas (facts, works in the public domain or other nonprotectable elements).³⁰ The quantitative component generally concerns the amount of the copyrighted work that is copied, which must be more than de minimis.³¹

The Ninth Circuit infringement analysis uses a two-part inquiry to determine whether two works are "substantially similar."³² The first is called the "extrinsic test" and asks whether the two works share a similarity of both ideas and expression based upon external, objective criteria.³³ If the extrinsic test is met, then the trier of fact moves on to the subjective "intrinsic test" that determines whether an ordinary, reasonable observer would find a substantial similarity of expression in the two works.³⁴

Even if the plaintiff songwriter establishes ownership of his or her song and that the defendant's song copied from it, the plaintiff must also show that more than a minimal amount of material contained in defendant's song was copied from the plaintiff—it must be qualitatively important to both songs in issue.³⁵ Thus, the copying of a very brief musical passage, melodic hook, or a few notes may result in a finding of infringement.³⁶

The parties are faced with great challenges in presenting music evidence. The evidence presented to establish similarities or to delineate differences between the two songs typically includes live expert testimony and documentary evidence, such as sound recordings and sheet music. The evidence should be offered through the expert testimony of a musicologist. Not to be overlooked is the assistance of both the plaintiff and defendant songwriters in preparing the case for trial and witness testimony. If the expert for the defense can trace the music in the allegedly infringing song to similar music in the defendant's own earlier songs, his or her testimony will counter the plaintiff's claim of originality. This will demonstrate the defendant's independent creation of the subject work.³⁷

Remedies

The six important remedies for the plaintiff are: injunctive relief, impounding and disposition of infringing articles, statutory damages, actual damages, profits, cost and attorney's fees.³⁸

1. Injunctive Relief is a court order prohibiting the defendant from further distribution and selling works or products that contain material that infringes plaintiff's song.

2. Impounding, disposition, and destruction of infringing phonorecords and other articles may be ordered by the court.
3. Statutory Damages are damages provided for in the Copyright Act. The option of statutory damages should be considered where it would be difficult to prove actual damages and the defendant's profits are minimal or nonexistent.
4. Profits of the infringing defendant are the most significant remedy available to a prevailing plaintiff. The plaintiff is only required to present proof of the gross revenues realized by the defendant from its exploitation of the infringing song. The defendant is required to prove its properly deductible costs and expenses.
5. Actual Damages are those damages actually suffered by the plaintiff as a result of the infringement of the plaintiff's song.
6. Attorney fees and costs are discretionary with the court and decided on a case-by-case basis. Courts may allow recovery of full costs and an award of reasonable attorney's fee to the prevailing party as part of costs.

Conclusion

A songwriter's ability to negotiate a contract, by and through his or her attorney, begins with a basic understanding of copyright ownership, music licensing and standard music contract terms used in publishing agreements and recording contracts. Astute counsel and personal involvement in negotiations are paramount to a composer gaining a full understanding of his or her costs and obligations. With this information, songwriters and recording artists can make informed decisions and negotiate terms acceptable to them, and possibly avoid lengthy and expensive litigation.

Music publishing has been the major source of income for songwriters since the early 1900's and is a constantly evolving industry. Songwriters can benefit from sources of income resulting from CDs, music players, the Internet and digital transmission. A song can earn money in digital configurations such as MP3s, ACCs, CD burning and DPDs.³⁹ Songwriters should consult and employ business managers and music attorneys to advise them on the best methods and procedures to navigate the intricacies of music publishing. Musical fads will come and go, but there will always be a demand for good songs. It is possible that with one hit song and a skillful music publishing agreement, together with astute counsel, can make a songwriter a millionaire.

Helpful Internet Websites for Songwriters

www.nysba.org/EASL—NYSBA Ent., Arts and Sports Law Section

nysbar.com/blogs/easl—NYSBA Ent., Arts and Sports Law blog

www.nashvillesongwriters.com—Nashville Songwriters Association International

www.countrymusic.org—Country Music Association

www.loc.gov/copyright—U.S. Copyright Office

www.songwriters.org—Songwriters Guild of America

www.ascap.com—American Society of Composers, Authors & Publishers

www.bmi.com—Broadcast Musical International

www.nmpa.org—National Music Publishers Assoc./Harry Fox

www.sesac.com—SESAC

www.soundexchange.com—SoundExchange

www.riaa.org—Recording Industry Association of America

www.theccc.org—California Copyright Conference

www.songwritersuniverse.com—Songwriter Universe

www.aimp.org—Association of Independent Music Publishers

www.socan.ca—Society of Composers, Auth. & Music Publishers of Canada

www.cmrra.com—Canadian Musical Reproduction Right Agency

www.governor.state.tx.us/music—Texas Music Office

www.wipo.org—World Intellectual Property Organization

www.bluesmusicassociation.com—Blues Music Association

www.afm.org—American Federation of Musicians

Endnotes

1. 17 U.S.C. § 106 (2010).
2. 17 U.S.C. § 412 (2010).
3. Berne Convention, March 1, 1989-WIPO; 1B.D.I.E.L. 715.
4. www.copyright.gov/forms/formssr.pdf; IRS Circular 56A.
5. 17 U.S.C. § 106 (1) (2010).
6. 17 U.S.C. § 106 (3) (2010).
7. 17 U.S.C. § 106 (4) (2010).

8. See 17 U.S.C. § 106 (6) (2010).
9. *Id.*
10. For a more expansive discussion on music licensing, read James A. Johnson, *Thou Shalt Not Steal*, N.Y. St. B.J., vol. 80., no 5, at 23 (June 2008).
11. See ENTERTAINMENT LITIGATION KNOW THE ISSUES AND AVOID THE COURTROOM, edited by Peter Herbert and Elissa D. Hecker, for an excellent manual and authoritative guide covering a bevy of entertainment litigation subjects and areas.
12. See Maralee Buttery, *Blanket Licensing: A Proposal for the Protection and Encouragement of Artistic Endeavor*, 83 Colum. L. Rev. 1245 (1983) (explaining the two major types of blanket licenses: the common blanket license and per program license, the main difference being the base used to calculate the association's license fees).
13. See *Lotus v. Borland*, 49 F.3d 807, 813 (1st Cir. 1995).
14. *Jorgensen v. Epic/Sony Records*, 351 F. 3d 46, 51 (2d Cir. 2003).
15. See *Three Boys Music Corp. v. Bolton*, 212 F.3d 477 (9th Cir. 2000).
16. *Id.*
17. *Id.*
18. *Id.*
19. *Selle v. Gibb*, 567 F. Supp 1173 (N.D. Ill. 1983), *aff'd*, 741 F. 2d 896 (7th Cir. 1984); see also *Ferguson v. National Broadcasting Co.*, 584 F. 2d 111, 113 (5th Cir 1978).
20. *Id.*
21. *Id.*
22. See generally *Ty, Inc. v. GMA Accessories*, 132 F.3d 1167, 1169 (7th Cir. 1997).
23. *Id.*
24. See *Repp v. Lloyd Webber*, 132 F. 3d 882 (2d Cir. 1997) (reversing summary judgment based on claim of striking similarity despite little, if any, evidence of access); see also *Grubb v. KMS Patriots. L.P.*, 88 F. 2d 1, 5-6 (1st Cir. 1996) (rejecting the argument that when the works are identical necessarily eliminates need for additional proof of access); see also *Ty, Inc v. GMA Accessories supra* note 22 at 1167 (striking similarity may alone establish access); see also *Fodor v. Time Warner, Inc.*, 1994 U.S. App. LEXIS 4250 (9th Cir. Mar. 2, 1994) (in absence of access, even striking similarities must be deemed fortuitous).
25. See *Arnstein v. Porter*, 154 F. 2d 464 (2d Cir. 1946).
26. See *Selle, supra* note 19.
27. *Id.*
28. See *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, 150 F. 3d 132, 137 (2d Cir. 1998) (quoting *Repp v. Webber*, 132 F. 3d 882, 889 n.1 (2d Cir. 1997); quoting *Laureysens v. Idea Group, Inc.*, 964 F. 2d 131, 139-140 (2d Cir. 1992)).
29. *Id.* at 138.
30. *Id.*
31. See *Castle Rock supra* note 28 (citing *Ringgold v. Black Entertainment Television, Inc.*, 126 F. 3d 70, 75 (2d Cir. 1997)).
32. See, e.g., *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977).
33. *Id.*
34. See, e.g., *Dr. Seuss Enterprises L.P. v. Penguin Books USA, Inc.*, 109 F. 3d 1394, 1398 (9th Cir. 1997); see also *Smith v. Jackson*, 84 F. 3d 1213, 1218 (9th Cir. 1996).
35. See *Newton v. Diamond*, 349 F.3d 591 (9th Cir. 2003).
36. *Id.*
37. The Prioritizing Resources and Organization for Intellectual Property Act of 2008 (Pub. L. 110-403) (the PRO-IP Act) benefited songwriters and recording artists. The main purpose of the PRO-IP Act was to strengthen criminal and civil laws that pertained to copyright and trademark infringement, allocate key personnel and resources to monitor and enforce intellectual property infringement, and enhance strategic federal initiatives against counterfeiting and piracy. Victoria A. Espinel was appointed in 2009 by President Barack Obama as the Intellectual Property Enforcement Coordinator (formerly known as the copyright czar).
38. 17 U.S.C. §§ 502-504 (2010).
39. Digital licensing of DPDs is handled by HFA.

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Is There An App for Trademark Infringement? Understanding the Legal Implications of the Apple-Amazon Trademark Litigation

By Daniel R. Goodman

App Store: A New Generic Term, or a Trademark?

Almost anyone even remotely familiar with smartphones has either heard the phrase “there’s an app for that,” or the word “app,” even if they do not really know what an “app” is, or how to get one. The more tech-savvy smartphone users will likely know that “apps” can be downloaded from “app stores.” Apps, short for the word “applications,” refer to downloadable or preprogrammed smartphone applications and accessories. There are GPS apps, sports score-alert apps, traffic-alert apps, and even apps that tell you where the cheapest local gas may be found.

Not only have apps become a familiar component of tech-life, but so have app stores; after all, once a certain product or service becomes popular, competing businesses will open more and more stores that sell these products. In this respect, Internet stores continue to mimic brick-and-mortar stores. An entire panoply of app stores has also recently sprouted up across the Internet.¹

In the age of the smartphone, the word has quickly vaulted into our lexicon as a term of everyday use. When used as a noun, it has become almost as ubiquitous in everyday conversation, as “google” is as a verb.

Most people would not blink at using “google” as a verb; indeed, “just google it” is now a typical response to many questions. Others would similarly not be bothered by how familiar words like “app” have become, but these shifts in jargon are not only noticed by linguists, word-smiths, and lexicographers; they are monitored closely by trademark lawyers and by businesses with famous brand names. When these words become part of everyday conversation far from being a company’s dream, it in fact becomes a company’s nightmare.

In the world of marketing and commercialism, familiarity is usually a goal. Advertising jingles are designed to literally get in the heads of listeners so that a company’s product and name stays in their heads as well.² Many other forms of advertising (such as product placement) are utilized for the express purpose of increasing a product’s or company’s awareness. The more people see, hear, and think about Coca-Cola, the better it is for the Coca-Cola Company.³ However, if Coca-Cola advertisements and product-placements became so familiar to the extent that people would substitute the term “Coca-Cola” or “Coke” for any soda, then the company name would be in dan-

ger. By achieving such dominance in a product market as Google has in the field of search-engines (or as Kleenex and Xerox once had in their respective markets), a company risks becoming too successful for its own good.⁴ When a company’s brand name becomes so common in language usage that people use the brand when adding the actual generic product, then the company’s trademark itself risks losing its protection and becoming generic.⁵

If a company’s brand name becomes generic, its trademark is considered to have become “genericized,” no longer within a company’s sole ownership, and free to be used by any other company as a descriptive term.⁶ This happened to Aspirin,⁷ and almost to Xerox.⁸ This phenomenon is known as “genericism” in trademark law, and a company’s loss of its trademark due to genericism can be so severe that another word has been coined to describe it: “genericide.”⁹ Navigating the boundary between developing name-brand recognition while staving off genericide can be the bane of existence for famous brands’ marketing and legal departments.¹⁰

At the same time, companies are also wary of the reverse situation: that is, when words they believe are rightly their trademarked terms may have already become so familiar as to be considered generic before they can even register them as trademarks. Such is the case for Apple and the phrase “app store.”

Since “app” is a generic term because of its usage (and because it is short for the word “application”), seeking trademark protection for the phrase “app store” presents Apple with a significant legal hurdle. Even Apple, a company very close to the word “app” both in sound and perhaps in association as well, would likely not be able to trademark the phrase. Considering how familiar apps have become, owning trademark rights to the phrase “app store” has become as difficult as owning trademark rights over the phrase “book store.” Yet Apple is still trying to make the case that because it popularized the concept and usage of the “app,” consumers would associate any “app store” with its brand.¹¹ If so, any non-Apple “app store” would confuse consumers into thinking that the rival company’s store is owned or sponsored by Apple.

Apple indeed deigns to claim the phrase “app store” as its trademark for online smartphone applications stores, and is attempting to prevent other companies from

using the term when selling smartphone applications.¹² While it cannot completely remove “app” from the lexicon or prevent people from calling smartphone application stores “app stores,” what it can do—if successful in trademark litigation—is prevent other companies from non-Apple smartphone application stores from using the term.

New Technology Generates New Terminology

At first glance, it may be self-evident that new technology generates new terminology, but this observation has important implications for trademark law and trademark registration. Terms that were once unique and almost foreign-sounding can become generic if technological change makes a unique word popular. Technological innovation has always changed the way we use language, and imposes new meanings on previously strange words. This principle is understood by laymen, also recognized by philologists, linguists, and historians of language as a more profound phenomenon. Individuals familiar with semiotics—the theory of how we attach meaning to symbols—understand that that written language has meaning because each culture has decided to interpret certain symbols as letters, and certain groups of letters as words (i.e., language does not have inherent meaning; rather, its meaning is extrinsically constructed by groups of people speaking and writing that language). Every letter is a symbol that triggers a sound or association in the minds of those who see it, and a combination of letters, such as “app,” triggers multiple sounds and associations in our minds. If the association of the three letters “app” is significant, we attach meaning to it and our minds signal to us that these three letters are not random, but are in fact a word.

Whether combinations of letters form meaningful words as understood by the majority of people in a society depends upon how each society in each age interprets these ‘symbols.’ In the pre-industrial age, words such as “factory,” “mechanical,” and “railroad” would have been considered fabricated language, but today, it is hard to think of terms that are any less generic. Modern technology has had the same result, thrusting meaning upon formerly strange letter combinations and turning these combinations into meaningful words, such as “telegraph,” “fax,” and “email,” to even stranger combinations of letters with numbers, such as “MP3.” As technology changes so quickly, we are constantly in the process of creating new words by attaching meaning to bizarre letter-combinations: for example, “P2P,” “Wi-Fi,” an “RSS-feed,” and a myriad of others. Twenty years ago, a company would have had no problem registering “P2P” as a trademark; today, registering that term, even as part of a combination with another word, such as “MyP2P,” could be problematic.¹³

Such new terms generated by technological innovation pose novel challenges for trademark registrants. When considering whether to grant an applicant registration for a proposed mark, the United States Patent and Trademark Office (USPTO) considers the distinctiveness of a mark; the more distinctive a mark is, the more likely it is to be granted registration, while the less distinctive it is (for example, a generic term), the less likely it is to be granted registration.¹⁴ Under trademark law, the scale of distinctiveness ranges from generic at the low end to fanciful at the high end.¹⁵ Generic terms are unregistrable and cannot function as trademarks; descriptive terms are granted registration if consumers associate the term with its producer (so that the mark has acquired “secondary meaning”¹⁶); suggestive marks (i.e., marks that suggest a feature of the product) are considered distinctive and protectable as trademarks; and arbitrary and fanciful terms are nearly always granted trademark registration, regardless of whether secondary meaning is attached to the mark.¹⁷ Thus, a term like P2P would have been arbitrary or fanciful before the development of the technology; now, however, technology has rendered the term generic. Therefore, a phrase such as MyP2P may be viewed by the USPTO as descriptive, and a trademark examiner would not likely grant the phrase registration unless a secondary meaning develops between it and its sponsor.

One example that illustrates the challenge of trying to trademark a word that could have previously been considered fanciful and unique, but has become generic due to technology changes, is the word “synch.” Prior to the invention of MP3 devices, the term “synch” may have baffled most people. Its meaning was non-obvious; would it have been a noun, a verb, or simply a fabricated word? However, today the word “synch” has taken on entirely new meaning. It is now a generic term used as a short-hand for synchronize, and refers specifically to the process of synchronizing an MP3 player to a computer, or for generally synchronizing electronic devices with each other. Either way, to “synch” is just one example of countless other ways in which new technology has taken what once were strange-sounding and unique terms and turned them into household words. In short, new technology and new products create new generic terms, and new technology takes terms that were previously fanciful and genericizes those words by making them part of everyday speech.

The fact that formerly unique terms can become genericized because of technological development has important implications for Apple’s bid to claim the phrase “app store” as its own intellectual property. While an “app” may have been a fanciful term before the smartphone, technological change has ushered it into the popular lexicon in the same way that the MP3 player popularized the term “synch.” This is the dilemma Apple faces in its ongoing attempts to use trademark law to prevent others from using the term “app store.”

Apple v. Amazon: The App Goes to Court

Apple believed that it was and is the rightful owner of the term “app store” because of the word’s association with Apple and its smartphone applications.¹⁸ Hence, when it learned that Amazon was seeking to call its virtual store for Google Android applications an “app store,” it sued Amazon to try to prevent it from using that name.¹⁹ In its claim for trademark infringement, dilution, and unfair competition that was filed on March 18, 2011 in the Northern District of California, Apple contended that customers would likely be confused “as to whether Amazon’s mobile software download service is sponsored or approved by Apple.”²⁰ Even though the exact phrase Amazon said it would be using was “Appstore,” as distinguished from Apple’s “App Store,” Apple still believed that consumers would be confused into thinking that Amazon’s app store was associated with Apple’s app store.²¹

Demonstrating a likelihood of confusion, such as sponsorship confusion, regarding a product’s source of origin is the key element in proving trademark infringement.²² To prevail in its pursuit of enjoining Amazon from using the phrase, however, Apple needed to go above and beyond demonstrating that consumers primarily associated the term “app store” with it.²³ Apple could only remove the “app store” from the business lexicon and mark it as its exclusive term for its own downloadable smartphone applications if it also could show that “app store” had not yet become genericized.²⁴ The crucial issue, then, became whether the term “app store” had already become generic, as Amazon countered, and therefore free for any company to use when selling mobile phone applications.²⁵

The USPTO had in fact granted Apple trademark registration for the phrase “App Store” on July 17, 2008, as the name under which Apple was selling downloadable iPhone, iPod touch and iPad applications.²⁶ Since then, however, Amazon contended that the term had become a generic phrase for all downloadable smartphone application stores. Indeed, Apple acknowledged that the phrase was being contested by Microsoft before the Trademark Trial and Appeal Board.²⁷

While the legal and lexicographical communities debate whether “app,” or “app store,” are generic, arbitrary, or descriptive terms, California’s Northern District Court removed some of the suspense by denying Apple’s demand for a preliminary injunction, thereby temporarily freeing Amazon and others to use the term “app store.”²⁸ Apple may still yet prevail on the merits as the case proceeds to a full trial in October 2012, but a jury would have to find that “app store” is not generic term. This would present Apple with a significant burden to overcome, since it would have to demonstrate that “app store” is a descriptive term that has acquired secondary meaning due to its association with Apple, and therefore a likeli-

hood of confusion would result if Amazon and other companies use the term.²⁹ Apple will have to show that most people hearing the phrase “app store” would assume that the store is either selling Apple products or that the store is somehow associated with or sponsored by Apple. Proving all of these contentions will not be easy, especially after the District Court’s preliminary order, where it explicitly cited evidence that “app store” is used as a descriptive term by other businesses who sell downloadable mobile phone apps.³⁰ In addition, the October 2012 trial date will likely compound Apple’s difficulties in establishing that secondary meaning has attached to the term “app store,” as more time means more opportunities for non-Apple app stores to accustom customers to the notion that an “app store” is not necessarily solely by Apple.

Even if Apple can convince a jury that all “app stores” would cause consumer confusion, or even if it reaches a settlement with Amazon, the larger issue would still be unresolved: considering the speed by which language evolves and people’s speaking habits change, determining whether terms are generic, descriptive, arbitrary, or fanciful is becoming more difficult than ever. Language is so fluid that what once was “fanciful” or “arbitrary” can become “descriptive” in a few months’ time. The looming specter of trademark genecide is even more of a threat during the digital age, where all kinds of trends, including language trends, can “go viral” and spread too fast for trademark owners to catch. This leaves companies and trademark owners in the difficult but necessary position of having to constantly monitor changes in speaking habits and language usage (in addition to the due diligence they must make to police the usage of their marks). Otherwise, terms they popularized but either delayed registering as trademarks, or registered marks which usage they were lax in monitoring because they assumed were fanciful and would never become generic, could become generic after all.

Preventing Terms from Becoming Generic

Companies must therefore recognize that when new products and new technology create new terminology, and especially if the new terms are words that they have helped popularize, such new terminology may already be generic, even though prior to the introduction of the new product these terms would have been utterly unique. This is the dilemma that the word “app” has caused for Apple, and this word has thus far confounded Apple’s attempts to claim sole ownership over the term. The word “app” would be fairly distinctive and unique (or at least suggestive as a word that is short for “application”) had the smartphone not come along and genericized the word. With “app” having become a generic word so quickly, Apple’s efforts to trademark an “app store” were bound to be met with at least initial disappointment. It is still possible for Apple to prove to a jury that “app store” has

acquired secondary meaning; there is a long history of companies being vindicated in courts by proving that their marks have acquired secondary meaning.³¹

In the virtual age, even the most unique sounding words can become genericized virtually overnight. If it is not careful, a company could lose the ability to register a word as a trademark if that word has already become too commonly used. How, then, can companies and prospective trademark registrants protect their marks from genericism and premature genericide?

One step would be for a company to seek trademark registration not only for its brand name and logo, but for all the words it deems most closely associated with its product. If it can forecast which words are the likeliest to become popular, it should seek to register these words as an intent to use, or already in use, in commerce. If a company lacks employees with such predictive powers, seeking the advice of language consultants would be prudent as well. Even though it would have to file an intent to use application and with the intention that it will actually use these words in commerce, it would be a small price to pay in order to prevent a loss of valuable intellectual property.

A company should be especially sensitive to words it assesses are most likely to be used by other companies' similar products as a result of evolving language trends, and proactively seek registration for the terms it thinks would quickly become commonly used words. Although it would take a high degree of prescience to predict how a company's product would implicate the lexicon, perhaps the primary lesson of the Apple/Amazon app store trademark litigation is that in the digital age, a company must be particularly proactive when it comes to words and terms associated with its product. If it truly feels it is the rightful owner of a term relating to its product, a company should not wait to register the mark. In the age of technology and the Internet, language usage changes too fast for any company to delay registering its marks; in the span of even a few months, previously unheard of words can become generic.

While businesses big and small (and especially large companies) have certainly become more aggressive in protecting their trademarks and other intellectual property, they will likely become even more aggressive in the wake of *Apple Inc. v. Amazon Inc.* Apple's app dilemma will likely mean that diligent companies will be even more proactive than ever in applying for early trademark registration and more vigilant in policing their marks' usage. If they do not, trademark owners run the risk of leaving their registered marks vulnerable to genericide, and may also be sacrificing their potential trademarks to the even more cruel fate of premature genericide.

Endnotes

1. See Distimo, App Stores, <http://www.distimo.com/appstores> (an aggregation of Internet app stores). Presently, only Apple uses the

exact phrase "app store," and other device manufacturers use very similar phrases for their app stores (e.g., "Samsung Apps," "BlackBerry App World," "Palm App Catalog," etc.). After Amazon's successful initial defense against Apple's claim of entitlement to exclusive use of the phrase "app store," other providers may start calling their stores "app stores" as well, though they may wish to wait for a final ruling on the merits that clears Amazon of any liability for trademark infringement.

2. See, e.g., McCauley Marketing Services, <http://www.mccauley-advertising.com/add-a-little-jingle-to-your-jangle-or-at-least-to-your-advertising-2/> (A company that offers services for designing commercials that "get stuck in your head.").
3. See, e.g., Ignition Studio, <http://www.ignition-studio.com/igniting-brand/brand-evolution/brand-dominance> ("brand dominance" as the ultimate goal of brand development). In marketing parlance, the goal is achieving "dominance"; i.e., that a company's particular brand is what a consumer's advertising-saturated brain will conjure up when prompted to think about a general product (e.g., thinking of Internet search engines invariably leads to thinking first of Google). In this sense, the brand becomes "iconic."
4. See, e.g., PrawsBlag, <http://prawbslawg.blogspot.com/a/6a00d8341c6a7953ef0134851907f7970c-popup> (Xerox ad requesting people to not use "Xerox" as a verb). In fact, both Kleenex and Xerox nearly lost their trademarks before launching marketing campaigns that implored customers to stop using their marks generically.
5. 15 U.S.C. § 1064 (2005); see also *Anti-Monopoly, Inc. v. General Mills Fund Group*, 684 F.2d 1316 (9th Cir. 1982) (a trademark becomes "generic" when the general public associates the mark with its generic group of goods or services rather than as the specific source of the goods or services).
6. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938) (company's trademark declared generic and no longer a protectable trademark despite initially having been a distinctive mark).
7. See *Bayer Co. v. United Drug Co.*, 272 F.505 (S.D.N.Y. 1921) ("Aspirin" held to be generic). Aspirin was once a trademarked brand-name for painkillers that become a generic term due to the company's negligence in monitoring and policing how its trademark was used.
8. In order to prevent its trademark from becoming generic, Xerox had to run ads informing people that "Xerox" should only be used as a proper adjective and not as a verb; see, e.g., <http://books.google.com/books?id=mr4cGRBF0gQC&pg=PA69&lpg=PA69&dq=xerox+ad+%22whenever+you+use+your+name,+please+use+it+as+a+proper+adjective&source=bl&ots=XxYtovYVER&sig=vjkF7KclqvsY5aav8D5bbOeA22A&hl=en#v=onepage&q&f=false>.
9. See Deven R. Desai and Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 4, 1789-90 (2007) ("Genericide...refers to the process by which a mark that was once highly valuable and unquestionably protectable loses all trademark status and value.").
10. See *supra* note 2. The terms "trademark" and "brand" are often used interchangeably, since a company's "brand-name" is usually its protected trademark as well.
11. *Apple Inc. v. Amazon Inc.*, No. C 11-1327 PJH (N.D. Cal. July 7, 2011), Order Denying Motion for Preliminary Injunction, 4, 5.
12. Christina Warren, *Apple to GetJar: Stop Using the Phrase "App Store,"* MASHABLE (July 8, 2011), <http://mashable.com/2011/07/08/apple-getjar-trademarks/>.
13. There is indeed a European website that uses this term to describe its personalized peer-to-peer file sharing services, <http://www.myp2p.eu>.
14. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).
15. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).

16. See generally, *Zatarain's, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983) for factors courts use to determine when a term has acquired secondary meaning.
17. See *supra* note 16.
18. See *Apple Inc. v. Amazon Inc.*, No. C 11-1327 PJH, 4, 5, for Apple's argument that "App Store" acquired secondary meaning.
19. Geoffrey Fowler and Yukari Kane, *Apple Sues Amazon over Term 'App Store'*, WALL STREET JOURNAL, Mar. 22, 2011, <http://online.wsj.com/article/SB10001424052748704139004576215392658777706.html>.
20. *Apple Inc. v. Amazon Inc.*, 11-1327, USDC ND Ca. (2011).
21. *Id.* at 9.
22. See *Polaroid Co. v. Polaroid Electronics Co.*, 287 F.2d 492 (2d Cir. 1961). Federal courts have articulated various factors that would satisfy a "likelihood of confusion" analysis in infringement suits; one of the most commonly cited is *Polaroid Co.'s* "Polaroid Factors."
23. *Apple v. Amazon*, No. C 11-1327 PJH, 3.
24. *Id.* at 3, 4 ("To prove trademark infringement, Apple must show ownership of a legally protectable mark... Generic marks are not eligible for trademark protection"), citing *Zobmondo Entmt., LLC v. Falls Media, LLC* 602 F.3d 1108, 1113 (9th Cir. 2010).
25. See *supra* note 20; see also John Riberiro, *Apple Denied Injunction on Amazon's Use of Appstore*, ITWORLD, <http://www.itworld.com/software/180613/apple-denied-injunction-amazons-use-appstore>. Amazon's primary defense, as explicated by District Judge Phyllis J. Hamilton in her order denying Apple's request for a preliminary injunction, is that "App Store" is generic because it is connotes an Internet store for downloadable apps. Amazon also claimed that even if Apple could prove that "App Store" is not generic, Amazon and others still are legally permitted to use the phrase "Appstore" on the basis of fair use.
26. *Apple v. Amazon*, No. C 11-1327 PJH, 1. See <http://tarr.uspto.gov/tarr?regser=serial&entry=77%2F525433> for complete trademark prosecution history of "App Store."
27. See Complaint at 4-5, *Apple Inc. v. Amazon Inc.*, No. CV 11-1327 (N.D. Cal. March 18, 2011). A PDF version can be found at: <http://online.wsj.com/public/resources/documents/032211appleamazon.pdf>.
28. Dan Levine, *Judge Rejects Apple Bid for Injunction Against Amazon*, REUTERS, July 6, 2011, <http://www.reuters.com/article/2011/07/07/apple-amazon-ruling-idUSN1E76520W20110707>.
29. The District Court denied Apple's request for a preliminary injunction specifically because Apple had not established a "likelihood of confusion" with Amazon's app store.
30. See *supra* note 20; see also ITWORLD *supra* note 25 ("there is also evidence that the term 'app store' is used by other companies as a descriptive term for a place to obtain software applications for mobile devices").
31. See, e.g., *Standard Oil Co. of Maine v. Standard Oil Co. of N.Y.*, 45 F.2d 309, 310 (1st Cir. 1930) ("Standard Oil" acquired secondary meaning and therefore entitled to trademark protection); see also, *LSU v. Smack Apparel Co.*, 550 F.3d 465 (5th Cir. 2008) (school colors may acquire secondary meaning and hence trademark protection).

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The *Real Housewives* Suicide: (Lack of) Liability in Reality Television for Violent Events

By Nili Wexler and Stacy Wu

I. Introduction

In this article, we discuss whether the networks and producers of reality television shows are liable for violent events perpetrated in connection with their shows. This topic arises from the suicide of a reality television star, Russell Armstrong, of Bravo's "The Real Housewives of Beverly Hills."

First, we present a background for our discussion. Next, we review cases discussing the incitement to violence doctrine, including a discussion of foreseeability and its applicability to reality television. Subsequently, we propose an alternative analytical framework from which to view network and producer culpability. Finally, we introduce and analyze a code of best practices that was recently proposed by a social media critic.

II. Background

On August 15, 2011, Russell Armstrong of "The Real Housewives of Beverly Hills" was found dead in his home of an apparent suicide a few weeks before the show's season premiere.¹ Speculation emerged as to whether the show, which highlighted his recent marital and financial problems, drove him to take his own life. The producers did not admit any responsibility for his actions, nor did Bravo postpone the season premiere. Instead, it prefaced the episode with brief comments from cast members and provided the number for a national suicide hotline.² This discussion of whether the show "incited" Armstrong's actions naturally leads to an examination of the liability (or lack thereof) of a show's network and producers for programs that potentially incite violence.

III. Incitement to Violence

A. The "Jenny Jones" Case

First, we discuss the relevant case history for whether a show's network and producers are liable for tragic incidences allegedly incited by their shows. The seminal case on this matter is *Graves v. Warner Bros.*, otherwise known as the "Jenny Jones" case.³ In 1995, Jenny Jones hosted a show in which guests revealed their surprise same-sex crushes to other unsuspecting guests. In one episode, Scott Amedure revealed his crush to Jonathan Schmitz, and not long after the show aired, Schmitz purchased a shotgun and murdered Amedure. In the criminal proceeding, Schmitz was found guilty of second-degree murder and felony-firearm, and sentenced to 25 to 50 years' imprisonment for the murder conviction.⁴

The estate of Scott Amedure (the Estate) then brought a wrongful death suit against the "Jenny Jones Show," its owner Warner Brothers, and its producer, Telepictures (collectively, the Defendants). In the suit, the Estate purported that the show ambushed Schmitz and did not attempt to determine the effect it might have on him, and that the Defendants knew or should have known that these actions would incite violence. The Estate alleged that this negligence was predicated by "the sole purpose of the show being the increase in television ratings."⁵ In reversing the Oakland Circuit Court's decision in favor of the plaintiff, Judge Griffin of the Michigan Court of Appeals held that the producers owed no duty to protect the victim from the homicidal acts of a third party because, "[w]hile defendants' actions in creating and producing this episode of the show may be regarded by many as the epitome of bad taste and sensationalism, such actions are...insufficient to impute the requisite relationship between the parties that would give rise to a legally cognizable duty."⁶

B. Cases Alleging Incitement to Suicide

Several years prior to *Graves*, two cases discussed whether the creators of a song (the same song in both cases—Ozzy Osbourne's "Suicide Solution") that purportedly "caused" two teenagers to commit suicide were liable for incitement to violence. In *McCollum v. CBS, Inc.*, the Court of Appeals stated that in order to find that the song incited the teenager's suicide, it would have to be shown: "(1) that Osbourne's music was directed and intended toward the goal of bringing about the imminent suicide of listeners and (2) that it was likely to produce such a result."⁷ Likewise, the court in *Waller v. Osbourne* found that "there is no evidence that defendants' music was intended to produce acts of suicide, and likely to cause imminent acts of suicide."⁸ The *Waller* court cited *Zamora v. Columbia Broadcasting System* in establishing that a plaintiff could not ask the court "to fashion a new cause of action for the dissemination of protected speech which caused 'an untoward reaction on the part of any 'susceptible' person.'"⁹

C. Foreseeability

1. Introduction

Clearly, in the case of Armstrong's suicide, it is unlikely that the actions in scripting and editing the show were "intended to produce acts of suicide, and likely to cause imminent acts of suicide."¹⁰ The intent requirement discussed above is not always dispositive, however. In a case discussed below, the defendants' ability to foresee that their actions would incite dangerous behavior was

sufficient for the court to impose liability upon them. We suggest that a court could apply similar logic to find that the network and producers of a reality television show are culpable for actions leading to tragic consequences that are reasonably foreseeable.

"With the proliferation of reality television shows that depict families, and often minor children, strong policy reasons have emerged for imposing a higher degree of culpability for their creators."

2. Case History

*Weirum v. RKO General, Inc.*¹¹ established that liability may be imposed for incitement to violence when foreseeability can be established. In *Weirum*, a radio station urged its listeners to locate a host of one of its shows within a certain amount of time in order to win a prize. Two teenagers driving to locate the host ran another car off the road and killed one person. The court ruled that the urging of the station to find the host quickly created a foreseeable risk that listeners who participated would drive recklessly and thus cause dangerous conditions and potential violence.¹²

3. Foreseeability as Applied to Reality Television

The above case demonstrates that when events are reasonably foreseeable, a court might rule that defendants are liable for incitement of violent or dangerous behavior. Under a case-by-case approach, courts would have to apply different thresholds of foreseeability depending not only on whether the First Amendment applies, but also whether public policy reasons are compelling. This notion finds support in the *McCullum* opinion, in which the court, citing *Isaacs v. Huntington Memorial Hospital*, states that "[i]n cases where there are strong policy reasons for preventing the harm, or the harm can be prevented by simple means, a lesser degree of foreseeability may be required."¹³

With the proliferation of reality television shows that depict families, and often minor children, strong policy reasons have emerged for imposing a higher degree of culpability for their creators. In some cases, such policy reasons may be compelling enough to survive a First Amendment analysis. Designing and fostering conflict-filled environments are likely to have a negative psychological impact on cast members, particularly children, who are essentially forced into these situations by their guardians.¹⁴ Such policy reasons may potentially affect future courts' perspectives on the foreseeability of violence incited by reality television shows. This potential shift in perspective notwithstanding, below is the suggestion of another lens through which to view the actions of reality television's creators.

IV. Alternative to "Incitement" Theory

Bullying/Harassment

One possible framework through which to view tragic events such as Armstrong's suicide and the potential related liability is that of "bullying" or "harassment." The producers' behavior in developing a show that is meant to create conflict and present its characters in a largely negative light might be likened to the type of bullying or harassment that is now potentially subject to liability.

One of the recent cases involving harassment is the case of Phoebe Prince, in which a teenager committed suicide after being subject to consistent bullying and harassment by some of her peers. The teenagers involved were charged with a number of crimes, including harassment and stalking.¹⁵

In May 2011, four of the teens charged in connection with this case "admitted to sufficient facts" capable of supporting a misdemeanor harassment charge, and one of the students ultimately pled guilty. The students were sentenced to probation and community service.¹⁶

Even more recently, police have opened a criminal investigation into the suicide of 14-year old Jamey Rodemeyer, who killed himself on September 18, 2011, and are determining whether they may bring charges of harassment, cyber-harassment or hate crimes against bullies who tormented Rodemeyer about his sexual orientation for over a year.¹⁷

The tactics used by reality television show producers might be likened to the bullying by the defendants in the *Prince* case and the potential defendants in the Rodemeyer case. The producers' "stock in trade" is creating situations of drama and conflict and presenting their characters in an unfavorable light. Clearly, from an ethical perspective (and, as suggested above, potentially from a legal standpoint) it would behoove the networks and producers of reality television shows to implement practices that better protect against unintended tragedies. Below is one such set of practices proposed by Linda Holmes of NPR's entertainment and pop-culture blog *Monkey See*.

V. "Best Practices" Code

A. Background of the Code

Holmes proposed a "best practices" code (the Code) for television producers that includes 13 suggestions to increase accountability and transparency.¹⁸ The Code is aimed at reality competition shows like "Project Runway" and "Top Chef"¹⁹ (rather than the "Real Housewives" franchise) and originates from the concept of "ethical viewing"—where watching a "Code-compliant show" might be akin to buying fair trade coffee or fair wage clothing. Still, in the Code's suggestions one can find applicability to reality television in general. Below is a discussion of four of the Code's proposals.

B. Four Selected Proposals from the Code

1. Limitations on Footage of Intoxicated Cast Members

The Code suggests that producers agree to withhold footage of participants who are intoxicated when the ingested alcohol was provided by the producers. Certainly, some reality shows rely heavily upon alcohol consumption to exacerbate drama, and this practice would discourage producer involvement in intoxication.

If pushed to its limits, however, the proposed rule raises questions on how to define the terminology “provided by.” Even if producers did not directly provide alcohol to participants, would they remain secondarily liable for providing the arena in which participants became intoxicated? If so, what impact would that have on a show like “Jersey Shore,” which commonly uses bars and house parties as locations?

2. Sleep Requirements

Another proposal in the Code is to schedule filming so as to allow at least six hours of uninterrupted sleep at least five nights out of every calendar week.

In addition to employing alcohol as a tactic for inducing drama, some reality shows, such as “America’s Next Top Model,” have been purported to use sleep deprivation to similar effect.²⁰ Unions such as the American Federation of Television and Radio Artists (AFTRA) implement “turnaround rules” that typically require 12-hour rest periods in between daily call times, but producers commonly “invade turnaround,” i.e. shorten the rest periods, in exchange for a monetary penalty.²¹ The sleep requirements proposal could safeguard against abuse of existing turnaround rules and producers’ attempts to evade union or guild bargaining agreements.²²

3. “Aftercare and Counseling” Proposal

The Code would also require “aftercare and counseling,” whereby shows would agree to provide up to three months of post-appearance counseling for any participant who requests it. Though optional post-show psychological assessments are certainly an ideal protective measure for cast members’ mental health, this option might be difficult due to budgetary constraints. Established shows with network backing, however, might be better able to bear these costs.

4. Public Contracts

The Code suggests that all contracts between the show and its participants be available for viewing on the show’s website. This proposed rule seeks to balance the bargaining power between participant and producer by fixing public scrutiny onto their contractual relationship. In the case of CBS’s “Kid Nation,” the blanket liability waivers publicized by the New Mexico Attorney General’s office upon an “open records” request eventually

resulted in the show’s cancellation.²³ Drawing from this instance, it can be concluded that while the Code’s public requirement rule would likely temper the aggressiveness of producers, it would also inhibit development and sustainability in reality television.

“Despite the potential burdens and drawbacks, creators of reality television programming should examine their practices and consider self-regulation, whether such measures are drawn from the Code or independently developed.”

C. Overall Impact of the Code

It is difficult to assess whether a voluntary “best practices” model would work in an industry driven by “bad taste and sensationalism.”²⁴ The “best practices” model provides a blueprint for the “humane treatment” of reality stars, but it also threatens to widen the gap between those who can afford to comply, and those who cannot. Compliance with at least four of the proposed best practices (aftercare and counseling, medical care, background checks, and repeat appearances) would cause production budgets to swell enormously. As a result, non-compliant shows would face the danger of being stigmatized as “unethical” and therefore less palatable to network distributors as well as insurers.

Under the traditional distribution regime, where producers bear the cost of production, the pressures of compliance may heighten barriers to entry or cause some players to drop out of the industry altogether. Unless they have already pre-sold their episodes or otherwise secured distribution, independent producers may balk at the risk involved in making Code-compliant shows. As a result, adoption of the Code could threaten innovation in the reality television arena.

In light of this goal of increased accountability, the Code will be most effective when implemented with input from reality show participants. During the audition process, for instance, participants should be required to fully disclose their mental illnesses and criminal histories to help avoid violent confrontations and outcomes.

VI. Conclusion

Despite the potential burdens and drawbacks, creators of reality television programming should examine their practices and consider self-regulation, whether such measures are drawn from the Code or independently developed. Judge Murphy of the Michigan Court of Appeals, in dissenting from the majority in *Graves*, asserted that “[as] a matter of public policy, if defendants, for their own benefit, wish to produce ‘ambush’ shows that can conceivably create a volatile situation, they should bear

the risk if a guest is psychologically unstable or criminally dangerous by being charged with that knowledge in the context of any foreseeability analysis.”²⁵ As Judge Murphy suggests, in the absence of any self-regulation, creators who create or aggravate mental illness or violent behavior should perhaps bear some legal responsibility for the consequences.

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A Very Legal Christmas

By David Krell

Three perennial gifts of the popular culture magi remind us of an important maxim—Christmas comes once a year, but law is forever.

Rudolph the Red-Nosed Reindeer

You know Dasher and Dancer and Prancer and Vixen, Comet and Cupid and Donner and Blitzen.

You recall the most famous reindeer of all—Rudolph the Red-Nosed Reindeer...but do you know the story behind the story?

It begins in Chicago, Carl Sandburg's broad-shouldered city where Jack Frost launches vengeful chills off Lake Michigan with a seemingly singular purpose—to penetrate the city's denizens to cause them misery.

At the beginning of 1939, misery cloaked Robert L. May like an invisible shroud. He spent his nights caring for his dying wife and tending to his four-year old daughter after finishing his day job—copywriter at retail giant Montgomery Ward. "An icy January blast tore at my coat as I hurried across the Chicago River bridge on my way to work. I noticed that the Christmas street decorations had been taken down, and in a way I was relieved. My wife [Evelyn] was suffering from a long illness and I didn't feel very festive."¹

Still, May found silver linings in the clouds of despair.

Here I was, heavily in debt at age 35 and still grinding out catalogue copy. It seemed I'd always been a loser, I thought bleakly.

As the elevator doors opened at my floor, I shrugged off my despondency. I had much to be thankful for. Despite my wife's grave illness, we had had many good years together. We also had four-year-old Barbara. God had been good to us.²

Montgomery Ward sought to enhance the festive aura of Christmas goodwill—not to mention customer relations—surrounding the most wonderful time of the year by implementing a giveaway plan featuring a booklet with a holiday-themed story. May received the assignment to write the story with a suggestion to make it an

animal tale. He recruited fellow store employee Denver Gillen from the art department to draw the pictures.

That night as I hung onto the strap in the lurching elevated train, I wondered about what kind of animal it should be. Christmas. Santa. Reindeer? Of course; it must be a reindeer!

And then I found myself wondering: What if this booklet did more than entertain? What if it carried a message of hope?

I started puzzling over the plot. It should have a triumphant ending, tied to an unhappy beginning. And, of course, it must carry a lesson.

But what could a little reindeer teach children?

Suppose he were an underdog—a loser, yet triumphant in the end. But what kind of underdog?

Certainly a reindeer's dream would be to pull Santa's sleigh. But what could this one provide that Donner, Blitzen and the rest couldn't?

Suddenly I had it! A nose! A bright red nose that would shine through fog like a floodlight. A nose that other reindeer laughed at, but a nose that would help Santa bring joy to others.³

Rudolph the Red-Nosed Reindeer was a smash. However, World War II prevented Montgomery Ward from immediately capitalizing on it—businesses reduced their uses of paper, among other materials, for military use. "In March 1940, Wards stores voluntarily advance-ordered 1,624,550 copies for the following Christmas. The whole give-away project was then shelved, however, because of the development of the war in Europe."⁴

Printing resumed for the 1946 Christmas season, though the seven-year gap did not diminish Rudolph's appeal. "In other words, counting 1939 and 1946, a grand total of 5,841,016 Rudolphs will have been distributed. We understand that this last figure puts Rudolph way out in front of any best seller on record...excepting only the Bible."⁵

Gillen's illustrations added a visually compelling dimension to May's story about vulnerability, resilience, and flaws that can turn into strengths. The numbers of booklets distributed prove the strength of the match between Rudolph's artist and writer. Jenifer Gillen recalls her father as an artist inspired by the simple pleasure of drawing:

My dad was 25 when he did the artwork for the *Rudolph the Red-Nosed Reindeer* story. It was a significant drawing for the popular culture arena, but he also had a deep portfolio. He grew and prospered as he continually refined his art.

He drew a lot of covers for *Outdoor Life* magazine and he produced works of art that eventually found exhibition space in galleries in New York City, Chicago, and the southwestern United States.

Art is a chronicle of culture. It shows us how people lived and what we appreciated at the time the artist created his or her works. My dad just reveled in art. He started working before the family woke up. How do you explain a passion? It's internal within each artist.

I am so proud that my father is part of the art world and the legacy of *Rudolph the Red-Nosed Reindeer*. He passed away in 1975, but an artist's work is forever.⁶

Gene Autry furthered Rudolph's legacy on June 27, 1949 when he recorded Columbia song 38610—*Rudolph the Red-Nosed Reindeer*. Written by Johnny Marks, *Rudolph* also featured Autry's group—the Pinafores.⁷

A perennial song on the airwaves between the holiday season goalposts of Thanksgiving and Christmas, *Rudolph* benefits from May's story, Marks' melody, and Autry's tone. It has the feel of Autry singing to children about a magical story.

Iconic though Autry's version may be, it is not the only interpretation, as *Rudolph the Red-Nosed Reindeer* has been recorded more than 700 times.⁸ Recording artists on the Rudolph roster include Diana Ross and the Supremes, Alan Jackson, Barry Manilow, The Jackson Five, Paul Anka, The Crystals, and The Brady Bunch.

Recording a song—particularly a famous one—is not a simple task. Music rights must be respected. Lisa Tesoro, a music licensing and clearance specialist, former music licensing executive at NBC, and President of Smartgal Publishing, LLC in New York City, says that obtaining music rights is a tricky but navigable process:

First, you need to find out if the song is copyrighted. If it is, then find out who owns the publishing. Usually, a music publisher is the copyright owner, though a publisher may get an administrator to handle the paperwork. The writer or writers of the music and lyrics may also own the copyright solely or jointly with the music publisher and/or another entity.

If you are using the original recording, in any way, you need to buy the master rights owned by the record company. In recent years, repurposing of television theme songs is a popular trend in the advertising industry—*Mary Tyler Moore*, *The Dick Van Dyke Show*, *Bewitched*, *The Courtship of Eddie's Father*.

You must convey to the rights owner how you will use the song. If you want your own arrangement, you pay the songwriter and the owner of the rights. You may be able to obtain copyright protection for your specific arrangement, however.

A massive challenge for rights owners is monitoring the usage of the song through all platforms, including the Internet. Susan Boyle became a worldwide sensation on the Internet because people forwarded links to web sites featuring her performance on *America's Got Talent*. Publicity for the song and the good will created by Boyle's performance outweighed, in that particular instance, any value realized by policing an otherwise illegal use of copyrighted material and enforcing rights.⁹

Rudolph's musical lineage is just one more reason why he'll go down in history!

It's A Wonderful Life

George Bailey's wont in life is to sacrifice for his family, friends, and community in his hometown of Bedford Falls in upstate New York.

Childhood: He jumps into a frozen pond to save his brother, Harry, who broke through thin ice while sledding on a shovel that went beyond the safety boundary. During the rescue, George loses hearing in his left ear when his head gets soaked in the cold water.

Young Adult: He convinces the Board of Directors of his family's company—Bailey Brothers Building & Loan Association—to continue rather than dissolve the operation after his father dies. The board has one condition, however—George must take his father's place as Executive Secretary to run the building and loan. George acquiesces and, consequently, transfers the money he earmarked for college to his brother Harry, who becomes an All-American football player and a pilot hero during World War II.

Adult: He gives his wedding gift money allocated for honeymoon expenses—\$2,000—to the building and loan customers to prevent them from selling their shares for fifty cents on the dollar to Henry Potter, the town's version of Ebenezer Scrooge. It occurs during a bank run, an unfortunate yet not uncommon occurrence during the scene's time frame—early 1930s.

In his first post-World War II role, Jimmy Stewart plays George Bailey in the 1946 movie *It's A Wonderful Life*, based on the 1943 short story *The Greatest Gift*, by Philip Van Doren Stern. With World War II achieving closed chapter status because of the surrenders of Germany and Japan in 1945, Stewart returned home from the European theater where he flew bomber planes. He refused a hero's welcome when he decided to visit his hometown—Indiana, Pennsylvania.

Jimmy made it clear that he did not want any special attention at his homecoming. Alex [Jimmy Stewart's father] passed along his request to a disappointed chamber of commerce. There was no parade. Yet, the town was glad to have him home if only for a few days. Jimmy was not only a popular son of the city but a movie star as well. Now he was a decorated war hero, and his presence in the town was not ignored. The center of attention and activity was the hardware store with a beaming Alex, who had decorated the store's window with some of his son's wartime memorabilia, over Jimmy's objections. Stewart spent most of his terminal leave in Indiana, just taking it easy, unwinding, enjoying his family, and trying to make a graceful transition to civilian life.¹⁰

Despite the tremendous publicity value inherent in his patriotic act of military service, Stewart maintained his quiet status regarding his film career. "A clause was written into his contract forbidding any publicity exploitation of his exemplary war record. Stewart explained his choice of his first postwar film role with a simple public statement: 'I don't pick stories. I pick directors.'"¹¹

Stewart picked Frank Capra. Capra and Stewart worked together on the 1938 film *You Can't Take It With*

You and the 1939 film *Mr. Smith Goes To Washington*. In the former, Stewart played Tony Kirby, an upper middle class suitor of Alice Sycamore (Jean Arthur), a member of an eccentric family that contrasted with the staid Kirbys.

In *Mr. Smith*, Stewart plays the title role—a naïve Midwestern scoutmaster chosen by the governor of his state to replace a recently deceased United States Senator. Again, Arthur plays the female counterpart—Clarissa Saunders. After discovering the corruption of the state's other senator, Joseph Harrison Paine, Jefferson Smith refuses to submit to the big business puppet masters that ruined Paine.

Smith's earnestness concerning America's ideals of freedom, justice, and liberty chip away at Saunders' jaded cynicism sourced from being a willing part of—or at least turning a blind eye to—the corruption factor in the lattice of Washington, D.C. politics and Paine's parallel modus operandi.

The film's climax takes place on the floor of the Senate where Smith holds a lengthy filibuster to defend against Paine's attempt to frame him as a corrupt politician. Ultimately, Smith collapses from exhaustion, physical and emotional. Paine then confesses from shame after a thwarted attempt to commit suicide by shooting himself. Smith is vindicated.

Stewart's choice of Capra to helm his first post-World War II film was deliberate. It was neither an afterthought, nor an off-the-cuff decision.

"I'd decided some time before coming back to Hollywood that if I could, I'd make my first picture with Capra. Looking back over the pictures I'd done before going away, I felt that the two previous ones I'd made under his direction had been, to me at least, the most satisfying." Then, added Stewart, Capra called him up and said, "I've got a script for you to read." Stewart said he went to pick it up, read it, and called Capra the next morning, saying, "This is it. When do we start."¹²

Stewart's portrayal of George Bailey fits snugly into a body of film work representing quiet heroes. Stewart played the type so well because he was the genuine article. Where Cary Grant exuded a bon vivant aura with impeccable tailoring, Clark Gable embodied a confident machismo of unyielding determination, and Henry Fonda conveyed a reluctant dismay without complete submission, Jimmy Stewart mirrored an avuncular approachability with heroic undercurrents.

Stewart's Indiana, Pennsylvania is a small town like fictional Bedford Falls, New York, the setting for *It's A Wonderful Life*. "The Stewarts could trace their roots

in Indiana County to 1772, when Jimmy's third great-grandfather Fergus Moorhead first arrived in what is now Indiana County from Franklin County, Pennsylvania."¹³

Stewart reinforced his connection to Indiana in a concrete way—or at least a gold-plated one. When Stewart won the 1940 Academy Award for Best Actor for his performance as cynical newspaper reporter Mike Connor in *The Philadelphia Story*, he gave the statue to his father, who displayed it prominently in his store's window.

It was the only Oscar that Stewart won.

The cosmopolitan atmosphere in Philadelphia's Main Line society in *The Philadelphia Story* contrasts with the small town mentality of Bedford Falls, where Bailey's claustrophobia in his hometown emerges on the night of Harry's high school graduation party for the Class of 1928. George has been working at the building and loan since he graduated from high school four years ago. Harry will take his place so that George can go to college and then fulfill his dreams of exploring the world beyond the confines of Bedford Falls.

Family patriarch Peter Bailey tries to convince George to stay in Bedford Falls to continue assisting him in running the family business. Paternally, he acquiesces to George's plan. Simply, the elder Bailey sees George's exit strategy as pragmatic because staying in Bedford Falls means dealing with Potter, a man with bottomless greed, deep misery, and a ruthlessness that would make Scrooge blush.

Men plan, God laughs. George goes to Harry's graduation party in the Bedford Falls High School gymnasium and what begins as a night of celebration and romance takes a hairpin turn to tragedy. At the party, George meets Mary Hatch, the sister of his boyhood friend, Marty. Not the little girl next door any more, Mary is 18. After a Charleston dance contest ends with George and Mary unwittingly plunging into a swimming pool beneath the gymnasium floor that opens, chaos erupts when the other students follow suit.¹⁴

As George walks Mary home, they stop by the abandoned Granville house on 320 Sycamore Street. Legend says that if you make a wish, throw a rock, and break a window, then your wish will come true. George follows Bedford Falls tradition and, with fire in his eyes, reveals his dreams to Mary after he breaks the window.

I know what I'm gonna do tomorrow,
and the next day, and the next year, and
the year after that. I'm shakin' the dust of
this crummy little town off my feet and
I'm gonna see the world. Italy, Greece, the
Parthenon, the Colosseum. Then, I'm comin'
back here and go to college and see
what they know... And then I'm gonna
build things. I'm gonna build airfields,

I'm gonna build skyscrapers a hundred
stories high, I'm gonna build bridges a
mile long...¹⁵

Before he can finish his thought, Mary throws a rock and breaks a window. She refuses to disclose her wish, however, because disclosure could jinx the wish in her superstitious paradigm. Presumably, she wishes for George Bailey to stay in Bedford Falls. It happens because Peter Bailey dies that night. Reluctantly, George stays to fill his father's place at the building and loan. Eventually, he marries Mary. They have four children—Peter, Tommy, Zuzu, and Janie.

Through the next 20 years, George Bailey becomes the heart and soul of Bedford Falls. While his childhood friend Sam Wainwright becomes a millionaire businessman, George safeguards his hometown as the last vestige of decency against Potter. On the morning of December 24, 1945, George's Uncle Billy goes to the bank to make a deposit of \$8,000 when he encounters Potter.

After bragging about Harry Bailey winning the Congressional Medal of Honor and the family preparing for a hero's homecoming later that day, Uncle Billy absentmindedly leaves the \$8,000 in a folded-up newspaper featuring Harry on the front page receiving the medal from President Truman. Uncle Billy hands the newspaper to Potter, but seemingly forgets the encounter when he goes to the teller to make a deposit and later, when he and George try to recover the money by retracing Uncle Billy's steps. Recovery efforts prove unsuccessful.

As the \$8,000 deficit will cripple the company, George and Uncle Billy are exposed to potential criminal charges. Further, the bank examiner has a previously scheduled appointment to inspect the building and loan's books. An \$8,000 deficit will undoubtedly trigger a takeover by the bank, which is run by Potter.

George crawls to Potter. He rejects George with a sarcastic grin while pointing out that George is worth more dead than alive because of a \$15,000 life insurance policy. George contemplates suicide, the ultimate sacrifice. Just as he is about to jump off a bridge into the river, he hears a man's cries for help. George saves the man who claims that he jumped into the river to prevent George from killing himself by drowning. The man is Clarence Oddbody III, AS2—Angel Second Class and George's guardian angel. If Clarence helps George through his crisis, he will get his angel's wings.

Based on an offhand comment by George that the world would be better if he had never been born, Clarence grants George's wish. Consequently, George sees an alternate Bedford Falls.

His brother Harry never committed heroic acts. He died in a freezing pond at the age of nine because George was not there to save him. His mother becomes a bitter,

lonely woman after losing her only son, Harry. His uncle is in an insane asylum. He has been there for 25 years after losing the building and loan. Town flirt Violet Bick is a harlot under arrest, presumably for indecency or prostitution.

His old boss, town pharmacist Emil Gower, is an alcoholic beggar who spent 20 years in prison for mistakenly poisoning a kid with the wrong drugs. In the original Bedford Falls, young George Bailey prevented the delivery. He noticed a telegram explaining that Mr. Gower's son, Robert, died from influenza at college. Realizing the shock distracted Mr. Gower from correctly filling a prescription, George never made the delivery.

His friend Martini does not have the town bar. It belongs to Nick, a caustic man who serves drunks rather than being the friendly gentleman bartender he was in Martini's bar.

Bedford Falls' main thoroughfare of Genesee Street is a seedy place that would put New York City's old 42nd Street to shame.

Finally, Mary is an old maid who never married. It is the final blow for George.

When Clarence explains that George really had a wonderful life, George runs back to the bridge where he prays that he wants to live again. George finds that his life is restored, but he is ecstatic rather than despondent. He sprints down Genesee Street while screaming "Merry Christmas!" to everything and everyone in sight. Joy replaces despondency as George runs into the Bailey house at 320 Sycamore Street, the shabby structure that George once said he would not live in as a ghost, but long since transformed into a vibrant family home because of Mary's dedication.

The townspeople of Bedford Falls come to George's fiscal rescue after Mary spread the word that George was in trouble. Soon, the Bailey home is flooded with friends who bear gifts of a few dollars here, a few dollars there, and more than a few dollars in the case of Sam Wainwright. On business in London, he cables a telegram that authorizes a wire of \$25,000 for the Bailey Building & Loan.

Harry then makes a grand entrance after flying through a blizzard to return home. His toast brings tears—"To my big brother George, the richest man in town."

It's A Wonderful Life ends with George opening a book—*The Adventures of Tom Sawyer*—with an inscription from Clarence. "George—No man is a failure who has friends." The Bailey home resonates with the characters singing *Auld Lang Syne* as the movie fades to black.

A staple of Christmas programming, *It's A Wonderful Life* graced television screens throughout the late 1970s

and 1980s, often broadcast more than once on multiple stations in certain markets during December.

The abundance of viewing opportunities stemmed from the film falling into the public domain. Republic Pictures, copyright owner of *It's A Wonderful Life*, failed to renew the film's copyright in 1974 at the end of its initial 28-year term per the renewal rules outlined in the 1909 United States Copyright Act. Video distributors also took advantage of the film's public domain status as the failure to renew coincided with the consumer home video market that dawned in the late 1970s and exploded in the 1980s. No license fee for *It's A Wonderful Life* meant extraordinarily low cost and high profit margin for television stations and home video distributors.

The United States Supreme Court changed the copyright paradigm with its ruling in *Stewart v. Abend*.¹⁶ In *Stewart*, the Supreme Court ruled that a copyright owner maintains the exclusive right to allow or veto the exploitation derivative works based on the original or seminal work. Stern properly renewed the copyright to *The Greatest Gift* in 1971, the original work that was the basis for *It's A Wonderful Life*.¹⁷ Therefore, despite the film's copyright renewal lapse, *Stewart v. Abend* ensured that distribution of the film through television stations, home video companies, and movie theaters would trigger violations of the seminal work's copyright.

In the early 1990s, Republic used its provenance concerning Stern's story to ensure a limited exploitation of *It's A Wonderful Life*.

Republic regained control of the lucrative property in 1993 by flexing a new Supreme Court ruling that determined that the holder of a copyright to a story from which a movie was made had certain property rights over the movie itself. Since Republic still owned the copyrighted story behind *It's a Wonderful Life* and had also purchased exclusive rights to the movie's copyrighted music, it was able to essentially yank the movie out of the public domain: It claimed that since *Wonderful Life* relied on these copyrighted works, the film could no longer be shown without the studio's blessing. (Technically, the film itself is not copyrighted. One could hypothetically replace the music, rearrange the footage, and sell or show the new product—but no one has done this.)¹⁸

Since the mid-1990s, *It's A Wonderful Life* has aired exclusively on NBC at least once each December. Its limited exploitation does not, in any way, void its impact artistically, emotionally, or inspiringly.

It's a wonderful movie.

Yes, David, There Is a Santa Claus

Ancestrally speaking, Santa Claus has counterparts across the world—Das Christkind (Germany) and Sinterklaas (The Netherlands)—that form the foundation of his gift-giving tradition. He also owes a debt to Saint Nicholas, the fourth century patron saint of children and students. They and others under Saint Nicholas' purview, including sailors, benefited from the saint's generosity.

Or so the legend goes.

One story tells of a poor man with three daughters. In those days a young woman's father had to offer prospective husbands something of value—a dowry. The larger the dowry, the better the chance that a young woman would find a good husband. Without a dowry, a woman was unlikely to marry. This poor man's daughters, without dowries, were therefore destined to be sold into slavery. mysteriously, on three different occasions, a bag of gold appeared in their home providing the needed dowries. The bags of gold, tossed through an open window, are said to have landed in stockings or shoes left before the fire to dry. This led to the custom of children hanging stockings or putting out shoes, eagerly awaiting gifts from Saint Nicholas. Sometimes the story is told with gold balls instead of bags of gold. That is why three gold balls, sometimes represented as oranges, are one of the symbols for St. Nicholas. And so St. Nicholas is a gift-giver.¹⁹

To the extent that Santa Claus is a mythical character evolved from legend, he is also a mythical character enhanced by American popular culture. Santa's modern genesis begins in advertising.

White Rock used Santa Claus in an advertisement to promote its mineral water in the December 19, 1915 edition of *The San Francisco Examiner*. It shows Santa happily driving a delivery truck overcrowded with toys, wreaths, holly, and several boxes of White Rock water with the caption below the picture reading: *Santa Claus now includes the unsurpassed mineral water White Rock among his tokens of the Yuletide.*²⁰

White Rock followed with an advertisement showing Santa using a relatively new mode of transportation—flight—in the December 10, 1916 issue of *The New York Herald*. The caption reads: *He includes in all his modern equipment the unsurpassed mineral water White Rock.*

In 1922, America saw a version of Santa Claus from Coca-Cola. Fiercely proud of its holiday lineage, corporate history, and popular culture status, Coca-Cola preserves its heritage with requisite attentive care parallel

to that which safeguards the company's legendary secret formula for its namesake beverage.

The Civil War cartoonist Thomas Nast drew Santa Claus for *Harper's Weekly* in 1862; Santa was shown as a small elf-like figure who supported the Union. Nast continued to draw Santa for 30 years and along the way changed the color of his coat from tan to the now traditional red. Though some people believe the Coca-Cola Santa wears red because that is the Coke® color, the red suit comes from Nast's interpretation of St. Nick.

The Coca-Cola Company began its Christmas advertising in the 1920s with shopping-related ads in magazines like *The Saturday Evening Post*. The first Santa ads used a strict-looking Claus, in the vein of Thomas Nast.

At this time, many people thought of Coca-Cola as a drink only for warm weather. The Coca-Cola Company began a campaign to remind people that Coca-Cola was a great choice in any month. This began with the 1922 slogan "Thirst Knows No Season," and continued with a campaign connecting a true icon of winter—Santa Claus—with the beverage.

In 1930, artist Fred Mizen painted a department store Santa in a crowd drinking a bottle of Coke. The ad featured the world's largest soda fountain, which was located in the department store of Famous Barr Co. in St. Louis, Mo. Mizen's painting was used in print ads that Christmas season, appearing in *The Saturday Evening Post* in December 1930.

Archie Lee, the D'Arcy Advertising Agency executive working with The Coca-Cola Company, wanted the next campaign to show a wholesome Santa as both realistic and symbolic. In 1931, The Coca-Cola Company commissioned Michigan-born illustrator Haddon Sundblom to develop advertising images using Santa Claus—showing Santa himself, not a man dressed as Santa, as Mizen's work had portrayed him.

For inspiration, Sundblom turned to Clement Clark Moore's 1822 poem "A Visit From St. Nicholas" (commonly called "'Twas the Night Before Christmas"). Moore's description of St. Nick led to an image of Santa that was warm,

friendly, pleasantly plump and human. For the next 33 years, Sundblom painted portraits of Santa that helped to create the modern image of Santa—an interpretation that today lives on in the minds of people of all ages, all over the world.

From 1931 to 1964, Coca-Cola advertising showed Santa delivering (and playing!) with toys, pausing to read a letter and enjoy a Coke, playing with children who stayed up to greet him and raiding the refrigerators at a number of homes. The original oil paintings Sundblom created were adapted for Coca-Cola advertising in magazines, store displays, billboards, posters, calendars and even plush dolls. Many of those items today are popular collectibles.

The Coca-Cola Santa made its debut in 1931 in *The Saturday Evening Post* and appeared regularly in that magazine, as well as *Ladies Home Journal*, *National Geographic*, *The New Yorker* and others. The instantly popular ad campaign appeared each season, reflecting the times. One ad even featured Santa in a rocket!

White Rock continued its Santa Claus connection with a full-color depiction in an advertisement for the December 12, 1923 issue of *Life*. With a whiskey bottle, a White Rock bottle, and a glass seemingly filled with a combination of whiskey and White Rock water on his desk, Santa looks amused as he reads a letter in his full garb, including hat. White Rock followed with another ad in the December 4, 1924 issue of *Life* featuring Santa gladly holding a glass of White Rock, presumably on Christmas Eve as he just dropped toys off for kids. 1925 saw yet another Santa Claus ad.²¹

Caren Josephs knows the artistic challenges of creating effective advertising campaigns. A freelance Graphic Designer and Creative Director, Josephs' extensive advertising portfolio includes currently active national campaigns for Duracell Batteries, Ad Council, Playtex, and Post Cereals, with tenures at leading worldwide agencies—Grey Global Group, Rapp Worldwide, TBWA/Chiat/Day.

Santa Claus is an interesting icon for many companies' advertisements, particularly those of soda companies. Before White Rock and Coca-Cola, consumers generally saw soda as a product for the warm weather seasons—spring and summer. By using Santa Claus in the advertisements, the soda companies visually

communicated that soda is a year-round product.

Ironically, the entrenched winter image inspired a reversal of the paradigm in Pepsi's campaign that ran during the summer of 2011. Pepsi used Santa Claus in a beach setting to show that he is not merely a winter icon while also suggesting, of course, that he is not aligned only with Coca-Cola.

Because he is such a well-known figure, however, anything that changed the appearance of Santa Claus in a traditional setting triggered a backlash. Consumers were intensely aware of the elements of Santa's costume and personal effects. They wrote to advertisers if the portrayals did not precisely depict the character, from the direction of his belt buckle to the wearing of his wedding ring—the absence of the ring in some advertisements caused consumers to think he divorced Mrs. Claus!

As a spokesperson, Santa has many salient characteristics prized by advertisers, for example, credibility, affection, security, benevolence, and fame. By associating their product with Santa Claus in a well-constructed advertising strategy, companies hope that consumers will match the products with those factors.

Ultimately, Santa Claus is the arbiter of naughty vs. nice. Advertisers certainly want an association with the latter!

Although Santa Claus is, in fact, a public domain property, content creators can protect their unique interpretations of Santa Claus through copyright registration or trademark registration. Christmas is, after all, a season of commerce where merchants hope to see the color green not only in wreaths and trees, but also in their cash registers, a figurative description in the digital age where purchases via credit card and debit card are the norm.

Miracle on 34th Street depicts Santa Claus as a myth embodied by a refugee from a home for the elderly, a kind man who exudes kindness while using a cane more for affect than walking assistance. Naturally, he calls himself "Kris Kringle"—the American version of "Christkind" that Germany embraces as its Santa.

Kris stumbles into the spotlight on the morning of the legendary Macy's Thanksgiving Day Parade as he walks among the participants with his requisite cane. He notices that the actor assigned the role of Santa Claus is drunk. Doris Walker, Macy's Store Manager, quickly gives Kris

the job. When the crowd warms to Kris, Macy's hires him as its Santa for the Christmas season.

Dr. Pierce—Kris' overseer at the Brooks' Memorial Home for the Aged in Great Neck, New York—says that Kris' delusion is harmless. Macy's in-house psychologist, Granville M. Sawyer, disagrees—vehemently.

Sawyer has Kris admitted to Bellevue Hospital after Kris hits him on the head with an umbrella. Kris' physical response reflected a deep-rooted sensitivity to Sawyer's attempts to break the generous spirit of Alfred, a 17-year-old Macy's worker—Sawyer told Alfred that playing Santa Claus at the YMCA evidences a mental illness.

Fred Gailey, an attorney and Doris Walker's love interest, sacrifices his associate position at a prestigious law firm—Haislip Haislip MacKenzie Sherman and Haislip—to represent Kris as a solo practitioner at a New York Supreme Court hearing to secure his release. Gailey must prove that the delusion of Kris will not prove harmful to himself or others.

Gailey's strategy is to prove that Kris Kringle is who he claims to be. If he fails, Kris could be committed to Bellevue on a long-term basis. Gailey begins by calling R.H. Macy to the stand. With visions of negative headlines if he opposes Gailey's view—not to mention plummeting sales—the department store mogul testifies that he believes Kris to be Santa Claus.

Gailey follows by calling Thomas Mara, Jr., the son of the District Attorney, to testify. Realizing that continuing his legal arguments against Kris will shatter his son's trust, the D.A. retreats.

Your honor, the state of New York concedes the existence of Santa Claus. But in so conceding, we ask that Mr. Gailey cease presenting personal opinion as evidence. The state could bring in hundreds of witnesses with opposite opinions. But it's our desire to shorten this hearing rather than prolong it. I therefore request that Mr. Gailey now submit authoritative proof that Mr. Kringle is the one and only Santa Claus.

Judge Henry X. Harper concurred. He requested Gailey to submit "competent authority" that would prove Kris is Santa Claus. On December 24th, Gailey's outlook was bleak. He was due before the court to present his case, such as it was. Gailey had nothing to offer. Yet earlier that day, a postal worker had a brainstorm when he found out about the hearing. Presumably working at Manhattan's Post Office branch on 34th Street and Eighth Avenue, one block from Macy's, the worker suggested to his boss that they send the thousands of Santa Claus letters to Kris at the courthouse.

With the letters, Gailey satisfies the "competent authority" requirement of Judge Harper—the United States Post Office is a branch of the federal government, a de facto and de jure "competent authority" with the necessary weight.

In *Miracle on 34th Street*, the film's title perhaps reflects the miracle of changing the mind of Doris Walker and her daughter, Susan. Initially cynical, they do not believe in Santa Claus. Doris turns first and shares her newly discovered mantra—"Faith is believing in things when common sense tells you not to." Susan, however, remains adamant because she did not get the Christmas gift she deeply desires—a home in the suburbs. She confided as much to Kris earlier in the film.

At a Christmas morning party at the Brooks' Memorial Home for the Aged, Kris gives Fred and Doris alternative directions back to Manhattan. On their way, Susan shouts for "Uncle Fred" to stop the car—she sees her dream house and sprints up the walkway. It is vacant with a For Sale sign.

Fred embraces Doris after Susan gleefully reveals her mother's statement about faith. He tells Doris that they cannot let Susan down, a clear signal that they will marry and move into the house as a family. "I must be a pretty good lawyer. I take a little old man and legally prove that he's Santa Claus. Now, you know that..." Fred says with his voice trailing off as he notices a cane in the corner of the room.

"Oh, no. It can't be. It must have been left by the people that moved out," surmises Doris.

"Maybe," responds Fred with a new belief in Kris' potential influence beyond the simple gentility of an elderly man seeking to spread kindness in a Santa Claus avatar. "Maybe I didn't do such a wonderful thing after all."²²

Miracle on 34th Street may have benefited from Christmas magic. It received several Oscars—Best Writing (Original Story), Best Writing (Screenplay), and Best Actor in a Supporting Role for Edmund Gwenn, the film's portrayal of Santa Claus.

John Payne plays Fred and Maureen O'Hara plays Doris Walker in *Miracle on 34th Street*. Payne and O'Hara worked together previously in *Sentimental Journey* (1946) and *To the Shores of Tripoli* (1942). Natalie Wood plays Susan.

In the end, everybody got a Christmas gift that transcended previous belief systems seemingly entrenched, impenetrable, and intractable—Susan got her dream house. Doris enjoyed newfound faith. Fred won a seemingly impossible case by legally proving the existence of Santa Claus.

Miracles really do happen.

Or at least they should, especially during the holiday season.

Endnotes

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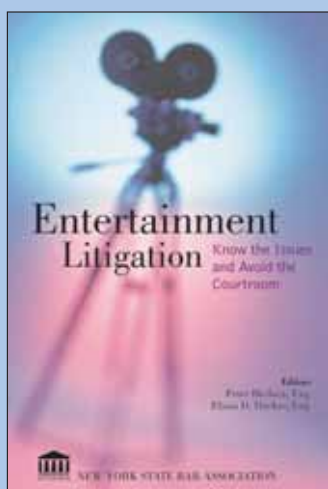
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NEW YORK STATE BAR ASSOCIATION

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January 23-28, 2012

Hilton New York

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Entertainment, Arts and Sports
Law Section Meeting and Program

Monday, January 23, 2012

Save the Dates

